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VENDOR NEEDS AND STRATEGIES

IBM WebSphere Portal Finds Its Place in the Workplace

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IDC OPINION

IBM's leadership of the enterprise portal software market in terms of license and maintenance revenue over the past three years has been due to its ability to successfully sell portal solutions to businesses of all sizes in conjunction with other complementary products, especially those used for collaboration. As part of the IBM Workplace strategy, WebSphere Portal provides key capabilities that appeal to prospects and clients alike that are seeking ways to improve employee effectiveness by taking advantage of role-based composite applications that present content and Web services application functionality to users in the context of the work at hand. IBM's future leadership will depend on it continuing to do the following:

- Develop features for its portal and horizontal- and industry-specific business process industry solutions with the help of its partners.
- Deliver IBM Global Services solutions that are based on WebSphere portal and Workplace offerings that not only address customer business and IT requirements but also increase adoption rates across IBM's product portfolios through a wide variety of channels, including direct sales, VARs/VADs, and large SIs such as IBM Global Services.
- Synch the IBM Workplace and Domino/Notes code bases by sharing Web services, other standards, and application design to help solidify WebSphere and Workplace as the long-term future for 100+ million Domino/Notes users.

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IN THIS STUDY

This IDC study examines IBM's strategy for marketing WebSphere Portal, including its approach in selling to a broader market segment than traditional enterprise portal software buyers. It looks at IBM's strengths and the challenges it faces in the marketplace. The study further examines some common use scenarios for the portal and discusses the role it plays in the IBM Workplace strategy.

SITUATION OVERVIEW

IBM entered the portal market at a fairly early stage and quickly racked up sales for its portal offering. The WebSphere Portal expanded on a successful brand of integration and deployment technologies, most important, the WebSphere Application Server. With the release of WebSphere Portal, IBM positioned itself to compete more effectively with Oracle and BEA in both the application deployment and the portal software markets.

IBM aggressively added features to its portal offering and in some aspects outpaced its most direct competitors. IBM Global Services played an important role in establishing WebSphere Portal as the top-selling portal software product. The rollout of the IBM Workplace portfolio further strengthened IBM's leadership by introducing cross-industry and vertical applications that benefit from existing software services available in WebSphere and other IBM software.

IBM sells its portal offering in conjunction with seemingly endless numbers of packages and bundles, including the IBM Workplace offerings and custom solution implementations handled by IBM Global Services and other partners, a previously held OEM deal with JD Edwards (now Oracle), an offering that supports IBM's z-series mainframe servers, a small business package, and mobile and commerce extensions. For customers looking for a standalone portal solution, IBM offers:

- WebSphere Portal Enable, which contains the functionality commonly considered to be an enterprise portal platform
- WebSphere Portal Extend, which adds additional search, Web analysis, and collaboration functionality to the enterprise portal feature set

IBM's broad packaging options enable IBM to successfully target specific market segments and cross-sell other servers and software offerings. IBM has recently focused on several key capabilities of its portal offering, including how employees interact with business processes, the ability to deploy multiple portal sites through a single portal instance on a common set of hardware, and how Web content is managed and accessed. An example of how IBM addresses interaction with business processes is an IBM portlet that enables users to receive and view their tasks requiring completion that can dynamically launch appropriate applications and supporting information from within the portal rather than navigating through workflow task alerts sent through email. Web content management has been improved with

greater self-service management of content, customization options, and integration with the portal's personalization server.

Use Scenarios

As with any portal, WebSphere Portal can be used in a variety of ways to improve employee effectiveness and information and application access across the enterprise (see Figure 1). IBM's own recent customer surveys and IDC's demand-side research of the portal market suggest that the more common uses of IBM's WebSphere Portal include employee collaboration, Web content aggregation, business operations improvement, third-party applications integration, and as part of a management dashboard:

- **Employee collaboration.** Employee collaboration is the primary reason customers adopt the IBM WebSphere Portal and complementary offerings. IBM has long established itself as a leader within the collaborative software market, with 100+ million Domino/Notes users, and has built on this foundation to extol the benefits and strengths of collaboration within the WebSphere Portal to reach additional segments of the workforce and provide collaboration in the context of other enterprise business applications, content, and processes. Employee collaboration in the IBM WebSphere Portal provides contextual access to email, group calendaring, instant messaging and presence, expert location, conferencing, and team workspaces (See Figure 2). Collaboration is one of the primary reasons cited by portal prospects as a function they wished to improve through adoption of the portal. IBM has redesigned its core collaboration software into portal-friendly product offerings that appeal to its portal prospect base.

