



**IBM SOFTWARELAND**

**OPEN MIND, GREEN SOFTWARE**

**VILLA REALE MONZA, 18 SETTEMBRE 2008**



## **IBM Software Strategy**

*Enabling Innovation in a Complex World*

**Steve Smith**

***VP Enterprise, GB and Channel Sales,  
SWG SW IOT***

Questo evento è a Impatto Zero. Le emissioni di CO<sub>2</sub> sono compensate con la creazione di nuove foreste.



# Agenda Chart

- IBM SWG Mission
- IBM SWG Portfolio
- Acquisition as enabler for Growth
- Leveraging IBM to Maximum

# Complex Business Needs Driving IT Change

## *Business Challenges*

*Globalization  
Competitive Pressures  
Eroding Customer Loyalty  
Supply Chain Complexity  
Governance, Risk and Compliance  
Industry Transformations  
Mergers & Acquisitions*



## *Business Requirements*

*Drive Innovation and Growth  
Improve Flexibility and Agility  
Make Better Decisions Faster  
Improve Collaboration and Empowerment  
Deploy and Optimize End-to-End Business Process  
Reduce Cost & Complexity*

## *IT Infrastructure Must*

*Enable Business Flexibility  
Deliver Quality Service  
Be Secure  
Be Reliable and Scalable  
Be Easy to Enhance,  
Reconfigure and Maintain*

*Establish and Leverage Trusted Information  
Integrate Legacy Systems and Information Silos  
Deploy in incremental steps*

**Complexity Inhibits Business Innovation**

# IBM Software Group

- **Our Mission:** *Help clients simplify and optimize the complex business and IT environments they operate every day to achieve business flexibility*
- **Our middleware:** *Provides the IT foundation to innovate*
- **Our software:** *Is a crucial part of a total business solution*

WebSphere

Information Management

Lotus

Rational

Tivoli

✓ Open

✓ Secure

✓ Integrated

✓ Scalable

✓ Resilient

✓ Service oriented

*Increase your ability to innovate AND execute by leveraging the IBM Software portfolio*



# IBM Software

*Enabling innovation in a complex world*

**Providing a next-generation open integration platform**

**built on a Service Oriented Architecture (SOA)**

**customized for your industry**

# Providing a Next-Generation Open Integration Platform

*... delivering proven value to solve real business problems*

## Empowering People

*to share their passion and expertise, foster collaboration and innovation, and improve business efficiency, decision-making and responsiveness*

## Information On Demand

*to unlock the business value of information for competitive advantage*

Lotus

Information Management

## Service Management

*to enable innovation by reducing operational labor, improving asset productivity and quality of service*

**Built on an Open IT architectural foundation that supports integrating IT and business processes as linked services**

## Software Lifecycle Management

*to better govern the business process of software and systems delivery,*

Tivoli

WebSphere

Rational

*innovation at lower cost*

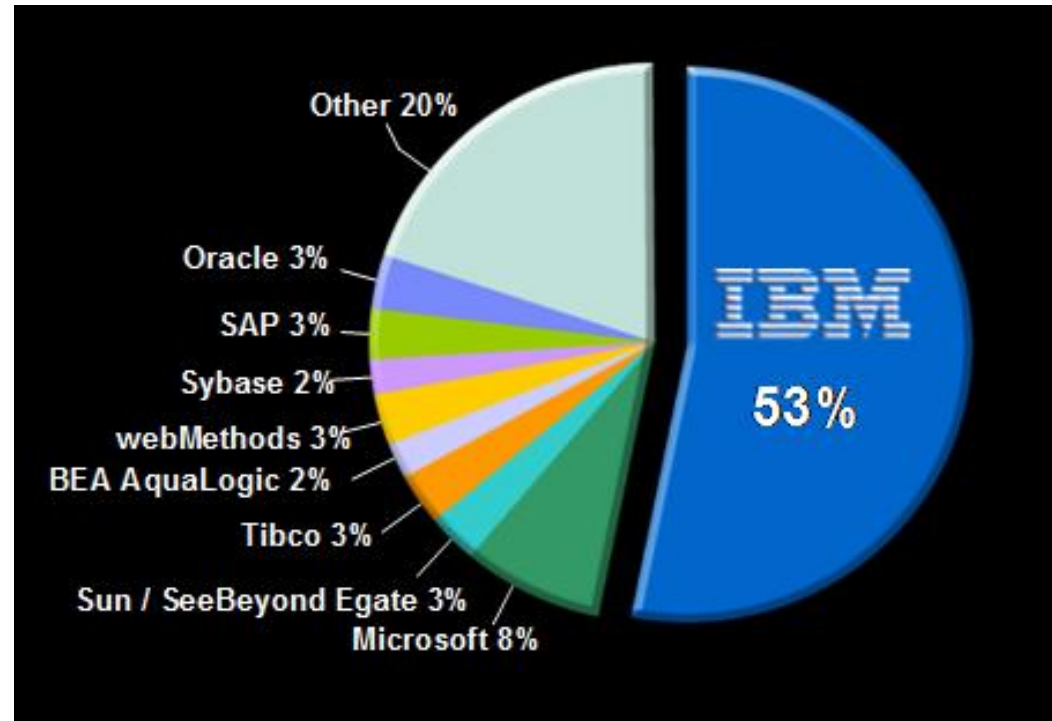
## Business Process Flexibility

*to develop and rapidly deploy innovative business models with flexible, optimized processes*

