

MARKET ANALYSIS

Application Deployment Platform Software Market, 2000–2002, with Leading Suppliers

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IDC OPINION

The application deployment platform (ADP) software market has become a reflection of the overall software and information technology (IT) markets because of the market's increased size and because of its pivotal role at the point where applications meet infrastructure and where solutions meet systems. So it is not surprising that the ADP software market "went negative" in 2002 (versus 2001), decreasing almost 7% to under \$4 billion, tracking the overall IT market down. But that deflation hides a variety of observations and opportunities:

- ☒ A convergence of application server and integration server platform software functionality continues as predicted by IDC in 2000.
 - ☒ As is true of any maturing market, midmarket strategies started to come into play in 2002, resulting in lower "price book" and "street level" price points (including practically a "zero" price point from Microsoft); the lower price points of course contributed to the deflation in the market (even if user demand, interconnected "points," or other market metrics actually grew).
 - ☒ IBM continued its long-time lead of this IDC market aggregation (combining markets IDC calls application server and integration server platform software) but 15 other suppliers also found opportunity in one or both of these software markets, and the leaders grew as a group even as the overall market deflated, another sign of market maturity.
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IN THIS STUDY

This IDC study is a capsule view of the 2002 results in the applications deployment platform (ADP) software market, which is the aggregate of the application server software and integration server software platform (ASSP and ISSP) markets. Market shares and growth rates for the top 10 suppliers in the two individual markets and the aggregate, with high-level commentary, are included. A detailed IDC competitive-analysis study is forthcoming; a forecast of this market is also available (see *Preliminary Worldwide Application Deployment Platform Software Forecast, 2003–2007*, IDC #29025, March 2003) and is updated at least twice a year.

SOFTWARE MARKET MEASUREMENT METHODOLOGY

Bottom-up company-level data collection in support of this market measurement took place between February and April 2003 with in-depth vendor surveys and analysis to develop detailed 2002 company models by market, geographic region, and operating environment (and to recast 2000 and 2001 models as needed). In addition, also note the following:

- Revenue equals license revenue and license-related service fees, typically subscription maintenance fees; fees for related training, implementation, and other professional services are not included.
- The information contained in this bulletin was derived from the IDC Software Market Forecaster database as of May 7, 2003.
- Unless a company or market dollar or percentage result that is changed by updates in the Software Market Forecaster (SMF) database changes previous analysis and opinion, it is typically not mentioned; be careful in comparing documents that include results and/or forecasts for the same market, with different source dates, because these SMF database model changes occur frequently.
- In particular, major changes in individual company results, functional market definitions and the software market taxonomy hierarchical structure in 2003 invalidates direct comparison of this information to any previously published data.
- For more information on IDC's software definitions, see *IDC's Software Taxonomy, 2003* (IDC #28820, February 2003)

APPLICATION DEPLOYMENT PLATFORM SOFTWARE MARKET DEFINITIONS

In the IDC taxonomy, there are two types of ADP software:

- Application server software platforms (ASSPs) supply at least the minimum set of services required to deploy interoperable components as coherent applications. ASSP products perform one or more of the following functions (business logic and event monitoring integration, data access and integration, and/or transactional and analytical application integration) in the "logical" middle tier of a distributed multiple-tiered environment of clients, back-end applications code, and data sources. They provide what is increasingly being called a service-oriented architecture. That minimum set of services supports distributed, component-based solutions; security; a single and well-defined developer interface; runtime load balancing; and data persistence; of course, ASSPs can provide other services (using that word in a computer science sense).

