QUICK TAKE

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IBM's Information On Demand: A Visionary Work In Progress

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EXECUTIVE SUMMARY

Enterprises deal with the growing complexities of managing information every day. In response, software vendors offer a variety of technologies to help firms meet the challenges of managing information and delivering it efficiently to applications, business processes, and information workers. No one supplier has the product portfolio to offer a completely holistic information management solution that spans structured and unstructured data, but IBM comes very close and is far ahead of other vendors. The company's Information On Demand (IOD) strategy aims high and gets the message right. But at the same time, the strategy brushes aside product gaps and calls into question IBM's ability to execute, given its corporate culture, and the structure and compensation model of its sales team. IBM has a sweeping vision, and almost all the pieces for delivering information as a service, but needs to coax divisions into collaborating and incent its sales force to start selling more than a mere laundry list of products.

RESEARCH CATALYST

On September 9, 2005, IBM introduced industry analysts to its vision of information as a service, which is part of the company's Information On Demand strategy.

IBM NAILS THE MESSAGE

Enterprises are increasingly recognizing information as a valuable asset, and realizing that their return on information is startlingly low.[1] But firms that do undertake information management initiatives are often overwhelmed by the sheer breadth of these projects, encompassing a variety of technologies from databases and data warehouses to enterprise content management (ECM), search, and text mining to integration technologies such as extract, transform, and load (ETL). These projects require a strong information management strategy, a well-designed information architecture, and the ability to manage a slew of vendors toward one goal — all of which is much easier said than done.[2]

Given the challenges that enterprises face in effectively managing information, IBM's Information On Demand strategy should certainly pique interest. According to Andrew Warzecha, IBM's Director of Strategy for Information Management Software, IOD is about:

> "Creating business value by integrating, analyzing, and optimizing heterogeneous types and sources of information throughout its life cycle to manage risk and create new business insight."

INFORMATION ON DEMAND MUST BE MORE THAN A PRODUCT LIST

To be sure, IOD can't be delivered without a broad array of products and services, but there's as much difference between a holistic architecture and a list of license numbers as there is between data and information. IOD is a conceptual whole that must turn into practical reality:

- **High expectations.** A wide variety of IT projects must intuitively fit into the IOD vision; IT must expect that to be true and be disappointed when it's not.

- **Consistent experience.** Different products must have a consistent look and feel, encompassing everything from integrated development environments and programming languages, to naming conventions and documentation formatting.

- **Continuous improvement.** As customer needs, market trends, and external technologies change over time, IOD must keep up.

To deliver IOD, IBM is providing a spectrum of software products, including:

- **Data management:** The DB2 RDBMS family, IMS, Informix, Cloudscape, U2, and QMF.

- **Integration:** WebSphere Data Integration Suite, WebSphere Information Integrator, WebSphere DataStage, WebSphere QualityStage, WebSphere ProfileStage, WebSphere MetaStage.

- **Content management:** DB2 Content Manager, DB2 Records Manager, DB2 CommonStore, Workplace for Team Collaboration, Workplace Web Content Management.

- **Business intelligence (BI):** DB2 Data Warehouse Edition, DB2 Entity Analytics.

- **Enterprise master data solutions:** WebSphere Product Center, WebSphere Customer Center, Financial Services Solution Centre.

In addition, IOD brings together the Tivoli and Rational software lines with storage management and professional services through IBM's Business Consulting Services (BCS) division (see Figure 1).

IBM's middleware products will be focused on keeping information responsive to and consumable within processes. This group of products gives IBM the ability to address people, process, and information across its middleware offerings and to provide the foundation for delivering information to workers through IBM's Information Workplace offering.[3]