# Built on a Service Oriented Architecture

## *Flexible IT Infrastructure Organizations Depend On*

According to WinterGreen Research:  
SOA Market Leadership – 2006 Market Share



Worldwide Services Oriented Architecture (SOA) Engine and Collaboration License, Services and Maintenance Market Shares, 2006 – Source: WinterGreen Research, April 2007 - SOA Engines and Components only



# Customized for Your Industry

## **IBM Industry Frameworks = IBM Middleware + Industry-Specific Extensions + Industry Standards Support**

- Industry-specific extensions and accelerators that exploit key industry standards
- Process and data models supporting key business area usage patterns, built on an SOA foundation
- Offerings from IBM and its Business Partners to implement business processes that drive innovation



Product Development  
Integration Framework



Retail Integration  
Framework



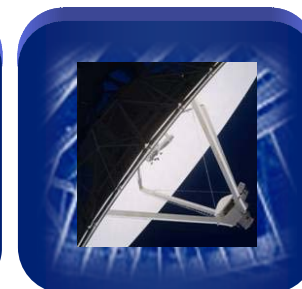
Software Architecture  
for Energy & Utilities



Payments Framework  
for Financial Services



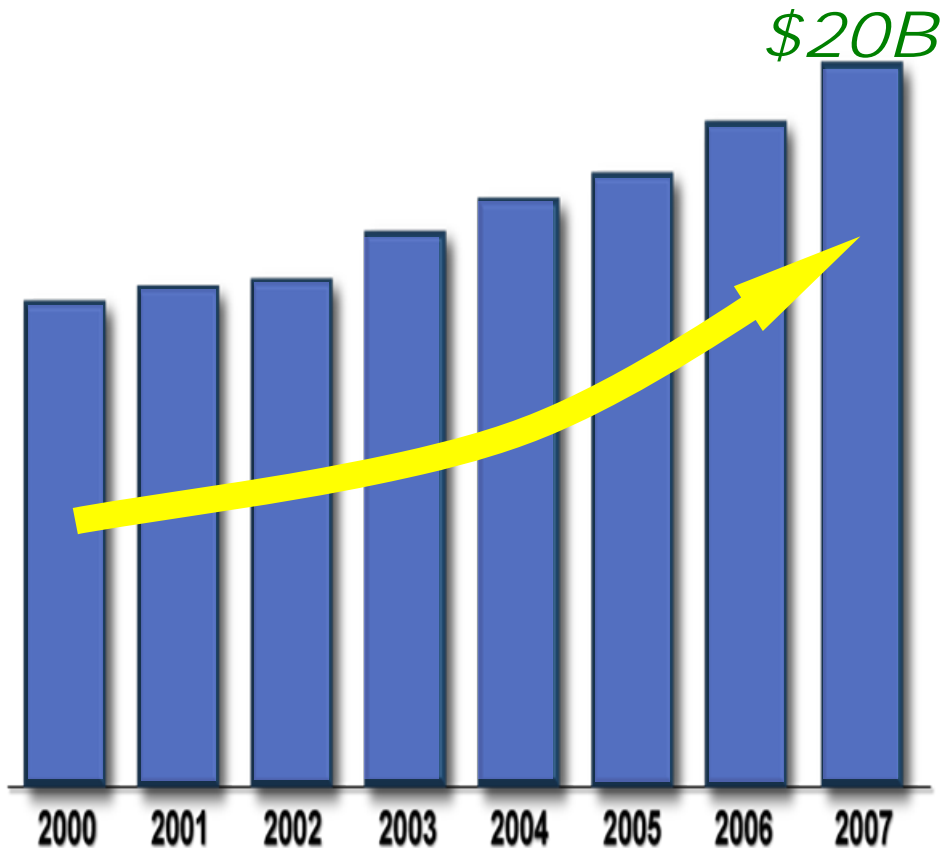
Information Integration  
Framework



Service Provider  
Development  
Environment



# IBM Software Growth



**2nd Largest Software Vendor in the Industry**

**The Market Share Leader in Middleware**

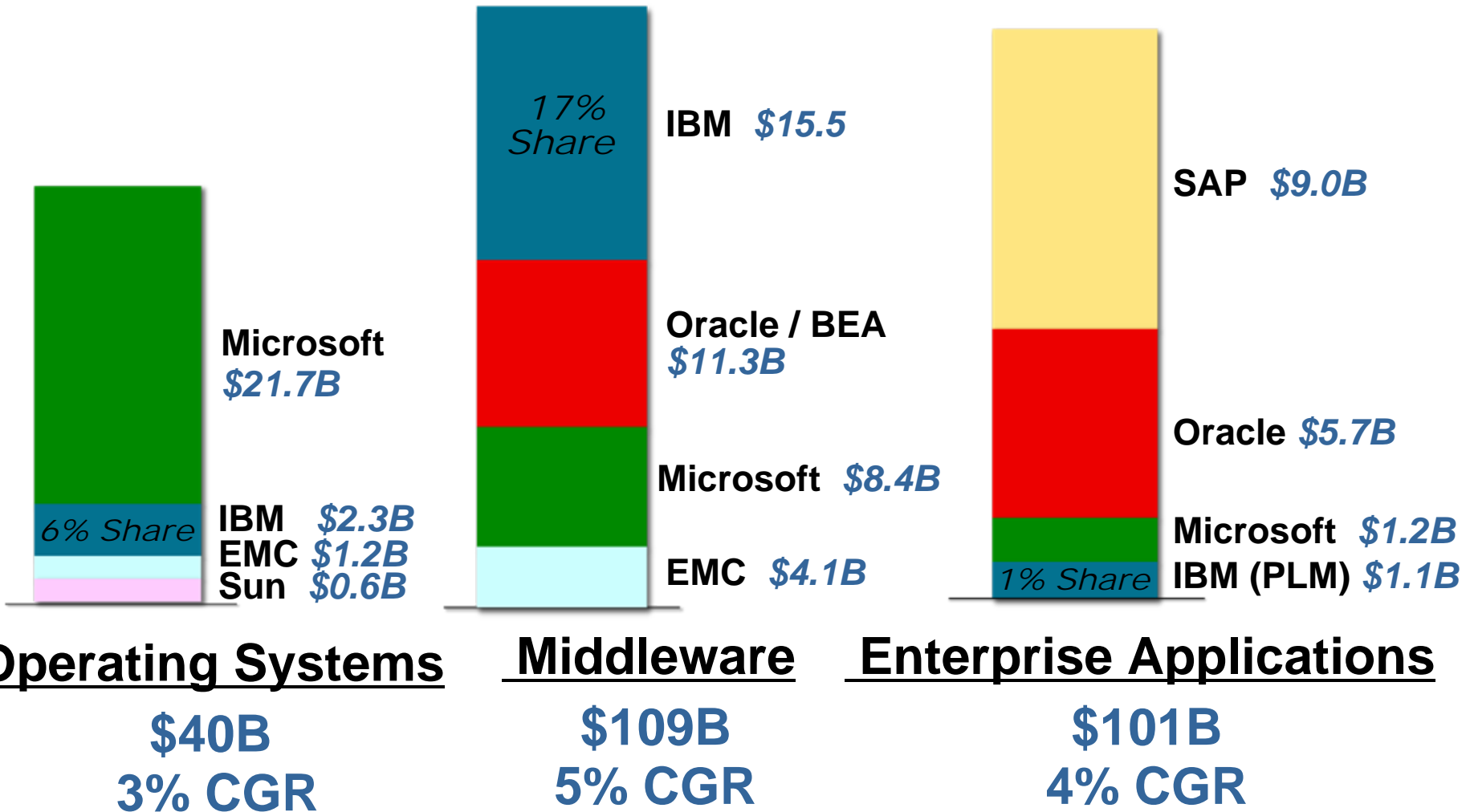


**Reuters – June 18, 2007**

“International Business Machines is banking on software, which accounts for 20 percent of revenue but generates 40 percent of pretax earnings, to lift overall profitability of a company that spans computer hardware, services and software.”

# Industry Dynamics

## 2007 Software Revenue



Source: (1) Only top market share leaders listed; IBM share includes software revenue from IGS transactions  
 (2) IBM GMV2H08, IBM CSV 7/08; Middleware excludes operational security; CGR is '07-'12

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# Expanding Our Platform Through Acquisitions

**Bold Market Entry**

- High profile entry
- Leverage IBM Strengths

e.g. 

