

## **IBM Acquires Lombardi® Frequently Asked Questions**

### **1. Q. What are you announcing today?**

- A. On December 16, 2009, IBM and Lombardi® announced that the two companies have entered into an agreement for IBM to acquire Lombardi, a privately-held software company headquartered in Austin, Texas in the United States with sales offices in London, Paris and Washington D.C. Now, the acquisition has closed.

In a demonstration of speed and determination, Lombardi will become part of IBM's integration software portfolio, an expanding area of IBM software that grew 13 percent in the fourth quarter of 2009. Consistent with IBM's software strategy, IBM expects investments by Lombardi clients and partners in existing IBM and Lombardi technologies will be preserved, allowing customers to take advantage of the broader set of capabilities without the need to replace existing systems. Lombardi employees will join IBM.

### **2. Q. Who is Lombardi? What do they do?**

- A. Like IBM, Lombardi is a recognized leader in Business Process Management (BPM) software for Global 200 companies by key analyst firms. Lombardi is positioned by Gartner, Inc. in the "Leaders" quadrant of the 2009 Magic Quadrant for Business Process Management Suites. And in 2007, they were recognized as a Leader in the Forrester Wave: Human-Centric BPM for Java Platforms. More recently, in August 2009, they were named KMWorld Magazine's Trend Setting Product of 2009 for Teamworks 7® and in July, 2009, eWeek Magazine named Teamworks 7 a "Product to Watch."

Founded in 2000, Lombardi has over 200 employees and has helped over 100 organizations across multiple industries including banking, energy and utilities, insurance, telecommunications, retail, government and healthcare adapt to changes as their business processes evolve with their leading BPM capabilities.

### **3. Q. What capabilities does Lombardi provide?**

- A. Lombardi's cross-organization process discovery and design capabilities combined with business-driven change allow department-led teams to build applications involving ad-hoc collaboration and workflow patterns that require fast deployment. Lombardi provides BPM technology, services and education designed to simplify the approach of involving all the key roles necessary to improve a process by helping them to understand the process and to collaborate on its improvement.
- Lombardi Blueprint® is an on-demand, collaborative process documentation tool. At the core is Lombardi's unique shared model architecture which significantly reduces the time and effort to change and improve processes versus competing solutions.
  - Teamworks 7 is Lombardi's BPM software for designing, executing, and improving processes. Teamworks for Office™ makes it easy for anyone to participate in BPM using the familiar Microsoft® Office suite of products.
  - Lombardi also has a comprehensive on-line managed education and mentoring program, Lombardi University, designed to develop the BPM talent of every role on the client's BPM team.
  - Lombardi's services offerings include Lombardi's On-Demand Assistance (LODA) program and on-site checkpoint visits to ensure the success of the client's BPM projects.

### **4. Q. Why Lombardi?**

- A: Lombardi and IBM share a complementary approach to customer success and even share several common customers, including Aviva, UK and Ford Motor Company. Lombardi's platform is implemented with 100% Java EE technology, supporting a breadth of platforms, and runs on an application server enabling it to work well within the IBM BPM portfolio. Along with its simple, graphically innovative platform, Lombardi also brings services and training offerings with an emphasis on reuse to enable clients to leverage current investments and confidently deploy products with faster time to value, while lowering operating costs. Lombardi also brings extensive process domain and customer experience allowing Lombardi and IBM to further help clients save time and effort at every step of a process improvement project for a rapid and ever-increasing return on investment.

**5. Q. What is creating the need for Lombardi's capabilities? Why is IBM doing this now?**

A: IBM, combined with Lombardi, completely covers the BPM landscape. The BPM market requires various approaches to solve a spectrum of business challenges. IBM BPM with Lombardi provides proven, simple, collaborative and business-driven capabilities to address the varied needs of the BPM market. Even with varied needs, organizations often start with a process improvement designed for a department or business function. The combination of IBM BPM and Lombardi allows organizations to start their BPM projects where it makes sense, knowing that IBM covers the complete BPM landscape and they can grow their solutions to leverage the advantages of the full IBM BPM portfolio.