- ☒ Integration server software platforms (ISSPs) provide a centralized infrastructure for both supporting application services (see ASSP definition above) and automating business processes and workflow. These products are different from the ASSP products described above in that they are primarily concerned with integrating existing standalone applications and providing a deployment platform for implementing meta-applications or automating business processes by providing the facility to perform one or more of the following tasks:
 - ☐ Significantly transform the content of messages beyond what is needed to simply translate between message formats
 - ☐ Respond to queries and take other automated actions based on business logic and/or rules that are specific to the context in which the software is being used
 - ☐ Integrate multiple custom and/or third-party applications

However, ISSPs often leverage point-to-point middleware and integrate components in the same way that ASSPs do. It is therefore increasingly more important in terms of market dynamics to look at the ADP software market aggregation (the combination of the two markets described in this Insight); the two separate markets began to merge in the 2001–2002 time frame (with each other and with legacy middleware).

SITUATION OVERVIEW

ADP SOFTWARE MARKET

ADP software products are development and execution environments used for business logic and event monitoring integration, data access and integration, and/or transactional and analytical application integration.

ADP products are the successors, in terms of both market demand and dynamics, to point-to-point application- and data-connectivity products such as transaction monitors (TMs) and message-oriented middleware (MOM). They are typically built on synchronous and/or asynchronous communication mechanisms in the same way as TMs or MOM software (although ADP software products also can be based on remote procedure call [RPC] or object request broker [ORB] connectivity mechanisms). In addition, some current portal technology provides an alternative approach to implementing application/data integration functionality, and some suppliers, Oracle in particular, actually include the portal in the ADP software product (i.e., Oracle does not market or price its portal separately).

As illustrated in Table 1, the ADP software market deflated in 2002 to below \$3.9 billion, from \$4.1 billion in 2001. This deflation was somewhat a sign of the 2002 economy but also a sign of market maturity and other dynamics (e.g., Microsoft "giving away" ADP functionality in Windows Server 2003, which the developer community anticipated and/or beta-tested all during 2002). While the market stagnated in total, the leaders grew as follows:

- ☒ The top 10 grew ADP software revenue 1% as a group worldwide.
- ☒ The top 3 — IBM, BEA, and Oracle — grew ADP software revenue 17%, 10%, and 8%, respectively.

Both of these trends are a sign of market maturity.

As a result, IBM has 23% share (up from 18.5%), BEA has 17% share (up from 14.7%), and Oracle has 10% share (up from 8%). When the market view is broadened to encompass the legacy middleware that ADP software is increasingly replacing at user sites (calculations not shown), IBM has 26%, BEA has 14%, and Oracle has 7% of a \$5.4 billion market (and this does not include mainframe CICS and TPF).

Other leaders in the top 10 of the worldwide ADP software market include TIBCO, webMethods, Sybase, Seebeyond, Iona, Sun, and Mercator. In this group, which along with the top three suppliers makes up more than 70% of the market as measured by worldwide software revenue, results were more mixed in 2002. webMethods and Sybase continued their winning ways, but the results for others ranged from disappointing to disastrous.

TABLE 1

WORLDWIDE APPLICATION DEPLOYMENT PLATFORM SOFTWARE MARKET, 2000–2002 (\$M)

	2000	2001	2002	2001–2002 Growth (%)	2002 Share (%)
IBM	523.0	761.0	894.0	17.5	23.3
BEA Systems	394.0	606.3	664.3	9.6	17.3
Oracle Corp.	171.6	336.3	363.2	8.0	9.5
TIBCO Inc.	214.5	231.7	186.7	-19.4	4.9
webMethods Inc.	132.8	156.0	165.8	6.3	4.3
Sybase Inc.	90.1	95.1	116.3	22.3	3.0
SeeBeyond	79.1	135.9	105.2	-22.6	2.7
Iona	125.0	150.0	100.0	-33.3	2.6
Sun Microsystems Inc.	181.3	187.0	99.2	-46.9	2.6
Mercator Software	118.1	94.5	84.4	-10.7	2.2
Top 10 subtotal	2,029.5	2,753.8	2,779.1	0.9	72.5
Other	1,373.2	1,358.2	1,055.0	-22.3	27.5
Total	3,402.7	4,111.9	3,834.0	-6.8	100.0

