



**WebSphere® software**



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# Integration landscape

# Businesses are feeling many pressures

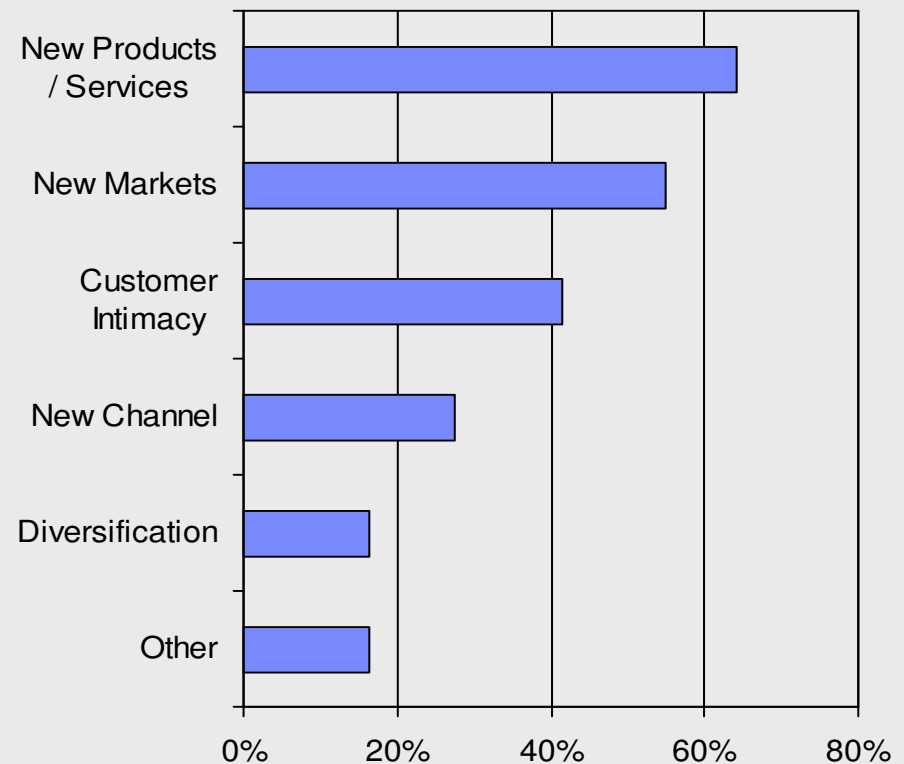
## *Sound familiar?*



# From CEOs: “Now It Is About Growing The Top Line While Keeping The Bottom Line In Check.”

***“In order to grow and differentiate the business, the only way is for us to develop new products and services and in spaces we have never dealt in before. The challenge is also how we execute this.”***

**Areas Offering the Greatest Opportunity for Revenue Growth in the Next Three Years**



Sources: IBM Business Consulting Services, The Global CEO Study 2004



# Responding To An Ever Faster Changing Environment

*CEOs recognize that they need to sense, analyze and respond more effectively to continuously changing market conditions and risks*

## ■ Responsiveness Is A High Priority

Yet very few CEOs rated their organizations' ability to react to these changing conditions and external forces as being very good.

Reinstituting a "customer responsive" organization is high on their growth agenda

CEOs recognize the need to establish effective, real-time response capabilities

CEOs are aware of the power of IT and the weaknesses that result from lagging behind

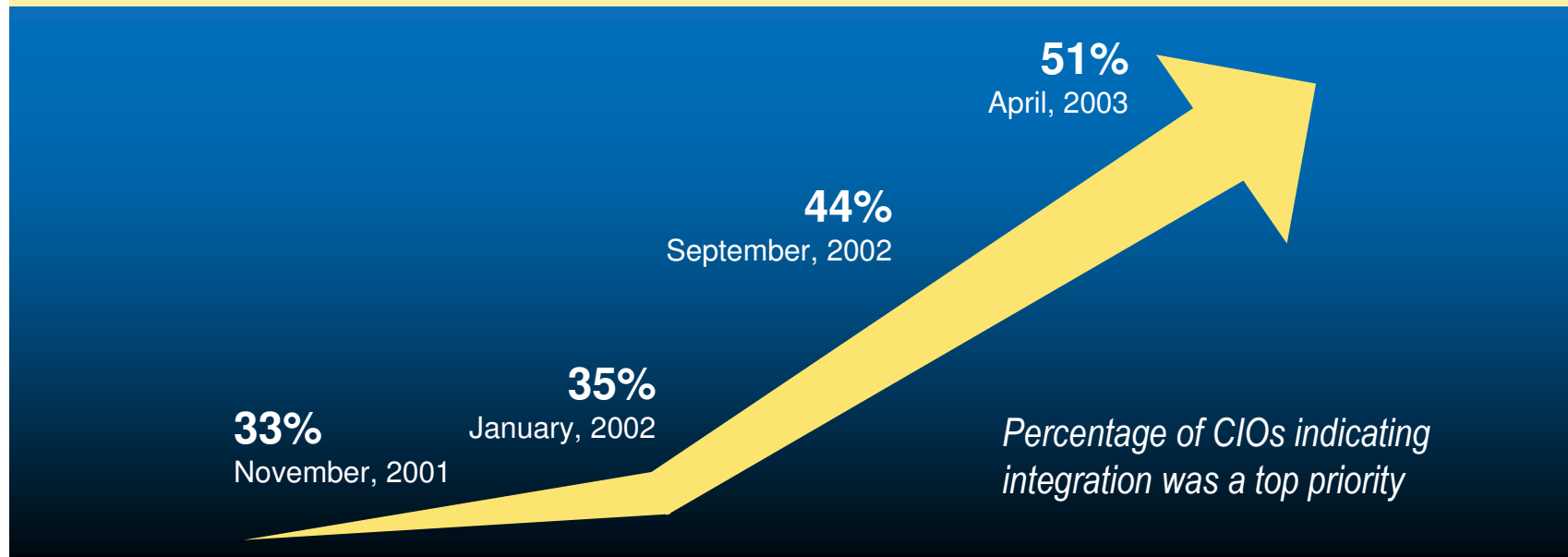
## Responsiveness: the new key competence