**Complementary Point Products**

- Highly complementary technology buys
- Gain time to market

e.g.  watchfire®

**Opportunistic Consolidations**

- Companies with significant revenue streams
- Retain customers and leverage install base
- Achieve cost and expense synergies

e.g.  **Candle**  
Managing what matters most™

**Market Leadership**

- Buy market leaders in growth segments
- Strong ecosystems
- Large customer install bases
- Usually command premium valuations

e.g.  **FILENET**

[http://w3.ibm.com/news/w3news/top\\_stories/2005/12/swg\\_ibm\\_software\\_acquisitions.html](http://w3.ibm.com/news/w3news/top_stories/2005/12/swg_ibm_software_acquisitions.html)

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# Expanding Our Platform Through Acquisitions

## Empowering People

### Lotus

- Lotus (1995)**  
Collaboration & Productivity
- Pathware (1999)**  
Web based e-Learning
- Databeam (1998)**  
Realtime & Distance Learning
- Apatrix (2003)**  
Web Content Mgmt
- Ubique (1998)**  
Instant Messaging & Chat
- PureEdge (2005)**  
Secure xml e-Forms
- ONEstone (1999)**  
Workflow
- BowStreet (2005)**  
Development Tools for Portals
- WebDialogs (2007)**  
Online meeting & collaboration
- Net Integration Tech (2008)**  
Small business server-solutions

## Service Management

### Tivoli

- Tivoli (1996)**  
Centralized Systems Mgmt
- Unison (1997)**  
Job Scheduling
- DBMX (1997)**  
Distributed DB Mgmt
- Dascom (1999)**  
Security Access Control
- SANergy (1999)**  
Storage Mgmt
- Accessible Software (2000)**  
Mainframe Systems Mgmt
- Metamerge (2002)**  
Directory Integration
- TrelliSoft (2002)**  
Storage Mgmt
- Access360 (2002)**  
Identity Mgmt
- Think Dynamics (2003)**  
Automated server provisioning (orchestration)
- Candle Corp (2004)**  
Systems Mgmt & Monitoring
- Cyanea (2004)**  
Web Performance Mgmt & Monitoring
- Isogon (2005)**  
IT Asset Mgmt
- Collation (2005)**  
App centric views of cross-tier IT infrastructure
- Micromuse (2005)**  
Network Mgmt
- CIMs Labs (2006)**  
Track usage of resources across virtualized technology environments
- Rembo (2006)**  
Automatically install or upgrade OS on multiple systems
- MRO (2006)**  
Asset & Service Mgmt
- ISS (2006)**  
Internet Security
- DORANA (2006)**  
SW Asset Mgmt
- Vallent (2006)**  
Network Performance Monitoring & Service Mgmt for Wireless
- Consul (2006)**  
Compliance & Security Audit
- Encentuate (2008)**  
Enterprise single sign-on

## Information Management

## Information on Demand

- KnowledgeX (1998)**  
Complex Data Mining
- IW Manager (1998)**  
Query Manager
- Informix (2001)**  
Distributed Unix DBs
- Tarian (2002)**  
Record Management
- CrossAccess (2003)**  
Info access to Mainframe DBs
- Green Pasture (2003)**  
Compound Document Mgmt
- Trigo (2004)**  
Product Info Mgmt
- Alphablox (2004)**  
BI Analytics & Alerts
- Venetica (2004)**  
Access/Integrate unstructured info through SQL query
- SRD (2005)**  
Identity resolution
- Ascential (2005)**  
Enterprise Data Integration
- DWL (2005)**  
Customer Data Integration & Mgmt
- iPhrase (2005)**  
Adaptive info delivery & discovery
- LAS (2006)**  
Multi-cultural name recognition
- Unicorn (2006)**  
Enterprise Metadata Mgmt
- FileNet (2006)**  
Business process & Content Mgmt
- DataMirror (2007)**  
Real-time data integration & data protection
- Princeton Softech (2007)**  
Database archiving & test data management
- Cognos (2008)**  
BI & Performance Mgmt Platform
- Solid Information Tech (2008)**  
Real-time, all-the-time info access

## Business Process Flexibility

### WebSphere

- Object Tech. (1996)**  
Object Technology
- OpenOrders (2000)**  
Order Management
- CrossWorlds (2002)**  
Business Process Integration
- Holosofx (2002)**  
Business Process Modeling & Monitoring
- Gluecode (2005)**  
Open source Java application infrastructure
- DataPower (2005)**  
Secure application-level messaging & xml processing
- Webify (2006)**  
Industry-specific SOA SW
- Aptsoft (2008)**  
Business-event processing