Notes:

The ADP software market represents the aggregation of integration and application server software platforms as described in detail in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Software revenue equals license and license-related services revenue (primarily the flow of annual subscription maintenance revenue) as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Source: IDC, May 5, 2003

Table 2 illustrates another view of the 2002 ADP software market: operating environment revenue stream for these 10 leaders and all other ADP software suppliers as a group "Other." It illustrates, of course, that IBM generates a large revenue stream from mainframe-based systems, BEA retains its long-held leadership ranking in terms of supplying Unix-based ADP software, and that — unlike in other software markets — no supplier is overly dependent on (or committed to) Windows. This is true of course because of the Microsoft strategy of bundling much of this sort of functionality into its operating system, just as it has long bundled RPC and ORB functionality.

A forthcoming IDC competitive analysis will also look at this revenue flow from a geographic perspective. But it is important to keep in mind that there are many other, possibly more important metrics for market success in the interoperability battle (which is what the ADP software market is all about in the end). Some of these, which IDC will be exploring in this subscription research service during 2002, include:

- Ways in which ADP software is deployed by value proposition (Did I buy it to do Web services, set up portals, integrate ERP, all of the above, etc.?)
- Does this revenue represent development or runtime instances?
- How did a supplier perform in the market when measured by license revenue only?
- Industry penetration
- Relationship to brand/type of other software already installed (Am I using this ADP software because it works well with a certain database or operating system?)
- Brand name and/or design characteristics (almost all of the leaders' revenue streams represented in Table 1 involve multiple brands and/or different products sold under a single brand)
- Are the deployments enterprisewide or supporting individual groups?
- How does the market shape up in terms of size of company into which the ADP software is deployed?
- Primary function (integrating packaged applications versus integrating in-house-developed applications)

A P P L I C A T I O N A N D I N T E G R A T I O N S E R V E R M A R K E T S

In addition to looking at the convergence of application deployment platform software, IDC continues to monitor and measure the separate application server software platform and integration server software platform markets, because the convergence that we think is a key market trend will not be complete for some number of years.

As illustrated in Table 3, BEA and IBM are tied for leadership in the application server software platform (ASSP) market, the more mature of the two markets that comprise the ADP software market. Be careful of terminology however: "application server" does not mean exactly the same thing in these tables (e.g., Oracle bundles its portal and integration server into the product revenue stream measured here).

As the more mature of the two markets, no other supplier among the ASSP market leaders showed growth, but MicroFocus actually had a banner year, given that it was its first year marketing application server functionality. Perhaps it is the last gasp for COBOL, but it serves as an example of real opportunity nevertheless.

(Please note that MicroFocus may have shipped some of this product in late 2001, but any way it is calculated, it looks like good growth.)

Table 4 illustrates the operating environment splits for the ASSP market and Tables 5 and 6 repeat the pattern for the "younger" and faster-growing integration server software platform (ISSP) market, the primary underlying technology of business process automation as defined by IDC. See *Worldwide Business Process Automation (BPA) Platform Software Market, 2003–2007* (IDC #29340, May 2003).

When looking at the ISSP market, we see the implications of the industry strategy that Vitria implemented in 2002 as well as the first "visible" signs of Microsoft's otherwise silent presence in the market; Microsoft does charge separately for BizTalk server and related functionality. In addition, the ISSP market measurements include the results (consistently backcast) of IBM's acquisitions of CrossWorlds and Holosofx, which allowed IBM to retroactively pass TIBCO in this category in 2001 and to pass TIBCO definitively in 2002. Note also that because Oracle does not separately market an integration server software platform, it does not show up on this list (but definitely is a factor for anyone studying ISSP market dynamics).

