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Special Update

IBM Goes Deep With Its Application Development Life-Cycle Suite

Integration & Development Strategies

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IBM recently announced and will be shipping a revamped application development tool suite aimed at integrating products at a semantic layer via the Eclipse Modeling Framework and increasing overall functionality. In a related announcement, IBM said it will also target IT governance and portfolio management via its acquisition of Systemcorp.

Earlier this month, IBM's Rational division announced the launch of "Atlantic," or the IBM Software Development Platform (SDP) — a significant reworking of its application development (AD) and life-cycle tools. IBM also announced a foray into the project portfolio management (PPfM) space through its proposed acquisition of Systemcorp. The combined announcements are sweeping in scope. Indeed, closer coordination across AD life-cycle products and phases is a key element to the announcements, with positive impact for users seeking to better unite disparate tools and leverage Eclipse benefits.

This announcement includes a strategy that takes what was "IBM" WebSphere Application Developer and ships a rebranded "Rational Application Developer" release with new integration and functional capabilities. Tighter overall integration across the entire SDP with Eclipse will come in two stages. During the first phase, shipping by December 2004, the IBM Rational desktop tools will reside on the Eclipse open source framework and leverage its structure called the Eclipse Modeling Framework (EMF) to enable tighter integration at a semantic level. Desktop tools include Rational Software Modeler, Rational Software Architect, Rational Application Developer, Rational Web Developer, Rational Functional Tester, Rational Manual Tester, and Rational Performance Tester (new testing products that incorporate the Hyades technology). In the second phase, which will occur in 2005, IBM will further improve integration of the collaborative life-cycle products (e.g., CC, CQ, ReqPro) with its Eclipse-based design, construction, and test products. This will open IBM Rational tools to third parties and the open source community more fully, as well as enable integration between the separate suite products at a closer level than data integration. The fact that SDP coordination happens via Eclipse frameworks (which are open) provides a better system than the earlier IBM Rational API-to-API integration. (However, because Eclipse and its framework provide the integration, this will not help integration for non-Eclipse users.)

IBM also announced Ready for IBM Rational Software, a program through which ISVs can integrate their solutions with the IBM SDP. This program will sit less well than a "Ready for IBM Software" program with competitive AD life-cycle players (e.g., Borland, Computer Associates, Serena) that still need to support what was IBM WebSphere Application Developer. However, IBM Rational remains committed to making partner information available on Rational Application Developer. New AD life-cycle tool releases will be available across the IBM Software Development line of tools by YE04. These include substantial upgrades for testing and software configuration management in particular as well as additional support for requirement functionality and the Visual Studio .Net environment.

IBM continues to support the .Net platform and is strengthening those tools as part of this SDP launch. However, IBM's product capabilities are different for Java and .Net. This is due to EMF use in the Java environment. The Java and .Net versions have different modeling tools with different metadata systems underneath. For customers using the products to target a single platform, this might not be a big issue, but it does detract from the value proposition for organizations seeking coordination between .Net and Java projects. We believe IBM Rational will continue to have a broad and functionally deep line of AD life-cycle tools support in the Microsoft world, but we see it challenged by the increasing level of integration and quest to have a common system across Eclipse and .Net. Indeed, third parties like Borland and Compuware are focusing on consistency across this multiplatform environment as a differentiator. The combined IBM announcements will continue to drive additional market consolidation. In addition to coordinating efforts for development, these systems must tie to the production and

management side, which IBM is accomplishing in part through Tivoli integration into Eclipse to meet deployment needs (and which Microsoft is targeting with SDM).

IBM's proposed Systemcorp acquisition represents the first attempt by a full AD life-cycle suite vendor to enter the PPfM (PPfM) and IT governance arena. This follows Mercury's acquisition of Kintana (2Q03) and Compuware's acquisition of Changepoint (2Q04). Mercury has executed extremely well and helped establish the market for IT governance targeting project, asset, and, most recently, application PFM (with its acquisition of Appilog in 1Q04); Compuware's product suite is also coordinating views across asset and project portfolios and has AD capabilities and Model Driven Architecture modeling in its OptimalJ product (with limited adoption). Both companies came to PPfM from testing and application performance management areas primarily.