## Software Lifecycle Management

### Rational

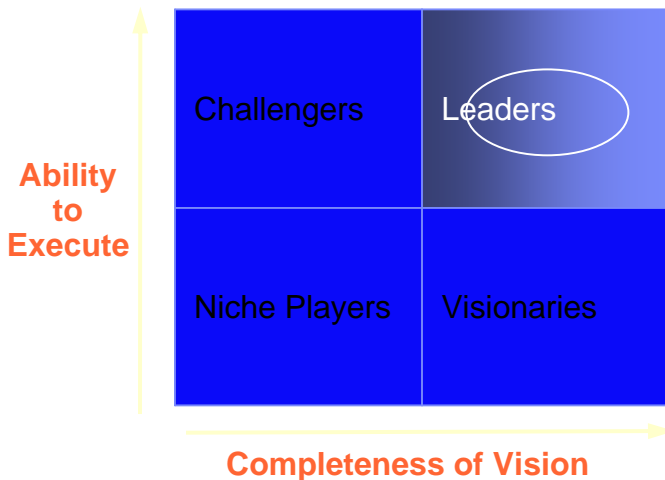
- Rational (2002)**  
Team-based end to end development tools
- Information Lab (2003)**  
Development tool technology
- Systemcorp (2004)**  
Project Portfolio Mgmt
- BuildForge (2006)**  
Product development teams document what was created, developed & deployed
- Watchfire (2007)**  
Security & compliance testing
- Telelogic (2007)**  
Development SW for complex embedded systems





# IBM Software - Vision and Execution

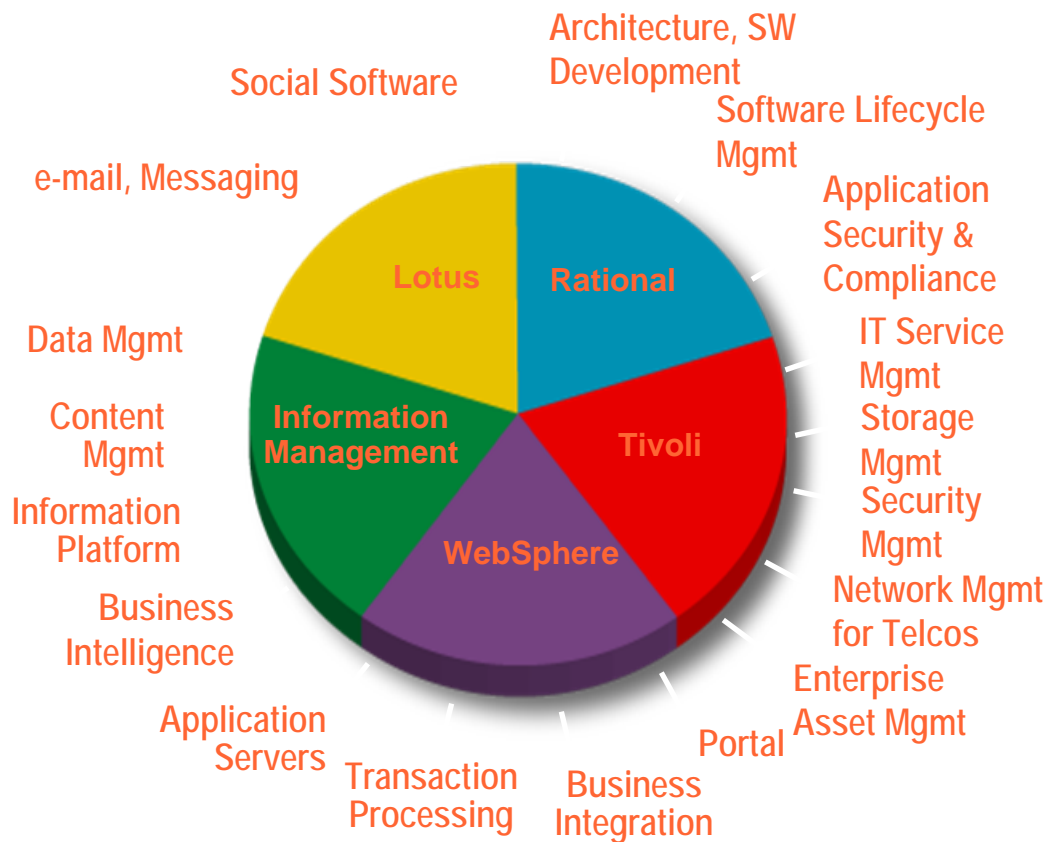
## Gartner's Magic Quadrant



## IBM Software in the Leaders Quadrant

- Appl Infrastructure for Back-End Application Integration, 2Q07
- Appl Infrastructure for Composite-Applications, 2Q07
- Appl Infrastructure for New Service-Oriented Business Application Projects, 2Q07
- Application Infrastructure, 2Q07
- Business Process Analysis Tools, 2H07-1H08, 2Q07
- Data Integration Tools, 4Q07
- Data Quality Tools, 2Q07
- Data Warehouse DBMS, 4Q07
- E-Commerce, 1Q07
- Enterprise Asset Management for Manufacturing, 3Q07
- Enterprise Asset for Transmission and Distribution, 3Q07
- Enterprise Asset Management for Power Generation, 3Q07
- Enterprise Content Management, 3Q07
- Horizontal Portal Products, 2Q07
- Information Access Technology, 3Q07
- Manufacturing Product Lifecycle Management, 4Q07 (with Dassault)
- Storage Resource Management and SAN Mgmt Software, 1Q07
- User Provisioning 2H07 (Security), 2Q07
- Web Access Management 2H07, 4Q07
- Web Conferencing 2007, 2Q07

