Corporate Transaction Notification: TIBCO Software

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Initiatives: Data Management Solutions

TIBCO Software has acquired Information Builders, improving TIBCO’s data integration and data management portfolio. Data and analytics leaders that are existing customers of ibi and TIBCO’s data integration tools should review the impact of this transaction and prepare for potential change.

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This content is part of a larger body of research on this topic.

Magic Quadrant for Data Integration Tools

Key Background
TIBCO Software (TIBCO) announced that it had closed the acquisition of Information Builders (ibi) on 5 January 2021 (see TIBCO’s press release). The deal is the latest in a long string of acquisitions by TIBCO across a broad spectrum of analytics, data management, application integration and other software companies. TIBCO and ibi participated in Gartner's Magic Quadrant for Data Integration Tools.

Considerations for Technology and Service Selection

This research is intended to provide relevant contextual information to help you consider and prepare for potential future risk or advantage. It is not a reevaluation of providers, but rather an update based on publicly available information at a certain point in time. Because the results of corporate reorganizations typically change and evolve over time, Gartner analysts will continue to monitor these changes. The next annual update of the Magic Quadrant will reflect the potential impact(s) that we determine the corporate reorganization may have on provider positions.

We encourage you to use this perspective in conjunction with the existing Magic Quadrant as you consider initial resources for provider evaluations and decision-making. As you assess your unique business and technical requirements, always supplement this research with scheduled analyst inquiries to help you and begin to gain insight on further developments, before making any decision.

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Prepare for Potential Impacts of the Acquisition

In view of the substantial overlap of TIBCO’s and ibi’s product lines, ibi customers, and to a lesser extent, TIBCO customers, should undertake standard measures to mitigate disruption in their operations.

Potential Impacts

- Maintenance and support issues, which are a common effect of ownership changes
- Reduction or slowdown in certain new product development in favor of technology alignment and integration
- Migration toward a common technology stack in certain areas
- Cross-selling initiatives for the product portfolios of the acquirer and acquired company
- Changes to the software licensing strategy, which can be expected

Steps to Take

1. Keep close tabs on the vendor product and pricing/licensing roadmap, and track that the vendor is meeting its communicated release dates with committed product features.

2. Ensure that TIBCO continues to maintain the product quality levels of ibi’s Omni Gen data integration platform, which includes:
   - Adhering to agreed-upon support SLAs
   - Maintaining product quality levels and delivering on bug fixes
   - Featuring enhancements and other roadmap commitments

3. Implement and enforce a framework for assessing supplier risk, and develop contingency and exit plans aligned to your requirements.

4. Retain key staff, including leadership, support, development and account management.
5. Identify the services, solutions and suppliers that should require contingency plans based on their business criticality and potential disruption.

**Market-Level Analysis**

This transaction is significant because it marks the end of ibi’s 45-year history as an independent, privately held software provider. It was a pioneer in report-centric business intelligence (BI) and later expanded into various data integration and application integration/MDM software markets. This was the largest of the many TIBCO acquisitions over the past 20 years. The acquisition price was not disclosed but is rumored to be about $500 million.

The acquisition was to be expected in this highly competitive and relatively mature data integration tools market. With the top five providers (IBM, SAP, Informatica, Oracle, SAS) controlling more than 60% of the market share (see *Market Share Analysis: Data Integration Tools, Worldwide, 2019*), it is imperative that other vendors in this space look to leverage complementing data integration capabilities and expand their use case, industrial and geographic reach.

The transaction also reflects convergence in the data management market (see *Modern Data and Analytics Requirements Demand a Convergence of Data Management Capabilities*). Many vendors are expanding their offerings to achieve more comprehensive data management portfolios. For example, we expect TIBCO to use ibi’s strengths in complex ETL/ELT and active metadata augmented data integration to complement its data virtualization, stream data integration, application integration and MDM product lines and deliver streamlined processes for trusted data throughout the data life cycle. Similarly, ibi’s rapidly improving capabilities for self-service data preparation (see *Market Guide for Data Preparation Tools*), originally intended to support WebFOCUS, could be targeted to augment Spotfire/Jaspersoft or the TIBCO Data Science product.

Customers of ibi are more likely to be impacted than TIBCO customers in the short term. The level of customer support, future enhancements for ibi products, and accessibility of TIBCO’s resources are concerns for ibi customers. While the acquisition should have little immediate impact on ibi customers, integration of multiple companies and products is not a trivial or quick task.