Figure 1 Information On Demand — Delivering An Ecosystem Of Services
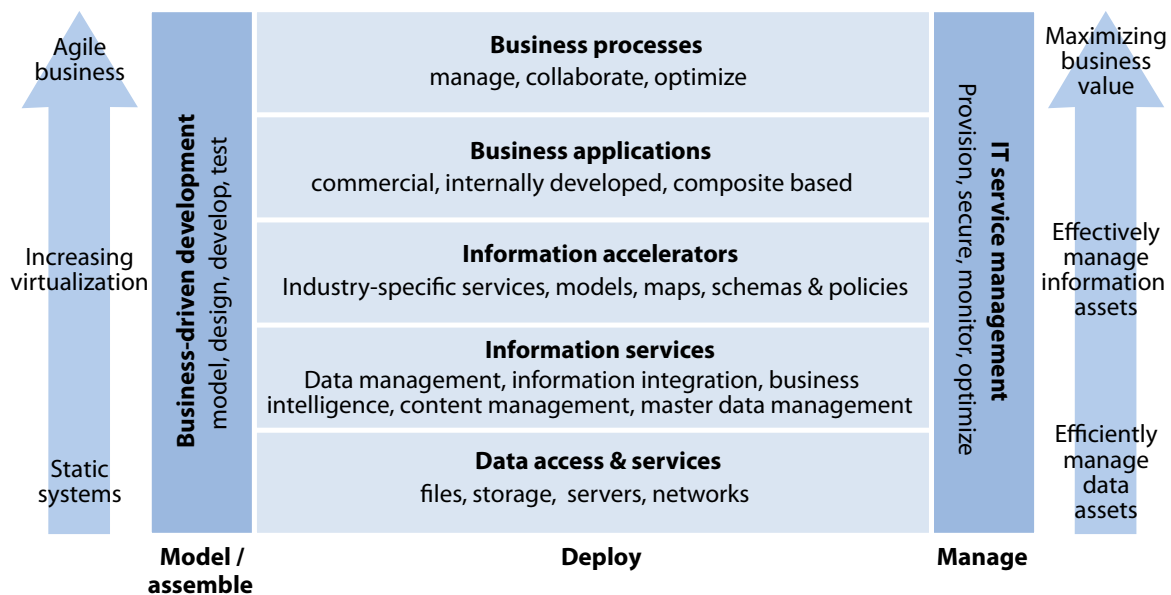
Source: IBM

Source: Forrester Research, Inc.

While IBM's middleware forms the core capabilities to provide Information On Demand, there are two other major components that IBM promotes as part of IOD:

- **Master data management (MDM).** This is to ensure consistent master information across transactional and analytical systems by enforcing consistency among individual transactional applications in real-time.

- **Information integration.** This means to provide the ability to combine any kind of data or content from any kind of repository, be it internal or external to the organization, via any kind of usage model (i.e., standards- or services-based APIs), or driven by schedules or events.

On top of the IOD components, IBM provides accelerators — sets of best practices for using information services in applications and processes. For example, MDM accelerators cover new product introduction and global data synchronization.

EXECUTION REQUIRES ORGANIZATIONAL CHANGE AND PARTNER BUY-IN

The bottom line for any software company is selling products. IBM is no different — salespeople are compensated based on the number of products they sell and executives are rewarded for the revenues their groups or divisions generate. Because IOD is not an actual product that can be sold — just a concept that encompasses real products — selling it requires either a dedicated sales force or mass cooperation between different sales forces, sometimes across different divisions. Neither

option is too promising; a dedicated sales force for IOD means cannibalization of potential sales for existing sales reps, while mass cooperation is unlikely without the right incentives. IBM has not indicated any kind of sales compensation changes on the horizon for the IOD initiative.

Delivering IOD will also require IBM to depend more on its partner ecosystem than ever before — this means both its internal partners with IBM Global Services and Business Consulting Services, as well as external partners for product functionality. Consulting partners will be important to deliver industry-specific information solutions and to create additional accelerators. External partners will be critical to fill product gaps in IBM's information landscape. The most glaring product gaps are Web content management, strong document management, and business intelligence.[4] Acquisitions are likely in the content space, but unlikely for business intelligence, because IBM sees BI as an application — which it intends to stay away from. But because business intelligence plays such a large role in IOD, it leaves IBM very partner-dependent for a primary IOD component.

THE PRODUCTS ARE SOLID, BUT THE PROMISES WILL BE HARDER TO DELIVER

Product gaps are not the only concern for IBM; the company has spent more than $1.5 billion acquiring the functionality necessary to deliver its vision of IOD, and now it needs to integrate those products into the IOD offering. In the past year and a half alone, IBM has acquired Ascential for data integration, DWL for customer data integration, Trigo for product information management, Green Pasture for document management, Venetica for content integration,[5] Alphablox for BI application development, SRD for entity and identity assessment[6], and PureEdge for e-forms functionality.

Integrating these acquisitions will take time and even more money — it won't happen overnight and lessons learned may come at the expense of current customers. For many potential customers, especially those concerned about placing too many eggs in one vendor basket, the IOD message will simply sound too good to be true.

One product that IBM did not spend much time on, in the context of IOD, is IBM Workplace. This omission is significant given the importance of the information workplace to information access. The IBM Workplace product will eventually take over much of the collaboration and human interaction functionality offered by the Lotus family of products.[7] But, while information delivery is covered well by the IOD vision, information access was barely mentioned at all. For a company focused on delivering the full spectrum of information management and on winning the Information Workplace battle, this is a major omission and something IBM consistently leaves out of the information management discussion.