- **Web content aggregation.** Web content aggregation continues to be a top issue facing organizations seeking a portal software solution. Many firms have multiple intranets that operate disconnected from one another and contain outdated content. Consolidating intranets and bringing content up to date and making it relevant and actionable is a problem that many enterprises seek to solve. The challenge of determining how to keep content up to date and managed in the least intrusive and most useful way to employees is not only a resources issue but also a cultural one that makes appropriate consulting services all the more essential to successful deployments. The technology options for managing Web content seem to be fairly flexible across all portal platforms, and new standards have emerged to simplify this function. However, it remains a complex problem for business reasons and because organizations are only now beginning to adopt software that offers improved aggregation of Web content.

- **Business operations improvements.** Making business operations improvements in areas such as customer service, human resources, and supply chain and enterprise resource management that rely heavily on existing enterprise applications continues to be a goal among enterprises of all sizes. Customer service processes, for example, tend to be the top priority relative to other enterprise processes in need of improvement through portal software functionality. Portals can extend access to customer information and even transactions for authorized users located outside the enterprise. Moreover,

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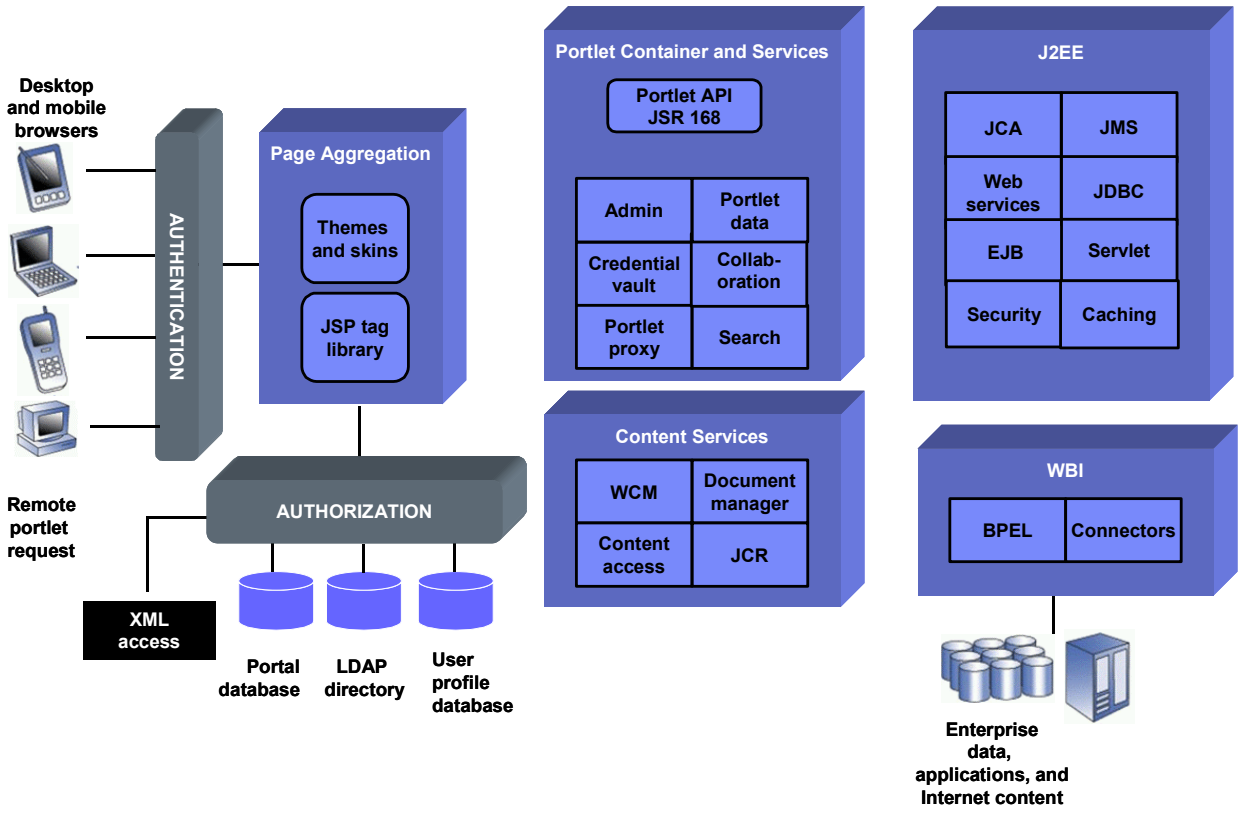
improving access for internal users of content, data, and transaction capabilities is the primary means for enhancing customer services processes through a portal.

