

Magic Quadrant for Integration Backbone Software, 1H05

Roy W. Schulte, Jess Thompson, Yefim V. Natis, Massimo Pezzini, Jim Sinur, L. Frank Kenney, Michele Cantara, Joanne M. Correia, Paolo Malinverno, Benoit J. Lheureux

As of April 2005, more than 26 suppliers offer enterprise service buses, integration suites and application platform suites that can serve as the "backbone" middleware infrastructure for application integration and service-oriented architecture applications.

WHAT YOU NEED TO KNOW

A supplier's position on the 1H05 Magic Quadrant for Integration Backbone Software is one indicator of the breadth of its products and its ability to support those products. Use the Magic Quadrant as part of a larger, more-detailed assessment process that assigns weight to criteria that reflect your particular requirements.

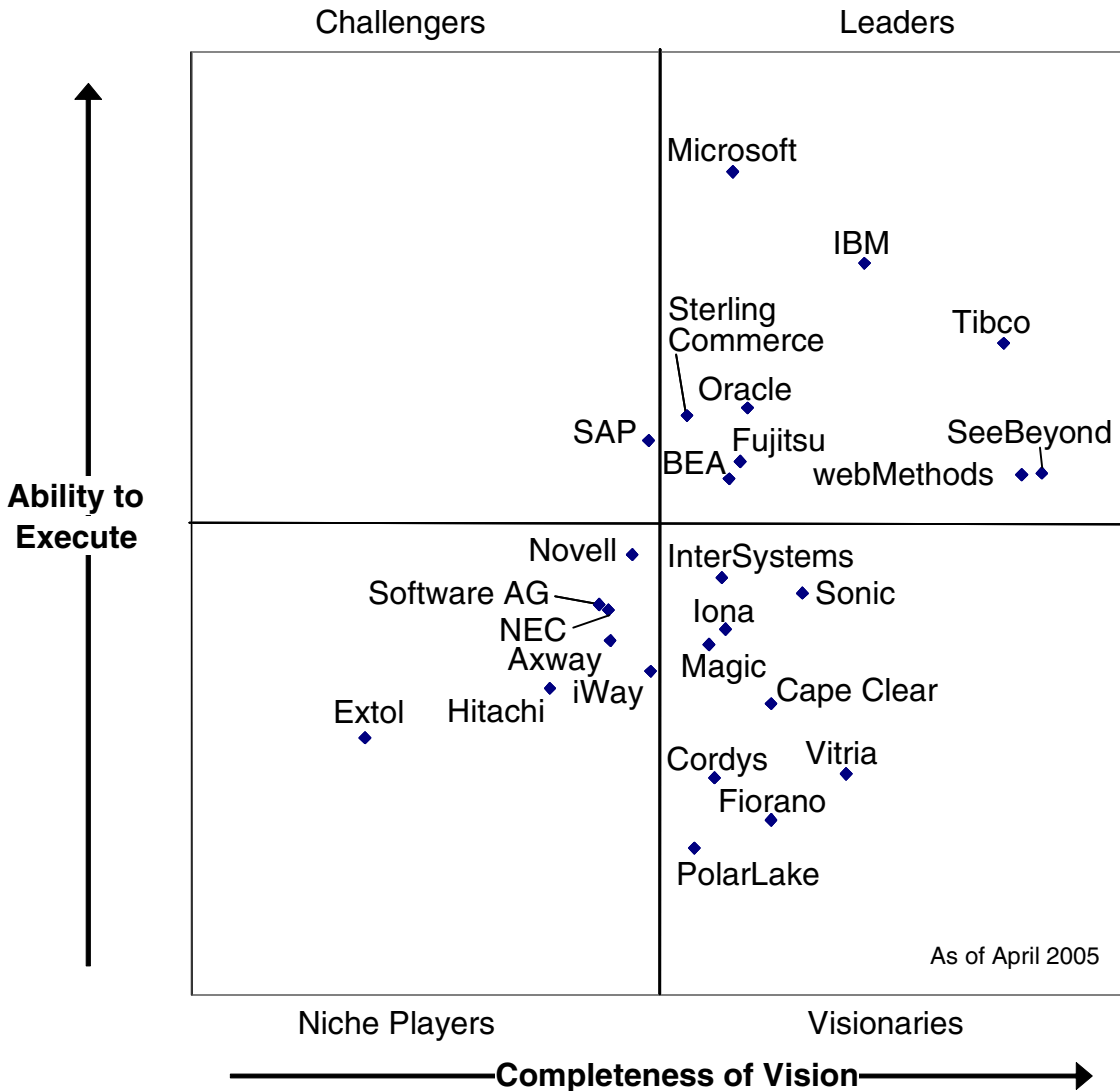
ANALYSIS

The integration middleware market remains volatile because it is still relatively new. Integration design patterns and technology are evolving rapidly. Software suppliers are making fundamental changes in their product architectures as they learn more about the nature of the integration problem. New suppliers are entering the market, and weaker players are disappearing. This complicates the task of application architects who must deal with shifting technology, supplier turnover and their own learning curves.