Lombardi augments IBM's capability to help customers become process-oriented organizations. Lombardi's cross organization, functional process discovery and design capabilities combined with business driven change allows departments to build applications involving ad-hoc collaboration and workflow patterns that require fast deployment.

IBM is making this acquisition to bring market-leading business-driven change capabilities into its IBM BPM Suite. With IBM's established leadership capabilities in enterprise BPM this is a logical next step in expanding IBM's capabilities.

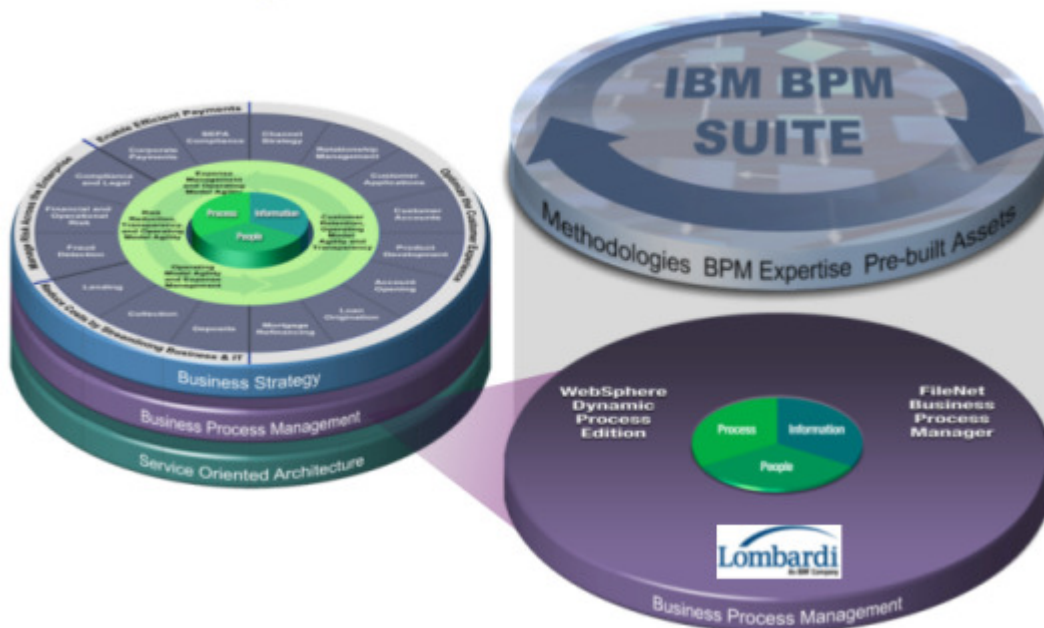
**6. Q. IBM and Lombardi both seem to have extensive BPM Suites, so are there great synergies between Lombardi and IBM?**

A. Lombardi's BPM capabilities will be added to the IBM BPM Suite and will complement IBM's vision to provide BPM to enable clients to begin at the entry point that addresses their most immediate business needs. Lombardi's capabilities extend the IBM BPM Suite's collaborative, role-based process optimization capabilities and together they will address the full spectrum of business needs across processes of any size and complexity.

**7. Q. How will Lombardi be positioned with the existing IBM BPM Suite?**

A. Lombardi clients will be able to enhance their existing capabilities with the full breadth and depth of capabilities from the IBM portfolio such as an enterprise business process monitor, business events processing technology, business rule management systems, and an enterprise service bus. Lombardi's products run on an application server and will integrate and interoperate with IBM's enterprise BPM products to deliver a unified experience from department-led to enterprise-wide BPM.