That said, IBM's vision for IOD is unmatched by any other vendor, including Microsoft and Oracle. And, IBM has a more comprehensive view of MDM than vendors like SAP, and has the services organization to assist companies in implementing MDM strategies and approaches. If IBM can provide the right incentives to its sales force, do a decent job of integrating recent acquisitions, fill

the few missing holes in its product portfolio, and get its partners to buy into the IOD vision, the company stands to take a leading role in providing information management solutions.

R E C O M M E N D A T I O N S

CONSIDER IBM FOR INFORMATION MANAGEMENT NEEDS, BUT ASK ALL THE RIGHT QUESTIONS

IBM's IOD strategy and vision has to put it on the shortlist for many information-intensive solution purchases. But firms considering IBM must look beyond the vision to ensure that IBM's present product and services mix meets their priority requirements. In addition, firms should:

- **Force IBM to creatively price IOD.** IBM's IOD announcement did not include any details on pricing. One of the keys to achieving the IOD vision will be the ability to create packages that work for a given customer's requirements and that aren't simply about selling more IBM products.

- **Beware of salespeople trying to move product.** One sign that IBM's culture is not changing to support the IOD vision will be salespeople more concerned with product numbers than creating a solution that works for the customer. If there is a sense that the salesperson only cares about product sales, sound the alarm.

- **Understand where, when, and how IBM Workplace fits into the mix.** While information needs today may be prioritized around feeding applications and processes, they will undoubtedly at some point include the feeding of information workers. The IOD vision, today, is strong on information delivery, but not on access. Be sure to press IBM on how the Workplace product will be integrated into the IOD vision.

W H A T   I T   M E A N S

INFORMATION GETS SEEN AS THE STRATEGIC ASSET IT IS

The battle for the still nascent information management market is just beginning and will play out over the next several years. IBM's IOD strategy addresses the delivery of information to applications and processes, and promises to help reduce some of the complexities of doing so. When a vendor the size of IBM puts its resources behind information, it says much about the value of information — and means it won't be long before other vendors begin to focus on providing competitive solutions. But because of IBM's breadth and depth in hardware, software, and services, and its focus on both structured and unstructured information, it will be hard for other vendors to beat IBM across the board. IBM has been amassing a war chest of information management products, and if it: 1) focuses on integrating the products it has acquired, 2) makes them really easy to use and install, 3) works collaboratively across divisional boundaries, and 4) aligns the IOD strategy with sales compensation and executives' bonuses — IBM will be extremely formidable in the information management market.

ENDNOTES

[1] Most enterprises are drowning in a sea of unorganized information, unable to leverage its full potential. As an example, firms routinely fail Forrester's Customer Experience tests in areas that leverage information in customer interactions such as email service and phone self-service design. See the July 12, 2005, Best Practices "A New Perspective On Information Management."

[2] Information architecture helps IT address business needs by providing a framework to map and describe an enterprise's information assets and their relationship to processes and systems. See the September 9, 2005, Best Practices "Simplifying Information Architecture."

[3] Forrester defines the Information Workplace as "a software platform now emerging to support all types of information workers by providing seamless, multimodal, contextual, mobile, right-time access to content, data, voice, processes, expertise, business intelligence, eLearning content, and other information through the use of portals, collaboration tools, business process management, content repositories, content analytics, taxonomies, search, information rights management, and other emerging technologies." See the June 1, 2005, Forrester Big Idea "The Information Workplace Will Redefine The World Of Work — At Last!"

[4] While IBM did acquire Web content management functionality via the Aptix purchase, Aptix only provided Web publishing capabilities for the portal.

[5] IBM has made a small but significant acquisition with the purchase of Venetica, a content integration vendor. This deal provides a key building block for integrating structured and unstructured data to support business processes such as customer service, product marketing, contract management, warranty management, and homeland security. See the September 2, 2004, Quick Take "IBM Makes Strong Move Buying Venetica."

[6] IBM's acquisition of SRD adds capabilities to the DB2 family but at a cost few can afford. See the May 16, 2005, Trends "Identity Assessment Can Save The World — If The World Can Afford It."

[7] Lotus Notes/Domino and IBM Workplace are still separate platforms, but integration and interoperability have improved. While IBM Workplace is the strategic direction for the company, the Lotus Domino brand and platform will not disappear. See the February 8, 2005, Quick Take "IBM Workplace Is Taking Shape."