Market Description

This research addresses the middleware needs of a particular type of buyer — specifically, architects, project leaders and IT managers who are automating business processes mostly using packaged and legacy applications, rather than building all-new applications "from the ground up." Three kinds of middleware products, enterprise service buses (ESBs), integration suites and some application platform suites (APSs), incorporate the functions that are relevant to this buyer. Companies use these products to implement a systematic, general-purpose infrastructure for distributed applications, sometimes described as an "enterprise nervous system" (ENS). ENS "backbones" support service-oriented architecture (SOA), event-driven applications and various other design patterns for composite applications, real-time data synchronization and multistep business processes. In "Evaluation Criteria for the Magic Quadrant for Integration Backbone Software," we describe the criteria used to identify which suppliers participate in this market. That research also describes the criteria we use to place those suppliers in the Magic Quadrant (see Figure 1).

Figure 1. Magic Quadrant for Integration Backbone Software, 1H05



Source: Gartner Research (April 2005)

This chart should not be compared directly to the 2004 Gartner Magic Quadrant for application integration suites, because the inclusion criteria and weighting factors have changed. The 2004 Magic Quadrant included some suppliers that are now excluded because they do not have a focus on message-based integration. The 2005 version includes ESB suppliers, a category not previously included. This Magic Quadrant does not cover all aspects of application integration — it addresses only the real-time backbone. A complete integration strategy will also use many other technologies.

Market Evolution

The introduction of Web services and the resulting popularization of SOA caused a major upheaval in this market. Prior to 2002, integration backbones were largely proprietary, and many application developers were unknowledgeable about SOA and event-driven design. During 2002 through 2004, a new type of middleware, ESBs, came to market to exploit Web services

standards and the growing interest in SOA. Simultaneously, the original integration suite suppliers enhanced their products to adopt Web services standards, business process management (BPM) and other features. The platform middleware suppliers also broadened their offerings, adding support for Web services, portals, message-oriented middleware (MOM), integration and other features to their application servers to create a new product category, the APS. In 2005, all three types of products can address customer needs for the integration backbone, but their relative strengths vary because of their diverse backgrounds and company strategies.

Leaders and Challenger

The market leaders fall into three groups. One group consists of original integration specialists SeeBeyond, Tibco Software and webMethods. These suppliers have very good vision, broad product sets and fairly strong ability to execute. Tibco was more successful than its peers during 2004, and it is now larger than SeeBeyond and webMethods combined. Its financial strength enables it to compete with IBM and other large suppliers, even among conservative buyers.

The second group of leaders consists of the software generalists, including BEA Systems, Fujitsu, IBM, Microsoft and Oracle. They compete in this market mostly using their APS products, although IBM and Oracle offer integration suites that can be used without their APS, and BEA has indicated an intention to offer a new, platform-independent ESB later in 2005. Generalist APSs are platform-based in the sense that the integration middleware is developed in conjunction with a particular application server. These APSs can support new, data-facing logic so they can be used in other (nonbackbone) scenarios. The integration aspects of the APS, including the MOM, Web services, portal, BPM, transformation, adapters and other features, also enable these products to function as integration backbones. However, APS integration features and support for heterogeneous application servers lag behind the platform-independent integration offerings in some respects. APSs are strongest where the enterprise will develop new, data-facing logic that will run on the native application server. Because the generalist suppliers participate in other software markets, they are able to cross-sell their integration backbone products into their installed bases. Although SAP (a "challenger") falls just outside of the Leaders quadrant, it has many similarities to the companies in this group.

Sterling Commerce, the other leader (a "group" of one), is neither an integration specialist nor a generalist APS supplier. It has the resources and staying power to have a significant impact on this market, although its influence is mostly limited to companies that buy its business-to-business (B2B) software or use its hosted B2B services. Its large installed base is enabling it to spread its integration middleware into more non-B2B roles. The ENS in most companies will almost always be a virtual concept, implemented with several different middleware products, so Sterling Commerce and other suppliers will often coexist with each other.

Visionaries

Most of the visionaries are small companies with very good knowledge of customer requirements. However, they are either too new or too small to have produced a complete product offering and market it strongly. Visionaries have often been the first to introduce technical innovations or to implement new industry standards. Visionaries can be categorized into two groups:

Cape Clear Software, Fiorano, Iona, PolarLake, Sonic Software and Vitria are integration and SOA specialists, offering ESBs, integration suites or both. Like the "leader" integration suite specialists (SeeBeyond, Tibco and webMethods), their products are messaging-based and platform-independent in the sense that they do not rely on any general-purpose application server. Their products are tested and supported with multiple application servers, and their development tools will usually work with several development frameworks (such as Eclipse and Visual Studio.NET). These products target business scenarios where most of the applications are purchased packages or legacy applications running on a mix of different application servers,

operating systems or plain Java Virtual Machines (JVMs). They provide a container for new composite applications and multistep process flow logic, but, unlike APSs, they are not optimized for new data-facing logic.