TABLE 2

WORLDWIDE APPLICATION DEPLOYMENT PLATFORM SOFTWARE REVENUE BY OPERATING ENVIRONMENT AND COMPANY, 2002

	Mainframe	OS/400	Unix	Linux/Other Open Source	Other Host/Server	Windows 32 and 64	Embedded OE	Other Single User	Platform Independent	Total
Revenue (\$M)										
IBM	151.6	12.8	405.0	17.8	0.6	306.3	0.0	0.0	0.0	894.0
BEA Systems	0.0	0.6	550.8	33.2	0.0	79.7	0.0	0.0	0.0	664.3
Oracle Corp.	0.0	0.0	199.8	18.2	0.0	127.1	0.0	0.0	18.2	363.2
TIBCO Inc.	0.0	0.0	130.7	0.0	0.0	28.0	0.0	28.0	0.0	186.7
webMethods Inc.	0.0	3.3	79.6	1.7	0.0	81.2	0.0	0.0	0.0	165.8
Sybase Inc.	3.6	0.0	52.1	0.0	0.0	47.5	0.0	0.0	13.2	116.3
SeeBeyond	0.0	0.0	42.1	0.0	0.0	63.1	0.0	0.0	0.0	105.2
Iona	5.9	0.0	57.1	0.0	2.9	34.1	0.0	0.0	0.0	100.0
Sun Microsystems Inc.	0.0	0.0	99.2	0.0	0.0	0.0	0.0	0.0	0.0	99.2
Mercator Software	5.1	0.0	50.6	0.0	0.0	28.7	0.0	0.0	0.0	84.4
Other	122.8	1.5	504.9	6.5	2.6	359.1	1.8	43.6	12.1	1,055.0
Total	288.9	18.2	2,171.8	77.3	6.1	1,154.9	1.8	71.6	43.4	3,834.0

TABLE 2

WORLDWIDE APPLICATION DEPLOYMENT PLATFORM SOFTWARE REVENUE BY OPERATING ENVIRONMENT AND COMPANY, 2002

	Mainframe	OS/400	Unix	Linux/Other Open Source	Other Host/Server	Windows 32 and 64	Embedded OE	Other Single User	Platform Independent	Total
OE share of company revenue (%)										
IBM	17.0	1.4	45.3	2.0	0.1	34.3	0.0	0.0	0.0	100.0
BEA Systems	0.0	0.1	82.9	5.0	0.0	12.0	0.0	0.0	0.0	100.0
Oracle Corp.	0.0	0.0	55.0	5.0	0.0	35.0	0.0	0.0	5.0	100.0
TIBCO Inc.	0.0	0.0	70.0	0.0	0.0	15.0	0.0	15.0	0.0	100.0
webMethods Inc.	0.0	2.0	48.0	1.0	0.0	49.0	0.0	0.0	0.0	100.0
Sybase Inc.	3.1	0.0	44.8	0.0	0.0	40.8	0.0	0.0	11.3	100.0
SeeBeyond	0.0	0.0	40.0	0.0	0.0	60.0	0.0	0.0	0.0	100.0
Iona	5.9	0.0	57.1	0.0	2.9	34.1	0.0	0.0	0.0	100.0
Sun Microsystems Inc.	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Mercator Software	6.0	0.0	60.0	0.0	0.0	34.0	0.0	0.0	0.0	100.0
Other	11.6	0.1	47.9	0.6	0.3	34.0	0.2	4.1	1.1	100.0
Total	7.5	0.5	56.6	2.0	0.2	30.1	0.0	1.9	1.1	100.0

Notes:

The ADP software market represents the aggregation of integration and application server software platforms as described in detail in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Software revenue equals license and license-related services revenue (primarily the flow of annual subscription maintenance revenue) as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Operating environment characteristics are as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Source: IDC, May 5, 2003

TABLE 3

WORLDWIDE APPLICATION SERVER PLATFORM SOFTWARE MARKET, 2000–2002 (\$M)

