

EXCERPT

Worldwide Identity and Access Management 2009–2013 Forecast Update and 2008 Vendor Shares (Excerpt from IDC #219008)

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IN THIS EXCERPT

The content for this excerpt was taken directly from the IDC Market Analysis Report, Worldwide Identity and Access Management 2009–2013 Forecast Update and 2008 Vendor Shares, by Sally Hudson and Brian E. Burke (Doc # 219008). All or part of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, Essential Guidance, Methodology, and Synopsis. Also included are Table 1& 2 and Figure 1 & 2.

IDC OPINION

The worldwide identity and access management (IAM) revenue weathered the 2008 financial crisis and is poised to survive 2009 and grow steadily throughout the forecast period. We base this on the following:

- The now universal demand for corporate compliance (In light of the banking, financial, and manufacturing crises, compliance regulations will increase, not decrease, over the next several years.)
 - Compliance as the driving factor for up to 85% of all IAM purchases in 2008 and 2009
 - Increased need for security to combat ID fraud, ID theft, and corporate sabotage
 - A growing awareness of the need to protect corporate data at all levels of the organization
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IN THIS STUDY

This IDC study examines the identity and access management market for the period from 2006 to 2013. Worldwide market size is provided for 2008, with trends from 2007. Revenue and market shares of the leading vendors are provided for 2008. The vendor shares and competitive analysis contained herein update those found in *Worldwide Identity and Access Management 2008–2012 Forecast and 2007 Vendor Shares* (IDC #213650, August 2008). The forecast found in this document updates that found in *Worldwide Identity and Access Management 2009–2013 Forecast: The Initial View* (IDC #217212, March 2009).

Methodology

See the Learn More section for a description of the data collection and analysis methodology employed in this study.

In addition, note the following:

- The information contained in this study was derived from the IDC Software Market Forecaster (SMF) database as of June 2009.
- All numbers in this document may not be exact due to rounding.
- For more information on IDC's software definitions and methodology, see *IDC's Software Taxonomy, 2009* (IDC #216557, February 2009).

Identity and Access Management Market Definition

Identity and access management is a comprehensive set of solutions used to identify users in a system (employees, customers, contractors, etc.) and control their access to resources within that system by associating user rights and restrictions with the established identity.

Subcategories of the IAM market include Web single sign-on (WSSO) and federated single sign-on (FSSO); host/enterprise SSO; user provisioning, including granular authorization and policy rights; risk and entitlement management; advanced authentication software (e.g., PKI); and legacy authorization, such as Resource Access Control Facility (RACF) and ACF2. Software licensing and authentication tokens (SLATs) are now classified as a separate subcategory within IAM. These are parallel/serial port tokens or USB keys that authorize the use of software on a particular device. IAM also includes personal portable security devices (PPSDs), such as traditional hardware tokens and USB devices, as well as security smart cards for network access.

SITUATION OVERVIEW

The IAM Market in 2008

The worldwide IAM market reached \$3.4 billion in 2008, representing 8.8% growth over 2007.

Performance of Leading Vendors in 2008

Table 1 displays 2006–2008 worldwide revenue and 2008 growth and market share for IAM vendors. In detail:

- ☒ IBM Tivoli was the worldwide IAM revenue market leader in 2006 and 2007, and it once again leads the list in license and maintenance revenue for IAM software suites in 2008. The company offers enterprise customers a full suite of IAM products, with Tivoli Identity Manager (TIM), Tivoli Access Manager (TAM), and Resource Access Control Facility successfully deployed in many large and medium-sized IT organizations worldwide. IBM products are available on a wide range of platforms and operating systems, including PCs, Unix, and mainframes. In 2009, IBM has underscored its commitment to IAM and GRC, recently with announcements for closed-loop identity and access management, as well as other enhancements to its current product line.