# Key Growth Segments in Our Portfolio



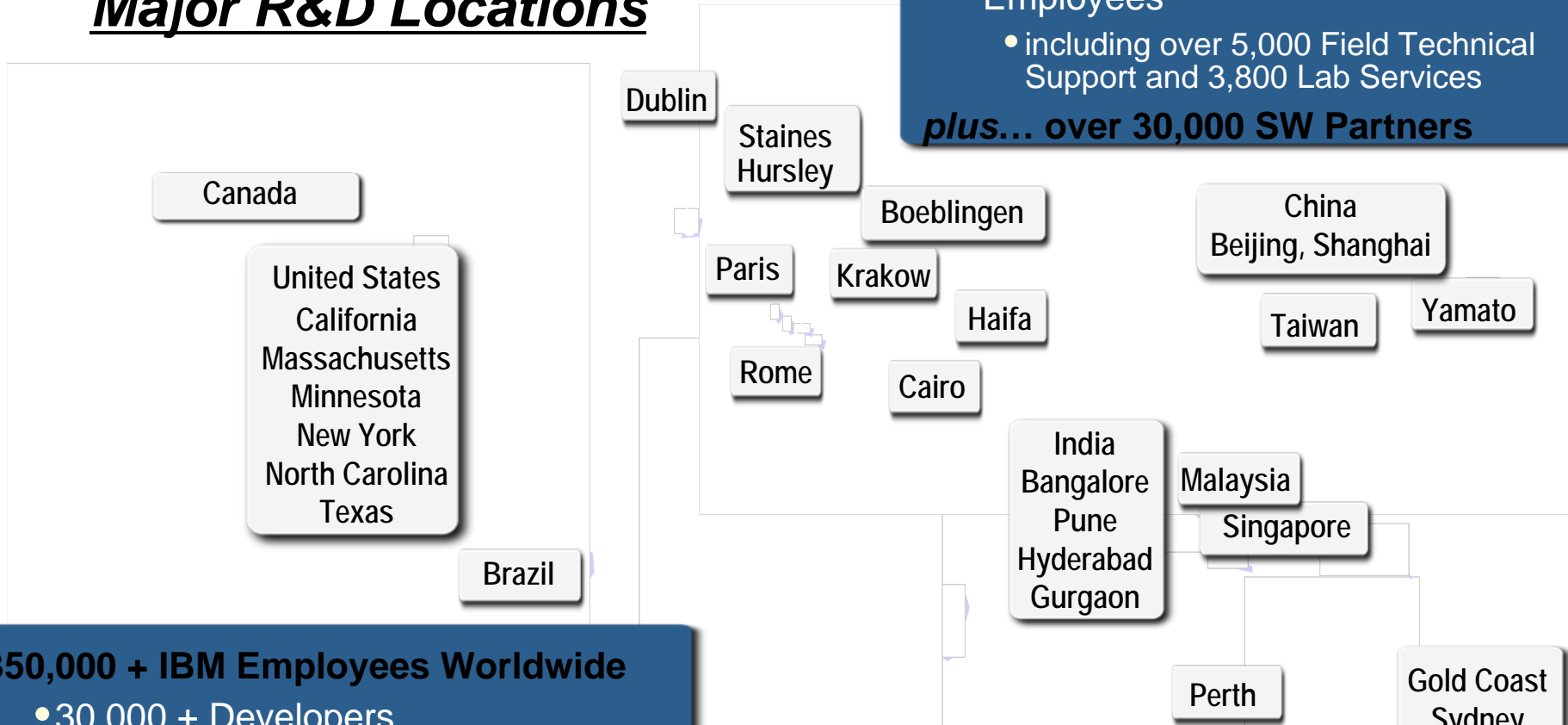
Key Product Segments	IBM Share Position
WebSphere	#1
Integration Server	#1
Portal Server	#1
Information Management	#2
Enterprise Content Management	#1
Information Integration (incl MDM)	#1
Lotus	#2
Collaboration	#2
Tivoli	#2
Security Management	#2
Rational	#1
Software Configuration Mgmt	#1

Sources: IBM Finance, IBM Market Analysis, Company Reports, IDC Software Tracker



# Leveraging IBM's Globally Integrated Team

## Major R&D Locations



**350,000 + IBM Employees Worldwide**

- 30,000 + Developers
- 100,000 + Sales, Support & Marketing



# IBM Software

*Enabling innovation... in a complex world*



Information Management

Lotus

Rational

Tivoli

WebSphere

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# Questions? Comments? Suggestions?