	2000	2001	2002	2001–2002 Growth (%)	2002 Share (%)
BEA Systems	394.0	571.9	592.1	3.5	27.5
IBM	345.7	518.0	592.0	14.3	27.5
Oracle Corp.	171.6	336.3	363.2	8.0	16.8
Sun Microsystems Inc.	175.4	175.0	90.0	-48.6	4.2
Macromedia Inc.	86.6	94.0	51.3	-45.4	2.4
NEC Corp.	40.0	48.0	47.3	-1.3	2.2
Sybase Inc.	45.0	48.0	45.0	-6.3	2.1
Micro Focus	0.0	0.0	43.0	NA	2.0
Borland Software Corp.	45.3	57.9	41.2	-28.9	1.9
Hitachi Limited	28.8	34.9	33.4	-4.2	1.5
Other	672.5	478.4	258.0	-46.1	12.0
Total	2,004.8	2,362.4	2,156.6	-8.7	100.0

Software revenue equals license and license-related services revenue (primarily the flow of annual subscription maintenance revenue) as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Source: IDC, May 5, 2003

TABLE 4

WORLDWIDE APPLICATION SERVER PLATFORM SOFTWARE REVENUE BY OPERATING ENVIRONMENT AND COMPANY, 2002 (\$M)

	Mainframe	OS/400	Unix	Linux/Other Open Source	Other Host/ Server	Windows 32 and 64	Embedded OE	Other Single User	Platform Independent	Total
BEA Systems	0.0	0.6	490.9	29.6	0.0	71.1	0.0	0.0	0.0	592.1
IBM	118.4	10.7	284.2	17.8	0.6	160.4	0.0	0.0	0.0	592.0
Oracle Corp.	0.0	0.0	199.8	18.2	0.0	127.1	0.0	0.0	18.2	363.2
Sun Microsystems Inc.	0.0	0.0	90.0	0.0	0.0	0.0	0.0	0.0	0.0	90.0
Macromedia Inc.	0.0	0.0	7.7	0.0	0.0	32.8	0.0	10.8	0.0	51.3
NEC Corp.	23.7	0.0	14.2	0.0	0.0	9.5	0.0	0.0	0.0	47.3
Sybase Inc.	0.0	0.0	20.0	0.0	0.0	11.8	0.0	0.0	13.2	45.0
Micro Focus	6.9	0.0	21.1	4.3	0.0	10.8	0.0	0.0	0.0	43.0
Borland Software Corp.	0.0	0.1	23.7	0.0	0.0	17.1	0.0	0.3	0.0	41.2
Hitachi Limited	26.7	0.0	3.3	0.0	0.0	3.3	0.0	0.0	0.0	33.4
Other	18.4	0.8	128.2	2.2	1.8	83.3	1.8	20.3	1.1	258.0
Total	194.1	12.1	1,283.0	72.0	2.4	527.2	1.8	31.4	32.4	2,156.5

Notes:

Software revenue equals license and license-related services revenue (primarily the flow of annual subscription maintenance revenue) as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Operating environment characteristics are as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Source: IDC, May 5, 2003

TABLE 5

WORLDWIDE INTEGRATION SERVER SOFTWARE PLATFORM MARKET, 2000-2002 (\$M)

	2000	2001	2002	2001-2002 Growth (%)	2002 Share (%)
IBM	177.3	243.0	302.0	24.3	18.0
TIBCO Inc.	214.5	231.7	186.7	-19.4	11.1
webMethods Inc.	132.8	156.0	165.8	6.3	9.9
SeeBeyond	79.1	135.9	105.2	-22.6	6.3
Mercator Software	118.1	94.5	84.4	-10.7	5.0
BEA Systems	0.0	34.4	72.2	109.9	4.3
Sybase Inc.	45.1	47.1	71.3	51.4	4.3
Vitria Technology Inc.	101.3	104.5	70.0	-33.0	4.2
Iona	65.0	100.0	67.0	-33.0	4.0
Microsoft Corp.	0.0	25.7	50.2	95.4	3.0
Other	464.6	576.8	502.7	-12.8	30.0
Total	1,397.9	1,749.6	1,677.5	-4.1	100.0

