



Instant Insight  
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## IBM Web Services Platform Positions It in the Vanguard

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IBM has announced its DB2 Integrator Series that includes Integrator 8.1 and Integrator 8.2 for providing access to data and content from disparate enterprise applications. These products are intended to help customers access, integrate, and analyze all forms of information contained in sources situated across and beyond the enterprise. Specifically, IBM states Integrator can move information “on demand” from single subject databases to an integrated information infrastructure. Additionally, IBM states that its approach complements the consolidation of data for local access, and asserts it has developed a new way of interacting with data called “integrated access to distributed sources.” Key features of these products include:

- Ability for an enterprise to reduce the need to move its data or replace its current IT infrastructure;
- Decreased time required to complete business integration projects ;
- Increased developer productivity in integration projects;
- Ability to access and read/write diverse data located in diverse content sources;
- Enhancement of the query optimizer technology that seeks to reduce IT staff burden of tuning distributed queries;
- Ability to cache and replicate across and between heterogeneous information;
- Ability to integrate disparate data and content via integrated views.

### **Pricing/Availability**

The DB2 Information Integrator and DB2 Information Integrator for Content are currently available in beta form for customers and partners. Final pricing and availability were not announced.

### **Net/Net**

Although the numbering scheme would imply that these are evolutionary enhancements to the existing product, we believe that this offering represents an inflection point for IBM and, possibly, the IT software industry. It seems clear that IBM is continuing its drive towards Web Services. Heretofore, Web Services have provided a standard method to do what existed in Enterprise Application Integration (EAI) software by providing a standard for inter-application communication and sharing of information. Although IBM says that connector companies such as I2 will continue to create value for the enterprise, we believe this announcement opens the door to a new view of enterprise connectivity.

Instead of viewing applications such as ERP as a source of data for a collaborative SCM system, IBM’s approach effectively asserts that each application (or for that matter each function of an application) is a potential node of an enterprise application system. We think this approach may redefine the enterprise application market to the benefit of enterprise software consumers and perhaps a new cadre of application developers.

Siebel, for instance, perceives the potential with IBM to create what it calls blended CRM applications. These make it possible to link custom-developed applications with standard applications. But we think IBM goes further, allowing buyers of software to potentially pull apart bundled applications including those that are part of large CRM and ERP installations to select best of breed components to create a unique application set. This means, for instance, that users would be able to buy eSales applications from Siebel and eSupport modules from PeopleSoft. We believe this would create two new classes of applications that we call Micro and Macro Applications: both have the potential to extend what now lives in the databases of existing applications. These “dataless” applications would use data from existing applications to perform new business functions. It is envisioned that Micro applications could extend the functionality of an application or connect several applications. For example, a service level agreement application could both use and share information with CRM systems. Macro applications will create a composite customer record that can be used by electronic support, marketing, sales, and order entry systems.

We expect BEA will follow IBM’s lead in providing support for these new application types. Moreover, given the increasing importance of the application server and the ability for IBM to sell off its position DB2, we would not be surprised if Oracle finds IBM’s moves would make BEA a very attractive acquisition.

Overall, we believe IBM’s announcement creates a new view of Web Services, which will force developers and enterprises alike to rethink what lives in specific applications and where and how they can leverage the rest of an enterprise IT ecosystem. With this announcement, IBM has placed itself in the vanguard of next generation application software infrastructure. Further, existing application vendors, especially the vendors of large, integrated enterprise applications, must prepare themselves for the shifting sands of change and anticipate the effect on their bottom line lest they be left with a business focused on a dwindling existing customer base.