IBM Rational's SDP is broad and incorporates modeling, development tools, software configuration management, requirements, testing, and other AD life-cycle areas. IBM's proposed coordination with PFM capabilities exemplifies the trend of leveraging quantitative AD life-cycle data to feed qualitative portfolio analysis and governance. Indeed, Global 2000 users and managers are seeking better information to facilitate metrics and project evaluations and overall portfolio prioritization. The inclusion of Systemcorp's portfolio management in IBM's product line (as Rational Portfolio Manager), coupled with additional metrics and governance from the Rational Project Console, will form the foundation of an IBM solution to attempt to meet these needs and is targeted to ship by YE04.

Competitors to IBM in the AD life-cycle suite market are pursuing this path as well, and several products to support PPfM will be released through 2006 and beyond. Microsoft Visual Studio Team System will ship in 3Q05 and will incorporate limited project management — Microsoft's time frame for PFM support is set for 2006. Borland has made announcements of timing for PPfM integration with its tools, with targeted availability for YE05. Assuming IBM can integrate the Systemcorp acquisition quickly (see below), it will have a lead on both Microsoft and Borland. We see benefits to additional partnerships in this context (e.g., between Borland and Mercury and others).

Because IBM has had a long-standing partnership with Systemcorp and because the Systemcorp PMOffice product architecture was revamped several years ago to support IBM technologies, we expect this to facilitate integrating and transitioning these products into the IBM suite. However, users should be concerned about and should evaluate PMOffice's existing depth and functionality for high-end, enterprise PPfM suite deployments. Although IBM claims substantial scalability for Systemcorp's PMOffice (with its own 6,000 internal users), no other PMOffice reference sites of similar scale are available. (According to Systemcorp, IBM is the largest PMOffice deployment.) Moreover, Systemcorp's market share in the PFM suite space is limited. It is our impression that IBM opted for a PFM product in which it was invested and with which it was familiar, but that Systemcorp has its emphasis on "pure" portfolio management and lags leaders in the suite arena (see Project Portfolio Management METAspectrumSM). Users with strong commitment to the IBM Rational suite of tools should evaluate Rational Portfolio Manager when it becomes available, and carefully determine both the benefit of IBM Rational integration and the appropriate fit between needed functionality in the combined project/program, process, resource, and portfolio management areas.

From a functional perspective, the most recent release of PMOffice provides better usability and functional support than earlier versions. Users should expect additional improvements once the acquisition closes, with the weight of IBM resources for R&D. The fact that IBM is supporting the concept of coordinating the data available from AD life-cycle tools (requirements, change management, testing, etc.) and the analytical capabilities of PFM is significant for users seeking better IT governance. It is also significant for the overall portfolio (PPM, ERP, etc.) and AD life-cycle markets, which will increase competition with existing players as IBM products improve. Longer term (2005+), we expect IBM to help coordinate information across IT projects and operational assets, given the breadth of the overall IBM portfolio with Tivoli and other technologies. This announcement also presages additional market evolution and pending acquisitions from other vendors.

Overall, these combined announcements position IBM's SDP well — providing stronger product releases, enabling better coordination via Eclipse, opening the tools to third parties in the open source arena, and establishing an approach for pulling AD life-cycle data into a PFM framework.

Bottom Line

IBM's recent announcements reflect growing user demand for integrated life-cycle products, which can automatically provide the information needed to manage project, application, and asset portfolios. Users of IBM technologies should judiciously evaluate these products as part of their PFM initiatives. Users of .Net technology should also evaluate IBM's offerings as part of their tool selection process and be aware that it offers functionality different from the Java edition.

Business Impact: Combining AD life-cycle and PPfM will enable lower-cost, higher-quality software development that is more relevant and adaptive for businesses. Integrating tools with portfolio analytics enables coordination and data accessibility for management to improve metrics, increase efficiency, and drive IT governance.