Note: Software revenue equals license and license-related services revenue (primarily the flow of annual subscription maintenance revenue) as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Source: IDC, May 5, 2003

TOP 3 ADP SOFTWARE SUPPLIER THUMBNAILS

To maintain its long-time lead in the ADP software market, IBM has been extremely active in building a set of functions on top of its WebSphere Application Server released in 1998. For instance, the WebSphere Portal (note: neither IBM's nor BEA's portal revenue are included in Tables 1-6) and Personalization Servers add support for those respective functions as an augmentation to the functions of the application server. IBM has also moved its WebSphere Application Server beyond the minimum needed to meet IDC's ASSP definition in a variety of ways. In IBM's nomenclature, the application server is the "foundation" on top of which are built tools for developing applications, components, and other functions for deployment on the WebSphere application server. MQSeries Integrator Broker, now called WebSphere Business Integration Message Broker, an enhancement to IBM's messaging product that facilitates application integration based on the definition of message flow and a leveraging of XML, is also a foundation service. In 2002, IBM added the Crossworlds integration server products (Crossworlds Interchange Server was renamed WebSphere InterChange Server and serves as the process integration engine for the WebSphere Business Integration portfolio) and Holosofx (renamed WebSphere Business Integration Modeler and Monitor) to the lineup although the integration of all of these diverse brands is not complete. Others services, such as Host Integration, WebSphere Transcoding Publisher, and others make it possible to create a true, end-to-end integration layer on top of WebSphere Application Server.

TABLE 6

WORLDWIDE INTEGRATION SERVER PLATFORM SOFTWARE REVENUE BY OPERATING ENVIRONMENT AND COMPANY, 2002 (\$M)

	Mainframe	OS/400	Unix	Linux/Other Open Source	Other Host/Server	Windows 32 and 64	Embedded OE	Other Single User	Platform Independent	Total
IBM	33.2	2.1	120.8	0.0	0.0	145.9	0.0	0.0	0.0	302.0
TIBCO Inc.	0.0	0.0	130.7	0.0	0.0	28.0	0.0	28.0	0.0	186.7
webMethods Inc.	0.0	3.3	79.6	1.7	0.0	81.2	0.0	0.0	0.0	165.8
SeeBeyond	0.0	0.0	42.1	0.0	0.0	63.1	0.0	0.0	0.0	105.2
Mercator Software	5.1	0.0	50.6	0.0	0.0	28.7	0.0	0.0	0.0	84.4
BEA Systems	0.0	0.0	59.9	3.6	0.0	8.7	0.0	0.0	0.0	72.2
Sybase Inc.	3.6	0.0	32.1	0.0	0.0	35.7	0.0	0.0	0.0	71.3
Vitria Technology Inc.	0.0	0.0	51.2	0.0	0.0	18.8	0.0	0.0	0.0	70.0
Iona	4.0	0.0	38.3	0.0	1.9	22.8	0.0	0.0	0.0	67.0
Microsoft Corp.	0.0	0.0	0.0	0.0	0.0	50.2	0.0	0.0	0.0	50.2
Other	49.0	0.6	283.6	0.0	1.8	144.5	0.0	12.2	11.0	502.7
Total	94.8	6.0	888.8	5.3	3.7	627.7	0.0	40.2	11.0	1,677.5

Notes:

Software revenue equals license and license-related services revenue (primarily the flow of annual subscription maintenance revenue) as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Operating environment characteristics are as described in IDC's *Software Taxonomy, 2003* (IDC #28820, February 2003).