So growth is back on the agenda – but it won't just happen by itself. CEOs all over the world have identified organizational responsiveness, agility and flexibility as necessary competencies. Developing the ability of the organization to not just sense, but to anticipate and respond to the changing marketplace and subsequent customer requirements is one of the great challenges for today's CEO.

CEOs are now focusing on how their organizations read, listen and react to dynamically changing external and internal conditions. As one CEO put it, "we have to implement a competitive

## Business Integration Market Trends

### Integration and security remain the top priorities for CIOs



CIOs responded that the top three priorities in 2003 are Application Integration, Security Software and Storage Hardware. Application Integration and Security Software have held the top two positions since January 2002.

Source: Morgan Stanley CIO Survey Series, Release 4.0 (May 12, 2003)

Morgan Stanley

# Integration Market Drivers

## Economic volatility and globalization

- Business responsiveness
- Business process reengineering
- Supply chain optimization

## Increasing consolidation across industries driven by:

- Low interest rates
- Increasing valuations
- Improving economy

## Increasing regulations and industry standards

- Sarbanes-Oxley, Basel II
- Global Data Sync, RosettaNet, SWIFT
- HIPAA, HL7/CCOW

**“Retail industry could save \$40B/year by eliminating supply chain information errors.”**

**ATKEARNEY**

*A.T. Kearney  
The eRed Zone, Oct 2002*

**“According to a recent study by Gartner and the SIA, a staggering 42% of transactions are still paper based.”**

**Gartner**

*Study Shows Industry Making Efforts Toward STO  
Implementation, Gartner G2, July 03*

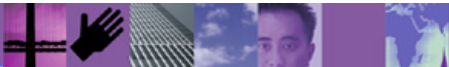
**“In 2004, the top emerging areas in which organizations plan to invest are enterprise application integration and wireless technology...”**

**AMR OUTLOOK**

*The IT Spending Report (2003-2004)  
AMR Research, August 2003*

## Industry imperatives – new integration requirements

<b>Banking</b> <b>Financial Markets</b> <b>Insurance</b>	<ul style="list-style-type: none"> <li>▪ Basel II Accord, USA Patriot Act, Anti money laundering</li> <li>▪ Basel II Accord, USA Patriot Act, SEC 17-a-4 / NASD 3010, 3110</li> <li>▪ ACORD</li> </ul>
<b>Automotive</b> <b>Electronics</b>	<ul style="list-style-type: none"> <li>▪ Tread Act, European Block Exemption, End of Life (AP)</li> <li>▪ RosettaNet, Waste for Electronics and Electronics Equipment (WEEE),</li> <li>▪ Wassenaar Agreement</li> </ul>
<b>Retail</b> <b>Consumer Products</b>	<ul style="list-style-type: none"> <li>▪ Retail Event Management, ARTS for POS data</li> <li>▪ Global data synchronization, RFID, Sunrise 2005</li> <li>▪ UCCNet</li> </ul>
<b>Government</b> <b>Healthcare</b> <b>Life Sciences</b>	<ul style="list-style-type: none"> <li>▪ Homeland Security, Freedom of Information Act, DOD5015.2</li> <li>▪ HIPAA</li> <li>▪ FDA/21CFRp11</li> </ul>
<b>Energy and Utilities</b> <b>Telecommunications</b>	<ul style="list-style-type: none"> <li>▪ NERC 1200</li> <li>▪ Number Portability</li> </ul>