TABLE 1

Worldwide Identity and Access Management Revenue by Vendor, 2006–2008 (\$M)

	2006	2007	2008	2008 Share (%)	2007–2008 Growth (%)
IBM	368	390	398	11.8	2.2
EMC	295	311	326	9.7	5.0
CA	332	324	320	9.5	-1.3
VeriSign	215	225	248	7.3	10.2
Oracle	105	171	180	5.3	5.6
Novell	97	104	117	3.5	12.0
Aladdin Knowledge Systems	77	91	107	3.2	17.9
SafeNet Inc.	88	98	106	3.1	8.4
Gemalto	42	62	98	2.9	59.2
HP	47	64	87	2.6	36.1

TABLE 1Worldwide Identity and Access Management Revenue by Vendor,
2006–2008 (\$M)

	2006	2007	2008	2008 Share (%)	2007–2008 Growth (%)
Hitachi	63	70	80	2.4	13.2
Quest Software	50	59	74	2.2	25.0
Fujitsu	47	51	61	1.8	20.1
Entrust Inc.	58	47	60	1.8	26.3
Microsoft	35	40	46	1.4	14.9
ActivIdentity	50	52	44	1.3	-14.8
BMC	30	31	36	1.1	15.1
NEC	26	26	32	0.9	21.0
Sentillion	18	19	30	0.9	54.4
Sun Microsystems	15	24	29	0.8	18.9
Red Hat Inc.	23	24	28	0.8	19.9
VASCO	9	25	28	0.8	10.6
Passlogix	22	25	27	0.8	7.9
Courion Corp.	17	19	20	0.6	6.8
Bull SAS	11	12	14	0.4	16.1
Axway	15	13	11	0.3	-10.9
Unisys	9	9	8	0.2	-16.5
Beta Systems Software AG	10	12	6	0.2	-50.3
SSH Communications Security	5	7	5	0.2	-26.0
Attachmate	4	4	4	0.1	14.4
Open Systems Management Ltd.	3	3	4	0.1	12.7
Keyware	4	3	3	0.1	-9.7
SAP	1	2	2	0.1	5.3
Sophos	14	17	–	0.0	NA

TABLE 1

Worldwide Identity and Access Management Revenue by Vendor,
2006–2008 (\$M)

	2006	2007	2008	2008 Share (%)	2007–2008 Growth (%)
Subtotal	2,202	2,434	2,638	78.0	8.4
Other	663	673	742	22.0	10.3
Total	2,865	3,107	3,381	100.0	8.8

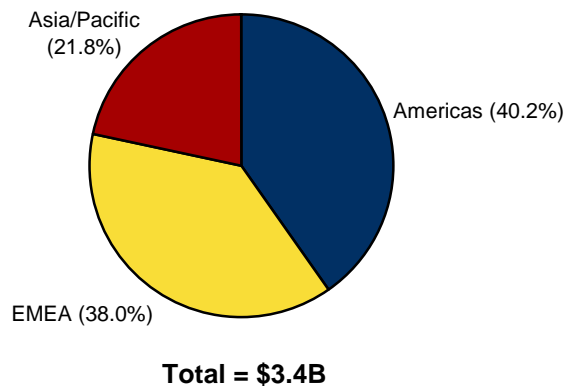
Source: IDC, June 2009

Performance by Geographic Region in 2008

North America again leads the worldwide IAM market, followed closely by EMEA. Asia/Pacific accounted for \$737 million of the IAM market in 2008 (see Figure 1).

FIGURE 1

Worldwide Identity and Access Management Revenue Share by
Region, 2008



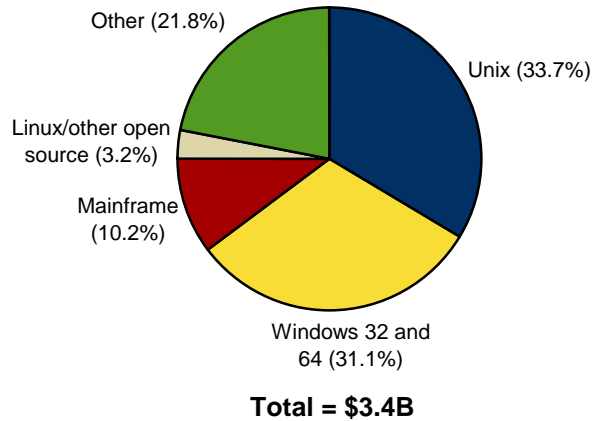
Source: IDC, June 2009

Performance by Operating Environment in 2008

Figure 2 shows the worldwide identity and access management revenue share by operating environment in 2008.