**Provider-Level Analysis**

TIBCO’s acquisition of ibi will be its third major acquisition in support of its broad and now complex data integration portfolio. The earlier acquisition of Cisco’s Information Server (in 2017) had given it the sought-after capabilities for stand-alone data virtualization. The acquisition of Scribe software (in 2018) provided it with capabilities supporting iPaaS and data synchronization support.

The acquisition of ibi gives TIBCO access to ibi’s Omni Gen data integration platform (along with its approximately 900+ maintenance paying customers). Both ibi (with Omni Gen) and TIBCO’s existing data integration tools appear in the *Magic Quadrant for Data Integration Tools*, catering to the same use cases, and they seem to exhibit similar capabilities from a data integration perspective. Ibi’s Omni Gen platform, however, has consistently outscored TIBCO’s data integration offerings when it comes to data
integration use-case scenarios requiring complex ETL and data migration capabilities (see Critical Capabilities for Data Integration Tools). This is a capability where TIBCO has historically scored below market average. Although the acquisition of Scribe software did mitigate this gap in its portfolio, Omni Gen’s capabilities for complex ETL capable of supporting data migration among other data and analytics use cases should improve TIBCO’s overall positioning in this market.

Furthermore, ibi has recently improved self-service data preparation capabilities (see Market Guide for Data Preparation Tools), in support of analytics with ibi WebFOCUS. This is another capability that could improve TIBCO’s overall portfolio of data integration capabilities.

TIBCO’s broader Connected Intelligence portfolio is composed of three segments — Connect (for application integration, messaging and process automation), Unify (for data management) and Predict (analytics/BI and data science/ML). The ibi acquisition will mainly impact the Unify and Connect segments to a larger degree, and the Predict segment to a lesser degree.

Finally, while TIBCO has been steadily improving its capabilities for data integration, it has historically been more popular for application integration and streaming scenarios in comparison to data integration. This acquisition of ibi could improve its market perception of being an enterprise data integration solution with a balanced mix of application and data integration focus.

Beyond this, Gartner sees the acquisition as a means to provide a steady stream of maintenance revenue to TIBCO from ibi’s long-standing and mature Omni Gen tool customers and a chance for TIBCO sales to both cross-sell and upsell TIBCO’s data virtualization, MDM, application integration and stream data integration tools to the ibi installed base. Gartner also expects TIBCO to leverage Omni Gen’s industry focus and domain-specific solution accelerators as a way to provide industry-specific offerings, particularly in the healthcare space.

TIBCO must determine which products to integrate and continue versus those that it will relegate to maintenance mode with few enhancements and little or no marketing:

- In the short term, Gartner expects TIBCO Data Virtualization, TIBCO Cloud Integration, TIBCO Streaming and TIBCO Messaging to remain TIBCO’s leading tools for data integration.

- Going forward, in the medium to long term, we expect TIBCO to consolidate its data integration tools into Unify — its broader, cloud-focused data management portfolio. And going by Gartner inquiry volume numbers, since Omni Gen does not garner enough traction for its data integration capabilities (as a stand-alone offering), it might potentially become a subsumed capability in TIBCO’s broader integration platform strategy.

New prospective customers should be wary of investing in ibi products until TIBCO provides clear evidence of its product roadmap. Any acquisition raises a potential risk of staff attrition, especially if the impact of culture, leadership and established practices is underestimated. TIBCO will need clarity on any changes or realignment to current ibi and TIBCO’s sales force focus.
Buyers of ibi's data integration tools should mitigate their risk by waiting for definitive guidance from TIBCO on how it will adjust its product roadmaps. Existing customers do not appear to need to take immediate action, even if they are using products that will eventually be put into maintenance mode. The substantial maintenance revenue generated by ibi products was probably a major part of the business motivation for the deal, so TIBCO is unlikely to do anything to upset that revenue stream by terminating support in the near to medium term. To provide more clarity, TIBCO will host an event for ibi customers in 1Q21, laying out the roadmap for ibi products.

**Recommended by the Authors**

- How to Plan for and Respond to a Strategic Vendor’s Merger, Acquisition, or Divestiture
- Magic Quadrant for Data Integration Tools
- Critical Capabilities for Data Integration Tools
- Market Share Analysis: Data Integration Tools, Worldwide, 2019

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