General SWG Strategy

Technical Strategy

Financial Strategy / Models

Channel / SMB Strategy

Marketing Program Framework

Market Data / Customer Tiering

SOA

Business Flexibility / WebSphere

Information On Demand / DB2

Empowering People / Lotus

Service Management / Tivoli

Software Lifecycle Mgmt / Rational

PLM

Acquisitions

Customer References

Sales Enablement

Roger Kerr

Jim Caldwell

Katharine Frase

Chris Wesche

David Lorden

Tom Mayer

Matt Collins

Paul Brunet

Alice Chou

RK Paleru

Art Fontaine

Snehal Parikh

Julie Roberson

Kurt Kovacic

Robert Bry

Matthew Young

Betsy Stevenson

[rjkerr@us.ibm.com](mailto:rjkerr@us.ibm.com)

[caldwell@ca.ibm.com](mailto:caldwell@ca.ibm.com)

[frase@us.ibm.com](mailto:frase@us.ibm.com)

[cawesche@us.ibm.com](mailto:cawesche@us.ibm.com)

[dflorden@us.ibm.com](mailto:dflorden@us.ibm.com)

[temayer@us.ibm.com](mailto:temayer@us.ibm.com)

[mattcoll@us.ibm.com](mailto:mattcoll@us.ibm.com)

[pebrunet@us.ibm.com](mailto:pebrunet@us.ibm.com)

[choua@us.ibm.com](mailto:choua@us.ibm.com)

[rpaleru@us.ibm.com](mailto:rpaleru@us.ibm.com)

[afontaine@us.ibm.com](mailto:afontaine@us.ibm.com)

[parikhs@us.ibm.com](mailto:parikhs@us.ibm.com)

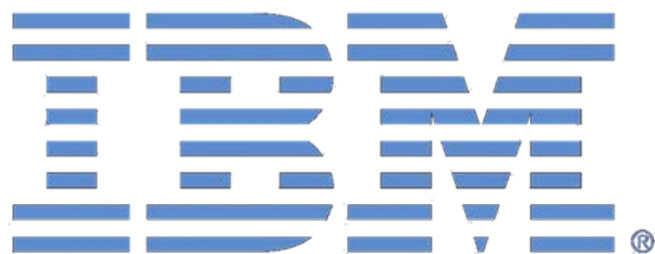
[juliero@us.ibm.com](mailto:juliero@us.ibm.com)

[kdkovac@us.ibm.com](mailto:kdkovac@us.ibm.com)

[bry@us.ibm.com](mailto:bry@us.ibm.com)

[myoung@us.ibm.com](mailto:myoung@us.ibm.com)

[betsy\\_stevenson@us.ibm.com](mailto:betsy_stevenson@us.ibm.com)



Information Management

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# Software

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# Why **COGNOS**® ?

- 15 year partnership with extensive technical integrations and several joint solutions already available
- Cognos provides the most complete technology synergies, including market leading support for SOA
- Minimal overlap in products and technology, unlike most other acquisitions in this market
- Strong history of supporting heterogeneous application environments, consistent with core IBM strategy
- Extends IBM reach further into CFO office with powerful financial planning and consolidation capabilities

IBM to Acquire Cognos



# Why Watchfire?



- Watchfire provides web application vulnerability and web compliance testing solutions to help enterprises reduce risk and the costs associated with online security and compliance breaches.