FIGURE 2

Worldwide Identity and Access Management Revenue Share by Operating Environment, 2008



Source: IDC, June 2009

FUTURE OUTLOOK

Forecast and Assumptions

Forecast by Region and Operating Environment

The worldwide IAM market is forecast to grow from \$3.4 billion in 2008 to \$4.8 billion in 2013, representing a 7.3% compound annual growth rate (CAGR). Table 2 displays the IAM forecast by region and operating environment. Figures 3 and 4 display this information in graphical form.

TABLE 2

Worldwide Identity and Access Management Revenue by Region and Operating Environment, 2008–2013 (\$M)

	2008	2009	2010	2011	2012	2013	2008 Share (%)	2008–2013 CAGR (%)	2013 Share (%)
Geographic region									
Americas	1,358	1,443	1,540	1,658	1,786	1,925	40.2	7.2	40.0
EMEA	1,286	1,425	1,564	1,714	1,820	1,932	38.0	8.5	40.1
Asia/Pacific	737	720	770	829	892	956	21.8	5.3	19.9
Total	3,381	3,589	3,874	4,201	4,497	4,814	100.0	7.3	100.0

TABLE 2

Worldwide Identity and Access Management Revenue by Region and Operating Environment, 2008–2013 (\$M)

	2008	2009	2010	2011	2012	2013	2008 Share (%)	2008–2013 CAGR (%)	2013 Share (%)
Operating environment									
Mainframe	345	379	417	451	477	498	10.2	7.6	10.3
Unix	1,138	1,268	1,412	1,543	1,641	1,725	33.7	8.7	35.8
Linux/other open source	109	136	178	230	286	353	3.2	26.5	7.3
Windows 32 and 64	1,050	1,163	1,347	1,559	1,768	1,985	31.1	13.6	41.2
Other	738	642	521	417	326	251	21.8	-19.4	5.2
Total	3,381	3,589	3,874	4,201	4,497	4,814	100.0	7.3	100.0
Growth (%)	8.8	6.2	8.0	8.4	7.1	7.0			

Note: See Table 4 for key forecast assumptions.

Source: IDC, June 2009

ESSENTIAL GUIDANCE

The future of IAM is driven by cost, compliance, and the ever-increasing need to secure systems and data. During the 2008/2009 time frame, we have seen more integration with traditional IAM technologies and security information and event management (SIEM) and, increasingly, data loss prevention (DLP). We expect this trend to continue.

The cloud, platform as a service (PaaS), and software as a service (SaaS) have all become common terms over the past several months. While the overall IAM forecast for license and maintenance revenue continues to show healthy growth throughout the forecast period, we believe more IAM offerings will be delivered as services starting in the 2010 time period. Organizations such as GLUU, an identity-as-a-service start-up, are starting to emerge as a solution to community identity management. Community identity management is fraught with security problems, and we believe the leading IAM vendors will be working to solve these challenges over the next several years.

Finally, as merger and acquisition mania may be slowing down in the traditional IAM software suite area, we see the opportunity for building out ecosystems to gain market share and benefit customers.