**Lombardi Complements and Extends IBM's BPM Suite**



**8. Q. Will Lombardi capabilities be leveraged by Global Business Services?**

- A. Lombardi clients will be able to take advantage of IBM Global Business Services as an industry leader in strategy and change consulting, business process management, and SOA Services. Lombardi's business-driven discovery and design offerings will be used by the GBS Industry and Service Line practitioners for both our enterprise customers and our General Business practice. Such projects can then be evolved and scaled through our Application Integration Services (AIS) and Global Delivery arm.

This acquisition also enhances the variety of assets and offerings GBS can provide through the new IBM Business Performance Center of Excellence. This Center of Excellence provides clients access to global BPM subject matter experts and proven assets and methods to jump-start BPM initiatives that drive business agility and accelerate IT and business collaboration.

**9. Q. How will Lombardi technology be integrated into the IBM software portfolio?**

- A. IBM's intent is to integrate Lombardi's offerings into IBM's Software Group as part of the IBM BPM Suite. Now that the acquisition has closed, Lombardi and IBM will work together to integrate their teams across sales, marketing, product, and architecture. IBM will immediately and continually leverage Lombardi's BPM expertise and expand sales coverage of existing Lombardi products and value propositions.

Looking to 2010, IBM's plan is for branded releases for Lombardi Teamworks and an integrated offering of Lombardi Blueprint and IBM Blueworks. These releases will be optimized offerings for IBM platforms. IBM expects to leverage Lombardi's current SOA architecture for tighter integration with the IBM SOA portfolio. IBM also plans to add content integration capabilities to Lombardi for IBM and non-IBM repositories and leverage Lombardi to expand BPM offerings in emerging markets.

**10. Q. What kind of opportunity does BPM represent?**

- A. BPM is an attractive opportunity currently sized at \$2B for 2010 and projected to grow at greater than 10% annually through 2013. IBM, combined with Lombardi, completely covers the BPM landscape. With Lombardi, IBM is uniquely positioned to offer customers the ability to seamlessly extend department-led to enterprise-wide BPM with advanced process integration, business rules, and business events leadership.

**11. Q. What are IBM's plans with the Lombardi technology? What about the Blueprint offering?**

- A. IBM intends to embrace and extend the Lombardi offerings and to provide continued world-class service and support plans for Lombardi's customers. Now that the acquisition has closed, detailed product and support plans for Lombardi's offerings will be developed.

**12. Q. How does acquiring Lombardi fit with the recent acquisition of ILOG? What about the recent Business Agility NOW v7 BPM/Connectivity Launch?**

- A. IBM has consistently been investing to continue to bring leadership capabilities to this rapidly expanding BPM market. The recent acquisition of ILOG strengthened IBM's BPM and SOA position by providing customers a full set of rule management tools for complete information and application lifecycle management across a comprehensive platform including IBM's leading WebSphere application development and management platform. Building on IBM's existing capabilities, WebSphere ILOG Business Rule Management Systems help clients align decision automation across the enterprise so they can manage change and complexity in their business processes by providing powerful, yet easy-to-use business tools.

Lombardi's proven, simple, collaborative and business-driven capabilities with WebSphere ILOG Business Rules Management System will bring a powerful and competitive solution to department-led teams. In addition, IBM's deep investments across all of our BPM and SOA Connectivity product offerings, including updated major versions as part of the recent Business Agility NOW v7 BPM and Connectivity launch, will deliver business agility engines and tools to increase the dynamic nature of business networks through deep process and industry expertise and prebuilt assets. Together, Lombardi's offerings and the v7 integrated solutions for BPM and SOA Connectivity from IBM are unparalleled in the market today. The new and enhanced product offerings help clients discover insights that enable innovation, maximize the value of business interactions, and optimize productivity and resources.

**13. Q. How will IBM business partners benefit?**

A. IBM Business Partners will have Lombardi BPM capabilities available to them backed by the strength and global reach of IBM. This will give them additional opportunities to initiate BPM engagements. There will also be new Proof of Concept (PoC) offerings, with plans to have a preconfigured installation at the IBM Innovation Centers (IIC) worldwide, which all IBM Business Partners can access. The PoC capabilities and use of the IIC will help accelerate business partners' sales cycles, and provide deeper customer relationships in selling Lombardi.