Cordys, InterSystems and Magic Software are not integration pure-plays; rather, they are specialized APS suppliers, complete with application server technology aimed at new data-facing logic. However, these companies understand that almost all "new" applications tie into heterogeneous purchased packages and legacy code, so they have incorporated strong integration capabilities into their product sets. These companies provide unique programming models, good scalability, efficiency and highly effective development tools. They are able to function as integration backbones, so they participate in this market, although message-based integration is secondary to their primary mission.

Niche Players

The seven niche players on our chart focus most of their attention on other markets, but have chosen to play a role in integration because they have some technical assets that they can leverage to compete in this market. Some have strengths in a particular geography (Hitachi and NEC in Japan, Axway and Software AG in Europe). Some rely on technology specialties — Extol in B2B, iWay Software in adapters, Novell in open source, and Software AG in XML, database management systems (DBMSs) and mainframes. In most cases, these niche suppliers will provide only part of the technology used in an integration backbone, and other products will be used to complement their offerings (a "mix and match" approach). However, Hitachi and NEC have broader product lines and have some similarities with the leaders.

A Look Ahead

The perennial issue in this market is whether the largest software generalists, such as Fujitsu, IBM, Oracle, Microsoft and SAP, will eventually smother all other competitors. These generalists already dominate many adjacent software markets, such as application servers, development tools, packaged applications, DBMSs and operating systems, which gives them leverage as they focus more on this market. The integration specialists must retain a technology edge if they are to survive. Since the integration market began in 1996, the specialists have done this in two ways:

- **Technology innovation.** From the beginning and through today, the specialists have been able to bring products and features to market earlier than the generalists. Although there are some exceptions among particular suppliers and products, the large generalists have mostly caught up now in areas such as transformation, adapters, routing and, most recently, BPM. However, some specialists appear likely to have an edge in business event management and business activity monitoring for at least the next several years. Some specialists may also be able to maintain an advantage in packaged integrating processes, Web services management, developer productivity for some types of applications and certain other features.
- **Platform independence.** The generalists continue to bind most, although not all, of their integration offerings to their other products. By contrast, the specialists make it a point to integrate and test with heterogeneous application servers (.NET, JBoss, WebLogic, WebSphere and others), heterogeneous SOAP stacks (Apache, IBM, Microsoft and others), heterogeneous MOM and diverse development tools. It is strategically difficult for the large vendors to be completely neutral because they make most of their money on application servers, DBMSs, applications or operating systems, rather than on integration software. The growing adoption of Web services standards will reduce the interoperability barriers between platforms, but not enough to eliminate the specialists' value proposition in independence through 2010.

Despite the ongoing market shakeout, there are more specialist suppliers in this market in 2005 than there were in 2000. The details of the technology battle are changing, but the overall picture remains the same. We expect that the generalists will continue to gain percentage market share, the market shakeout will continue and some of the specialists will disappear, but that the overall penetration and revenue of the specialists will continue to grow in dollar terms.

Missing From the Magic Quadrant

This Magic Quadrant does not cover all of the suppliers relevant to this market. Gartner is tracking five other small ESB suppliers that offer SOA and Web services middleware that should be considered for backbone infrastructure projects. These suppliers are:

- Blue Titan Software
- KnowNow
- SOA Software (formerly Digital Evolution)
- SpiritSoft
- WebV2

These suppliers were omitted from the current version because we have not conducted a thorough evaluation of them yet (and, no doubt, there are others that we are not tracking at all). These omissions reflect the state of our research but do not indicate anything about the value of these companies.

Two adapter suppliers, NetManage and Pervasive, also play a role in this market. In most cases, their products complement the backbone middleware from the companies mentioned here. However, these products have increasingly robust backbone middleware features and can also be used in a central ENS role in their own right in some situations.

The integration backbone software suppliers in this research also overlap the XML appliance and application-level router suppliers, such as:

- Cast Iron Systems
- Conformative Systems
- DataPower
- Forum Systems
- Infotone Communications
- Reactivity
- Sarvega
- Vordel

These suppliers offer hardware appliances with built-in software that performs some or many of the functions attributed to the integration backbones. In many cases, these appliances will operate as a high-performance, low-cost complement to the software backbones. However, an integration appliance can eliminate the need for some integration middleware in certain situations.

Integration service providers (the evolving electronic data interchange value-added networks) can also operate as integration backbones, but they are not included here because they are deployed

as hosted services rather than as software and because they only support B2B applications in the majority of cases (see "Magic Quadrant for Integration Service Providers, 4Q04").

Key Issues

How will software vendors react to service-oriented architecture, real-time infrastructure and fusion?

Acronym Key

APS	application platform suite
B2B	business-to-business
BPM	business process management
DBMS	database management system
ENS	enterprise nervous system
ESB	enterprise service bus
JVM	Java Virtual Machine
MOM	message-oriented middleware
SOA	service-oriented architecture

REGIONAL HEADQUARTERS

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters
Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters
Level 7, 40 Miller Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Latin America Headquarters
Av. das Nações Unidas 12.551
9 andar—WTC
04578-903 São Paulo SP
BRAZIL
+55 11 3443 1509