



IBM Acquires Trigo

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IBM is acquiring **Trigo Technologies**, a leader in the Product Information Management (PIM) space, in an all-stock transaction that is expected to be finalized early this summer.

The Bottom Line: IBM's acquisition moves enterprise data management into a mainstream infrastructure role well beyond PIM and data synchronization initiatives in the Consumer Products (CP) and Retail supply chain.

What It Means: Big Blue has long been a big supporter of data synchronization and the need for central data coordination in the CP industry, particularly as a prerequisite for Radio Frequency Identification (RFID), but now IBM is stepping up its commitment.

The implications are many, including the following:

- **PIM becomes a cornerstone for enterprise data management.** IBM's software group is behind the acquisition, and the Trigo product will be positioned as middleware alongside *WebSphere*. While PIM vendors traditionally don't play in the middleware space, most implementations use middleware components to get data in and out of a central data repository. IBM can now provide the whole package. One version of the enterprise truth is the critical basis for the Demand-Driven Supply Network (DDSN) tradeoff decisions that synchronize supply and demand. Even with an Enterprise Resource Planning (ERP) application in place, legacy data remains a problem. **SAP**, therefore, may feel the impact of this acquisition the most as it attempts to convince companies to delay their alternative PIM selections by rolling out its *Master Data Management (MDM)* product as an item repository to be used for data synchronization and infrastructure to tie together multiple instances. **The Takeaway:** Expect other infrastructure vendors like **Microsoft** and **BEA** to announce their own enterprise data management systems.
- **A positive for Trigo users.** While Trigo was one of the leaders in PIM for CP manufacturers and retailers, the acquisition lets the company grow even quicker. An industry-aligned IBM sales force of 15,000 is now ready to sell the product, not to mention the substantial development dollars that will be dedicated to improving scalability. **The Takeaway:** Current and prospective Trigo customers should continue with IBM-Trigo. Companies looking for a PIM product for data synchronization or as part of a larger infrastructure strategy should take a close look at IBM-Trigo.
- **The competition heats up.** IBM's commitment to the PIM market certainly validates the space, which will benefit the dozens of vendors with hosted and internal data repository and synchronization products. Although IBM's software group will position this as an infrastructure strategy, IBM's services arm and the current Trigo sales force will continue with the traditional data synchronization of behind-the-firewall data management and building trading partner communities. The combined Trigo-IBM presence will create a formidable competitor for companies like **GXS**, which recently acquired PIM vendor **HAHT Commerce**; **Comergent**, which acquired **Profile**; and **Velosel**, which is now one of the few remaining PIM pure plays with solid CP domain expertise and focus. **The Takeaway:** Expect further vendor consolidation as IBM and other large infrastructure players become the dominant providers. Retailers and CP manufacturers will start to look to these larger vendors instead of the myriad of small ones vying for attention.
- **Business Consulting Services (BCS) continues with data synchronization.** IBM will continue to maintain a separation of church and state in that BCS will remain objective about vendor selections and continue to partner with competitors to the software group, including **Velosel**, which has had a positive partnership with IBM for several years. **The Takeaway:** The services group will likely position the Trigo product in either the traditional PIM light or as a piece of an overall infrastructure strategy, depending on individual client needs. However, expect companies like **Accenture** and other system integrators to position themselves as a more vendor-neutral alternative to a Trigo-centric system.
- **Other industries targeted.** IBM's penetration is much bigger than CP and Retail, and it will likely bring PIM to many other industries. While CP manages one version of the truth in regards to item data, other industries have similar initiatives, although not mandated by customers in most cases. **The Takeaway:** Expect sales of the Trigo product to accelerate in High-Tech and Consumer Electronics as well as other data-intensive industries.

Conclusion: The acquisition of Trigo is a positive move for both vendors and the industry in general. It elevates the importance of enterprise data management and the role of PIM into an infrastructure application that can be used to tie together an enterprise with disparate business applications. It validates the overall data synchronization strategy that most CP manufacturers and retailers are undertaking and will promote adoption to accelerate the \$40B in savings being attributed to this initiative.

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