Source: IDC, May 5, 2003

BEA has been equally active building integration and other capabilities on top of the original WebLogic functionality it acquired in 2000. WebLogic Workshop (version 8.1 entered beta the first week of March 2003 and is scheduled for June 2003 general availability) provides a development environment that covers all aspects of enterprise-application integration and deployment. It is a unified model, good for both enterprises and ISVs, and by extension, for systems integrators and other services providers, whether they are providers of professional or business services (for more information, see *BEA Systems Sticks to its Technology Partnership Strategy in the Upcoming Interoperability Showdown*, IDC # 29280, April 2003).

As of May 2003, it is Oracle's ADP strategy to provide an ADP product — singular — that addresses all of what Oracle believes an end-user organization needs to build true ecommunity applications, integrate them whether built or bought, and deploy them in a way they can be monitored and managed in real time. That product is called Oracle 9iAS. The ultimate goal is to severely reduce, or even eliminate, the integration "pain" associated with such solutions that results from the requirements to interoperate among various disparate applications and data sources. A major hope by Oracle of course is that the applications will be primarily integrated to Oracle database management software, but there is no dependency on Oracle database software in terms of integration. Oracle maintains that with this approach, organizations can save time as well as "dollars" (in consulting and system integration costs).

FUTURE OUTLOOK

While 2002 proved more challenging for ADP software vendors than expected by IDC, the overwhelming demand for integration expressed by IT and line-of-business managers promises to return this market to a growth rate that tracks the software industry as a whole during the forecast period (see *Preliminary Worldwide Application Deployment Platform Software Forecast, 2003–2007*, IDC #29025, March 2003). If standards are accepted more quickly than we have ever previously seen in the IT industry, the standards might eliminate the many boundaries found today between in-house-developed and packaged applications and accelerate the growth of the ADP software market ahead of the forecast referenced above. A variety of factors, not the least of which is the long timetable that will be required to standardize on semantics, argues against this eventuality and argues for the modest growth rate predicted.

The aggregate set of leaders listed in this study are well positioned to take advantage of this forecast return to growth. Another set of market players is joining this list from a pure BPA platform software perspective (see *Business Process Automation Platform Software Competitive Analysis, 2003*, forthcoming). Many will accomplish this via partnerships with the ADP software market leaders and others will look for breakthrough means of providing underlying interoperability. In both cases, industry specificity is sure to be key.

ESSENTIAL GUIDANCE

Since there are good business reasons for users to move away from point-to-point legacy middleware software and increasingly incorporate business-rules/workflow engines, the functionality that the ADP software products deliver will coalesce around ISSP software as described in the methodology section (and in *IDC's Software Taxonomy, 2003*, IDC #28820, February 2003, in more detail) especially because of its explicit inclusion of business-rules as drivers and business-rules/workflow engines as enablers. The result is what IDC is calling business process automation (BPA), but others call it business process integration or business process management.

BPA functionality allows a level of abstraction above programming that involves more business-oriented personnel in the task of automating enterprises. This level of abstraction is needed to make changes to "business systems" in what marketeers are calling "real time" (in reality, organizations will be happy to get changes implemented in weeks rather than months). In fact, it is this need to make frequent changes that will be among the major market drivers. Although IDC characterizes vendors' products in this market space as integration and deployment software, IDC believes there is a third characteristic that will become increasingly most important: "iteration." The real value of ADP software comes when users change their minds about what they need to do to run their businesses and the software supporting them changes just as easily.

LEARN MORE

RELATED RESEARCH

- ☒ *Business Process Automation Platform Software Competitive Analysis, 2003* (forthcoming)
- ☒ *Worldwide Business Process Automation (BPA) Platform Software Market, 2003–2007* (IDC #29340, May 2003)
- ☒ *BEA Systems Sticks to Its Technology Partnership Strategy in the Upcoming Interoperability Showdown* (IDC #29820, April 2003)
- ☒ *Preliminary Worldwide Application Deployment Platform Software Market, 2003–2007* (IDC #29025, March 2003)
- ☒ *IDC's Software Taxonomy, 2003* (IDC #28820, February 2003)

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