## Business Process Integration solutions help integrate and modernize your infrastructure

### Retail

- Supply chain integration
- B2C e-commerce management

### Electronics

- Supply chain management
- Production, operations, and logistics

### Consumer Packaged Goods

- Item Management and synchronization

### Auto Parts Suppliers

- Production, operations, and logistics

### Wholesale

- B2B e-commerce
- Inventory, warehouse and shipping management

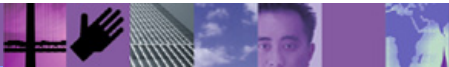
### Multi-Industry

- E-Commerce
- Regulatory compliance
- Security and Disaster Recovery



## Integration helps resolve key business challenges

Business Challenges	Benefits of Integration
Provide customized and consistent business information	<i>Improve customer service</i>
Automate, integrate and coordinate operations end-to-end	<i>Reduce cost &amp; improve responsiveness</i>
Integrate and optimize the use of people and their tools in processes	<i>Enhance productivity</i>
Reduce the cost and time of building and integrating new and existing applications	<i>Extend the value of applications</i>
Streamline application upgrades	<i>Minimize cycle-time and costs</i>
Transform IT from inhibitor to enabler	<i>Allow focus on core competencies</i>



# Integration is key to becoming an on demand business

## New on demand business

*An on demand business is an enterprise whose **business processes**—**integrated end-to-end** across the company and with key partners, suppliers and customers—can **respond with speed** to any customer demand, market opportunity or external threat.*

— Sam Palmisano, CEO IBM,  
October 2003



## With integration you can:

**Automate processes and information flow between customers, partners, and employees**

**Avoid ripping and replacing your existing infrastructure**

**Avoid manually re-keying data**

**Access business critical data, fast**

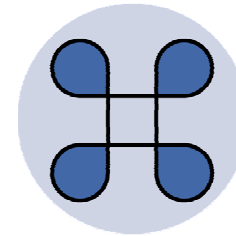
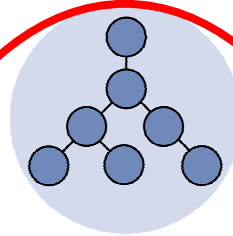
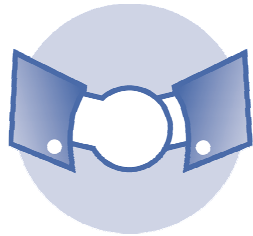
**Send and receive data in lots of different formats**

**Use your core skills**

**Welcome to the on demand era**



# The integration framework



## People

- Anticipate, forecast and respond to market shifts
- Simplify and improve partners and customers
- Increase speed of decision-making
- Strengthen communication between geographically dispersed parties
- Improve customer service
- Reduce costs

## Processes

- Ensure continuity of business operations in the event of a disruption
- Simplify and streamline core or strategic business applications and processes
- Comply with/respond to industry/government regulations
- Improve operational efficiency
- Comply with value-net leader mandates
- Automate core business processes

## Information

- Protect privacy of customer and employee information
- Secure corporate assets such as facilities and intellectual property
- Deliver customized information, products and services to customers and partners
- Capture, analyze, utilize information effectively
- Integrate structured and unstructured information
- Provide portal access to customer or business information