- **Third-party applications integration.** Third-party applications integration is a challenge faced by organizations with many different suppliers of enterprise applications, even within the same category of application (i.e., financial management), and companies need a portal offering that can integrate content and access across multiple applications (see Figure 3). IBM has built a successful catalog of portlets that, among other things, offer preintegrated views of a variety of applications. More important, IBM offers the services, integration, and development technologies to help customers achieve this integration, add or extend workflows, increase information availability, and improve the interoperability of applications from different vendors.

- **Management dashboards.** Management dashboards were one of the first solutions to be built on top of portal software. These dashboards primarily contain reports based on structured data often presented in graphical summaries, including reports on deviations from key performance indicators, but many can handle more complex functions including initiating workflow rules and providing analysis of business process bottlenecks, depending on the types of complementary technologies deployed at the time of the portal implementation (see Figure 4). Management dashboards will maintain their importance as customers seek improved insight into their operations and corporate compliance initiatives need to be continually monitored and provide new management information. From a market development standpoint, dashboards have also enabled vendors to expand their sales and marketing efforts from talking technology with IT departments to demonstrating to line-of-business managers the business value of tracking business operations through a portal view. This shift to selling to line of business with control over their own budgets for business solutions will be essential to long-term success in the portal software market.

FIGURE 1

IBM's WebSphere Portal Architecture



Source: IBM, 2005

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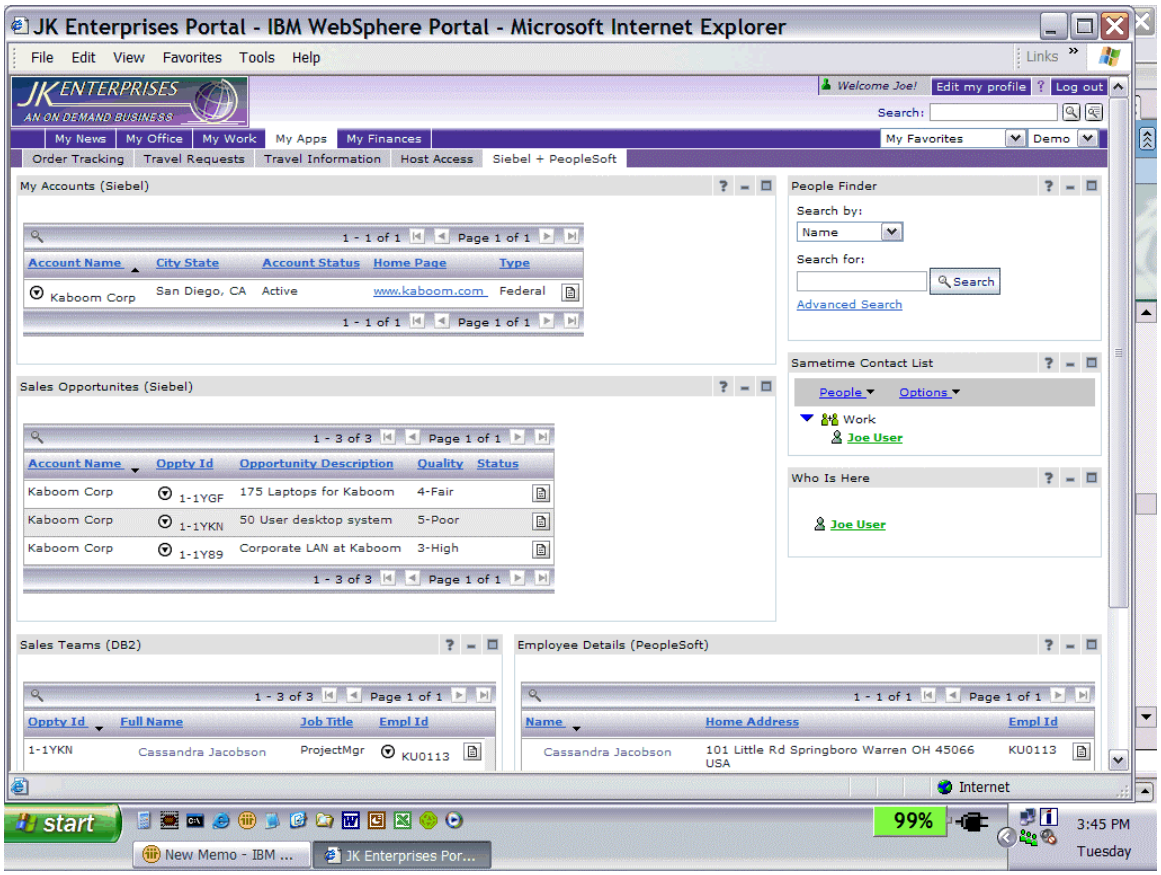
FIGURE 2