**14. Q. How will Lombardi business partners benefit?**

A. Lombardi business partners can benefit as follows:

- Partners can gain access to new accounts by working with IBM's worldwide Sales and Marketing Team.
- Partners can achieve faster time-to-value by integrating with IBM's open standards based, multiplatform offerings.
- Partners can receive access to skilled resources through IBM Global Services Delivery Team.
- Partners can expand their global reach by leveraging IBM's international presence in 170 countries.
- Partners can leverage IBM's world class enablement through IBM PartnerWorld and SOA Partner Programs.
- As their customer needs for BPM expand they can leverage our broader BPM products for scalability and performance

**15. Q. How is Teamworks used today?**

A. Teamworks 7, recognized as one of the BPM industry's most innovative products, includes several tools that make it easier for process improvement teams to succeed in a graphical environment for collaboratively defining processes. The Process Center organizes assets into individual process applications and common components into "Toolkits" to facilitate reuse and collaboration. The Process Designer speeds design time by allowing the process diagram, input forms, and low level web services to be defined graphically. The Playback button allows validation of a process design. The process optimization view helps analysts identify process problems, try changes and compare results using simulated and actual performance data. The Work Portal helps drive better process performance by giving users a consolidated view of all outstanding tasks. Flexible search and filtering helps users manage their workloads efficiently. Built-in team collaboration with discussion threads and document attachments simplifies getting help. Over 50 built-in reports help managers track the performance of processes, teams and individuals. Real-time controls also give managers the ability to dynamically adjust workload, prioritization and process behavior.

**16. Q. How is Lombardi Blueprint used today?**

A. Lombardi Blueprint provides simple, collaborative process documentation designed to enable every employee, partner and supplier to participate in communicating and improving an organization's business processes, ideas and initiatives. Lombardi Blueprint acts as the central repository for all process related assets and process participants and stakeholders, and all can work on the same process at the same or different times.

**17. Q. How does Lombardi Blueprint differ from IBM BPM BlueWorks?**

A. IBM BPM BlueWorks is designed for business leaders, business analysts and business professionals and provides a set of BPM business design tools that are augmented by a rich collection of BPM content, and a community of users – all in a no charge, security-rich cloud environment. IBM BPM BlueWorks also includes prebuilt process and business designs to begin mapping process improvements that support and align with the business strategy.

Lombardi Blueprint, a cloud-based application accessible from any browser, provides simple, collaborative process documentation to enable every employee, partner and supplier to participate in communicating and improving an organization's business processes, ideas and initiatives. Lombardi Blueprint acts as the central repository for all process related assets. Process participants and stakeholders can work on the same process at the same or different times.

**18. Q. How is Lombardi University used today?**

A. Lombardi University provides clients with the education and mentoring needed to develop and accelerate their BPM capability and is designed to help ensure their BPM success. Lombardi University offers courses and mentoring that cover the critical skills and best practices for every role on the BPM team. Lombardi's Certification Program provides an education roadmap for each member of the team from beginners to seasoned veterans. Lombardi University can also tailor an education program that fits a client's resource model. If a client is outsourcing part of their BPM projects or doing it in house, Lombardi University can tailor an education program to develop the business and technical skills needed to deliver success with in-house, partner or Lombardi University resources, and become self-sufficient over time.

**19. Q. How are Lombardi Services used today?**

A. Lombardi Services are designed to provide clients with the help they need to succeed in BPM projects. Lombardi's services span the entire BPM lifecycle starting with analysis, moving to implementation, and continuing with optimization and improvement. Lombardi has assisted customers in thousands of process improvement efforts of all types. Lombardi's expert BPM analysts, developers, architects, and program managers bring their experience and best practices to clients' projects to help minimize their costs.