Corporate Transaction Notification: Information Builders

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Initiatives: Data Management Solutions

TIBCO Software's acquisition of Information Builders extends TIBCO's data quality offerings to achieve more comprehensive data management portfolios. Data and analytics leaders should review the impact and prepare for change.

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Magic Quadrant for Data Quality Solutions

Key Background

TIBCO Software 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 bolstered its data quality capabilities by picking up ownership of ibi's Omni-Gen Data Quality Edition and the related managed service (Omni-Gen Total Access Cloud — Data Quality Edition). In Gartner's Magic Quadrant for Data Quality Solutions, ibi is a Visionary and TIBCO was not included.

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.

Prepare for Potential Impacts of the Acquisition
In view of the overlap of TIBCO’s and ibi’s technologies, and the unique offerings in ibi’s data quality solution, ibi customers — and to a lesser extent, TIBCO customers — should undertake standard measures to mitigate disruption in their operations.

Potential Impacts or Risks to Customers:

- Support issues are a common effect of ownership changes.
- Product innovation may stall, resulting in fewer new features being delivered or delays in requested product enhancements in favor of technology alignment and integration.
- Architecture of existing products may change, which could impact customers’ implementation.
- Cross-selling initiatives for the product portfolios of the acquirer and acquired companies give customers opportunities to adopt other technologies. However, customers may have to deal with new account managers, sales consultants and professional services providers who do not understand the product stack as well and may provide a lower level of service.

Steps to Take:

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

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

3. 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 management and SOA 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 more than $500 million.

The acquisition was not surprising in the highly competitive and relatively mature data quality solution market. In 2019, approximately one-third of the market share was occupied by two vendors, SAP and Informatica, putting pressure on smaller providers including ibi, which suffered a continuous revenue decline for a number of years in its data quality product lines. The transaction creates great opportunities for both sides. With resources from TIBCO, ibi can sustain its customer base and strengthen its overall viability. TIBCO enters the data quality market to complement and enrich its product portfolio.
The acquisition 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 data quality strengths to complement its data virtualization and MDM products and deliver streamlined processes for trusted data throughout the data life cycle.

Provider-Level Analysis

Customers of ibi are likely to be impacted more than TIBCO customers. 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 them, integration of multiple companies and products is not a trivial or quick task.

The data quality solutions acquired from ibi are considered strategically important in complementing TIBCO’s current product portfolios. We expect that TIBCO will integrate ibi data quality products into its flagship offerings and leverage ibi’s vertical industry capabilities, particularly in healthcare and financial services. TIBCO will also try to cross-sell into ibi’s customer base.

New prospective customers should be wary of investing in ibi’s products until TIBCO provides clear evidence of its product roadmap. Both TIBCO and ibi have struggled in the past with their respective transitions to the cloud, but both had already established cloud-first product strategies and made progress in their transitions. We expect that TIBCO will also shift future ibi sales more toward the subscription base.

Buyers 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 may 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.

TIBCO will host an event for ibi customers shortly, 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 Quality Solutions
Magic Quadrant for Analytics and Business Intelligence Platforms
Magic Quadrant for Data Integration Tools
Magic Quadrant for Master Data Management Solutions