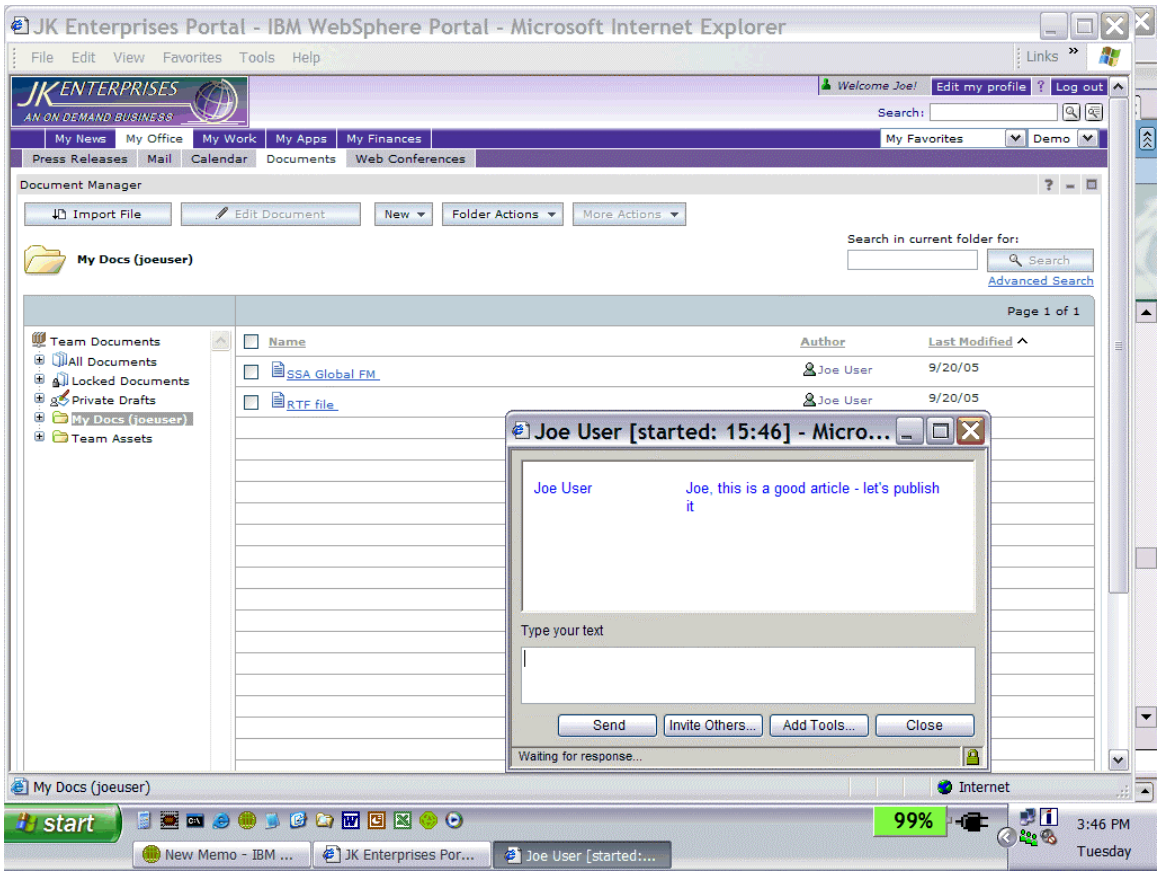
Collaborating on Content in the IBM WebSphere Portal