Methodology

The IDC software market sizing and forecasts are presented in terms of packaged software revenue. IDC uses the term *packaged software* to distinguish commercially available software from custom software, not to imply that the software must be shrink-wrapped or otherwise provided via physical media. Packaged software is programs or codesets of any type commercially available through sale, lease, rental, or as a service. Packaged software revenue typically includes fees for initial and continued right-to-use packaged software licenses. These fees may include, as part of the license contract, access to product support and/or other services that are inseparable from the right-to-use license fee structure, or this support may be priced separately. Upgrades may be included in the continuing right of use or may be priced separately. All of the above are counted by IDC as packaged software revenue.

Packaged software revenue *excludes* service revenue derived from training, consulting, and system integration that is separate (or unbundled) from the right-to-use license but does include the implicit value of software included in a service that offers software functionality by a different pricing scheme. It is the total packaged software revenue that is further allocated to markets, geographic areas, and operating environments.

The market forecast and analysis methodology incorporates information from five different but interrelated sources, as follows:

- ☒ **Reported and observed trends and financial activity.** This study incorporates reported and observed trends and financial activity in 2008 as of the end of March 2009, including reported revenue data for public companies trading on North American stock exchanges (CY 1Q08–4Q08 in nearly all cases).
- ☒ **IDC's Software Census interviews.** IDC interviews all significant market participants to determine product revenue, revenue demographics, pricing, and other relevant information.
- ☒ **Product briefings, press releases, and other publicly available information.** IDC's software analysts around the world meet with hundreds of software vendors each year. These briefings provide an opportunity to review current and future business and product strategies, revenue, shipments, customer bases, target markets, and other key product and competitive information.
- ☒ **Vendor financial statements and related filings.** Although many software vendors are privately held and choose to limit financial disclosures, information from publicly held companies provides a significant benchmark for assessing informal market estimates from private companies. IDC also builds detailed information related to private companies through in-depth analyst relationships and maintains an extensive library of financial and corporate information focused on the IT industry. We further maintain detailed revenue by product area models on more than 1,000 worldwide vendors.
- ☒ **IDC demand-side research.** This includes interviews with business users of software solutions annually and provides a powerful fifth perspective for

assessing competitive performance and market dynamics. Direct conversations with technology buyers provide an invaluable complement to the broader survey-based results.

Ultimately, the data presented in this study represents IDC's best estimates based on the above data sources as well as reported and observed activity by vendors and further modeling of data that we believe to be true to fill in any information gaps.

The data in this study is derived from all the above sources and entered into the Software Market Forecaster database, which is then updated on a continuous basis as new information regarding software vendor revenue becomes available. For this reason, the reader should note carefully the "as of" date in the Methodology discussion within the In This Study section, near the beginning of this study, whenever making comparisons between the data in this study and the data in any other software revenue study.

Historical Market Values and Exchange Rates

Historical market values presented here are as published in prior IDC documents based on the market taxonomies and current U.S. dollar exchange rates existing at the time the data was originally published. For markets other than the United States, these as-published values are therefore based on a different exchange rate each year.

Because many individual countries contribute to regional totals, it is difficult to give precise differences between current and constant currency values in this document. However, the scale of the difference can be understood from the movement of the U.S. dollar against major regional currencies. Customers should consider multiplying regional historical market values for each year by the change in value of the U.S. dollar against representative currencies in the region. This will provide a better approximation of local market growth. For example, to restate 2007 EMEA values into 2008 dollars, one would adjust the 2007 value upward by 7% (because the dollar fell against the euro in 2008).

Please refer to IDC's regional research studies containing historical forecasts for multiple countries for more accurate regional growth in local currencies. Note that this discussion applies only to historical values prior to 2008. 2008 and all future years are forecast at a constant exchange rate.

Synopsis

This IDC study examines the identity and access management market for the period from 2006 to 2013. Worldwide market size is provided for 2008, with trends from 2007. Revenue and market shares of the leading vendors are provided for 2008.

"The identity and access management market continues to thrive despite the economic downturn," according to Sally Hudson, research director, IDC's Identity and Access Management product service. "This is because security and compliance are not optional in today's enterprise computing environment, and identity management technologies provide the foundation for these initiatives."

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