Best Security Company



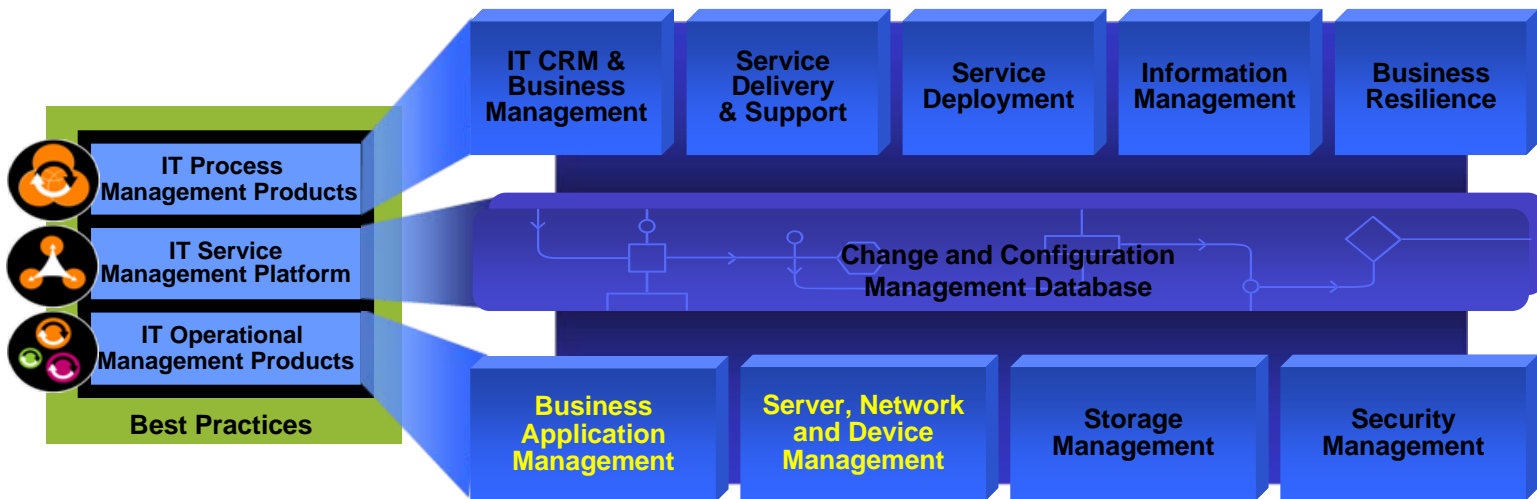
Best Security Product

#1 in Market Share for Application Security VA – Gartner/IDC

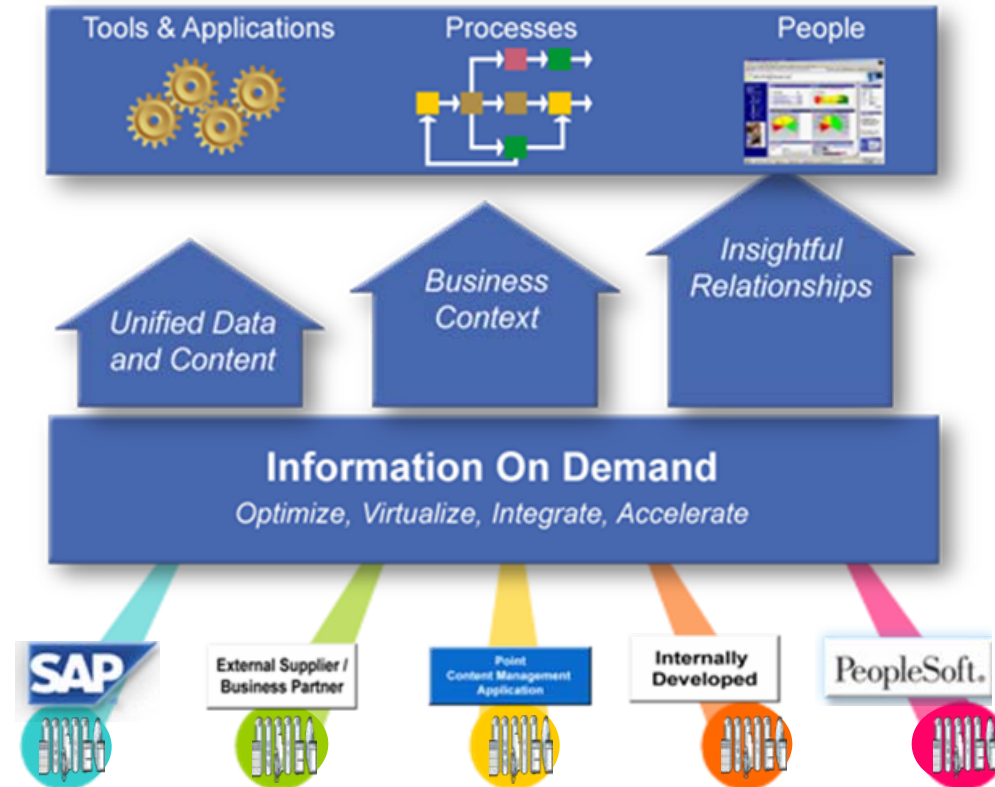


# Why Candle?

- **Immediate contribution to Performance & Business Automation portfolio**
  - Comprehensive Tivoli solution for Z-series platforms
  - Tivoli Enterprise Portal.
  - Composite application management solutions (WBI, WAS, Response time tracking, Web Monitoring)
- **Inherited approx. 3000 Candle customers**
  - 80% of Fortune 100 were Candle customers
- **Well Suited for ITSM (IT Service Management) and SOA strategy**



# Why FileNet?



- **FileNet + IBM: World's Broadest Portfolio of Enterprise Content Management Capabilities**
- **ECM is a Critical Component of a Broader Information Management Strategy...**
- **IBM and FileNet deliver the most innovative and industry-focused content management solutions**  
**Innovating while preserving and enhancing both product portfolios**

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