Source: IBM, 2005

FIGURE 3

Integrating Applications in the IBM WebSphere Portal



Source: IBM, 2005

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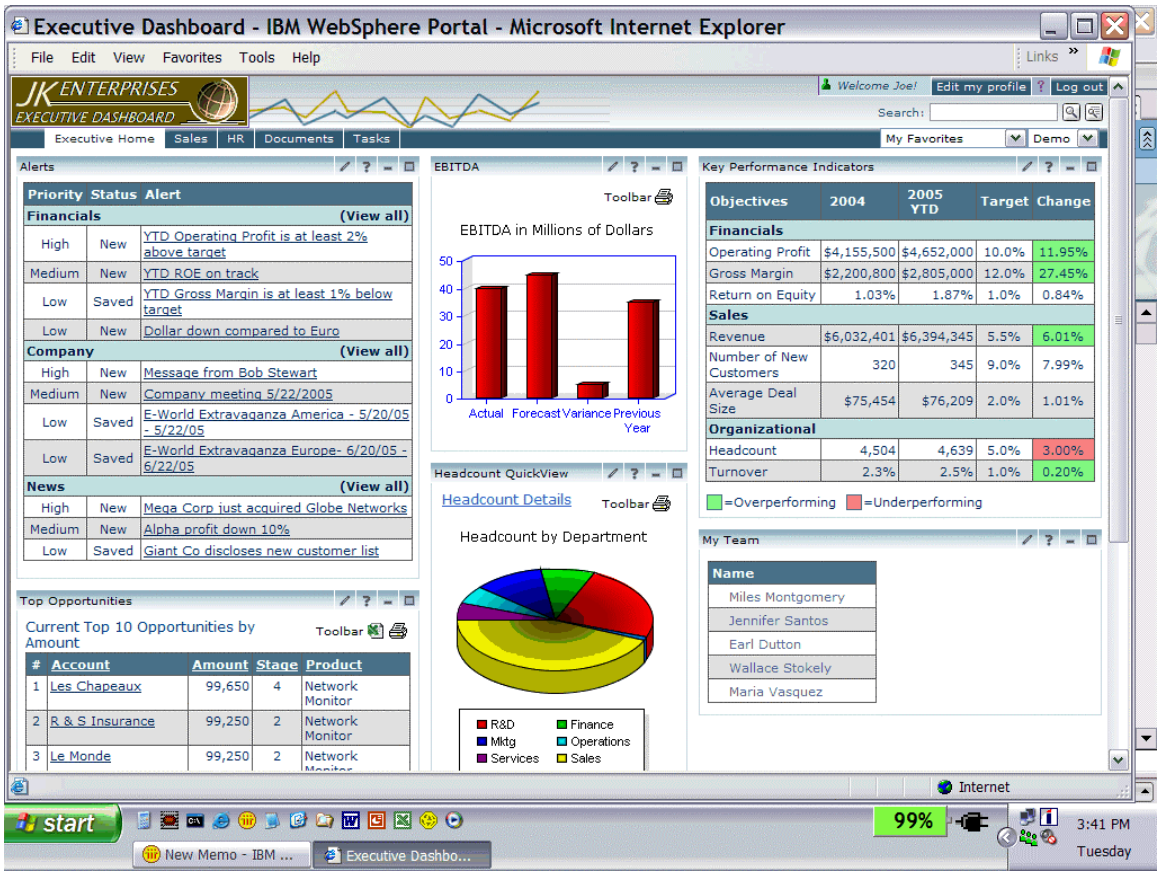
FIGURE 4

Management Dashboard in the IBM WebSphere Portal



Source: IBM, 2005

FUTURE OUTLOOK

IBM Workplace is a key family of offerings based on existing and new functionality that will be key to IBM's future success in the portal and related software markets. IBM Workplace provides contextual delivery of information and applications dependent on business rules, user roles, and presence. These composite applications address a variety of cross-industry and vertical processes, are customizable through the familiar functionality available in its portal, and are a step toward realization of what IDC calls the "enterprise workplace" (see *The Enterprise Workplace: How It Will Change the Way We Work*, IDC #32919, February 2005).

IBM Workplace positions IBM's sales force and partners to more easily demonstrate the direct business value of the underlying technologies. IDC has stated since it first defined the enterprise portal software market that process management capabilities would be key to moving the portal into a new wave of adoption and appeal to a

broader audience. IBM is moving in this direction with IBM Workplace and its Task Manager portlet and related technologies.

IBM's drive to incorporate more process capabilities is expected to continue as it improves upon the workflow capabilities included with the portal. The result would be improved support for forms creation, disconnected use, and more open standards adoption within workflows and forms. In addition, new options for IBM Workplace offerings would open up as well as improve the way people work with information and applications through the portal.

ESSENTIAL GUIDANCE

For IBM, future success will depend on its ability to continue to expand its portal functionality to remain competitive in the portal market and position it for a transition into the enterprise workplace. Improved unstructured data management, process and workflow design and execution, a richer interface, and a common infrastructure and look and feel across complementary products will be essential to making this transition. IBM can continue to create new solutions within its IBM Workplace portfolio, but the capabilities of IBM WebSphere Portal will largely dictate the extent to which these solutions impact the business customer. With increased focus slated for the above-mentioned focus areas, IDC believes IBM is well-positioned to continue its success in the portal software market.

IBM will need to protect its leadership position in the portal software market from attacks from without and within. From within, IBM must address customer and prospect concerns about perceived and real complexity formed by the differing technologies underlying each of its complementary offerings, including development tools, collaboration, content management, and the database. Although IBM has made significant strides to reconcile these differences, it must continue to move forward with adoption of standards and shared code across product sets. IBM must continue to hide complexity from both users and IT with the help of solutions such as IBM Workplace across its entire portfolio to reduce the number of deployments involving lots of standalone products with disparate user interfaces.

Second, IBM's competition will continue to challenge IBM's leadership, not only through continued innovation in portal functionality but also in offering complementary software, developing a composite application strategy, making acquisitions to expand installed bases and capabilities, and reducing the complexity of their own portal software. IBM will need to stay ahead in these areas and continue to demonstrate the advantage of its software, hardware, and services offerings and vision in addressing customer requirements.

IBM must also continue to make strides in unstructured data management beyond Web content management and forms if it intends to bring the next generation of composite applications to market.

For portal software buyers, it is important to continue to evaluate the available options in the portal market prior to making a purchase decision. When looking at IBM's portal offering, it is important to consider the costs associated with the portal as well as complementary software and any services. Multiplatform capabilities in terms of

deployment and development will give portal prospects better options for supporting portal initiatives that should be considered perpetual projects. Portals that support rather than change the way business employees work are key to having higher satisfaction and usage rates for the portal. As portal buyers seek to deploy more complex capabilities across the portal, a flexible software development kit, standards-based portal, and complementary functionality, especially in terms of content management and collaboration, will be absolutely necessary.

LEARN MORE

Related Research

- *Worldwide Enterprise Portal Software 2004 Vendor Shares: Adoption Increases as Customers Deploy Portals to Improve Specific Business Processes* (IDC #33533, June 2005)
- *Compliance Today, Governance Tomorrow: IBM's Workplace for Business Controls and Reporting* (IDC #33135, March 2005)
- *Worldwide Enterprise Portal Software 2005–2009 Forecast: Composite Application Demand Increases Portal Growth* (IDC #33073, March 2005)
- *The Enterprise Workplace: How It Will Change the Way We Work Together* (IDC #32919, February 2005)
- *Portals in the Enterprise Workplace: Key Building Blocks or Aging Stepping Stones?* (IDC #32818, January 2005)
- *Build, Buy, or Workplace* (IDC #32617, December 2004)

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