# Illustrations Courtesy of Zsystems by Semcon, Sweden

## System Democompany

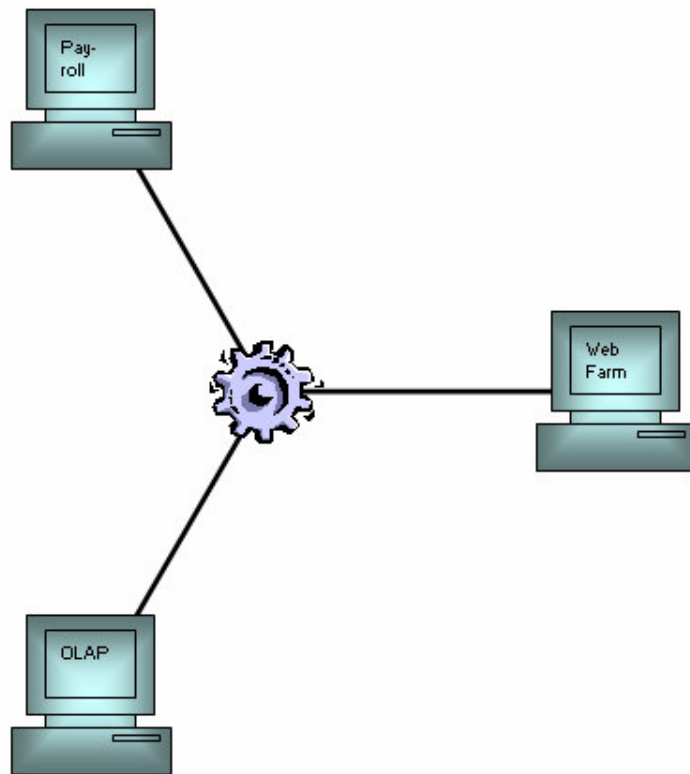
Nr of Systems  
Cost/Interface

: 3  
: 100 000 kr

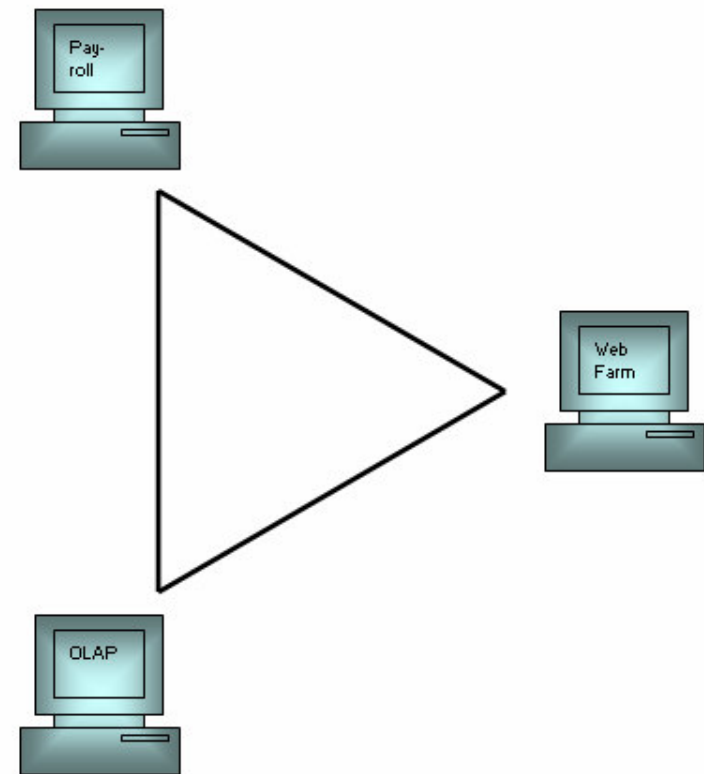
Draw

**zsystems**  
by semcon

Nr of Integrations : 3 (every integration requires 2 interfaces)  
Nr of Systems to be replaced : 0



Nr of Interfaces: 6  
Total Cost: 600 000 kr



Nr of Interfaces: 6  
Total Cost: 600 000 kr

Picture Presentation / Data /

# Illustrations Courtesy of Zsystems by Semcon, Sweden

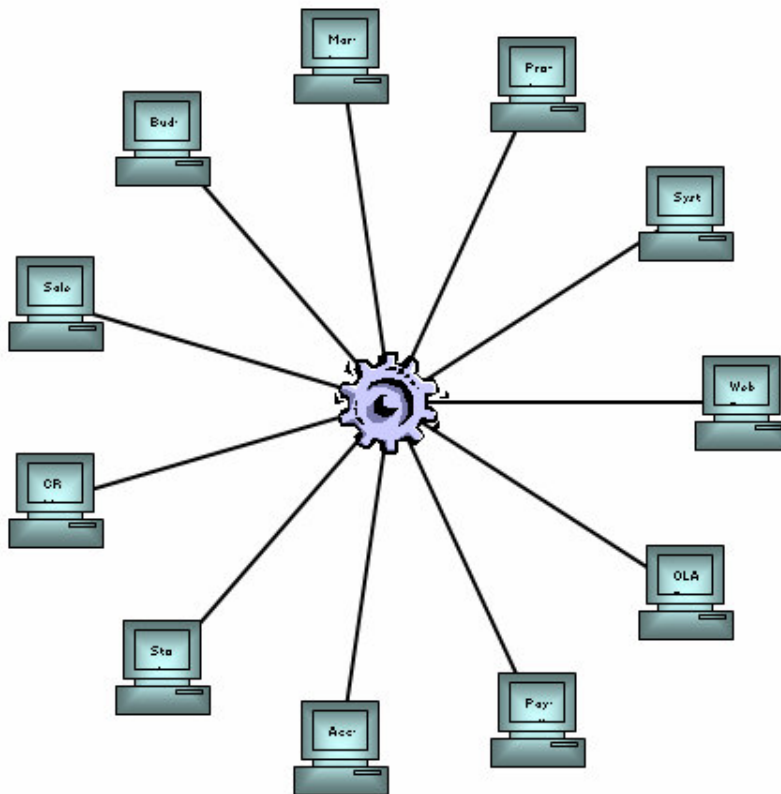
## System Democompany

Nr of Systems : 11  
Cost/Interface : 100 000 kr

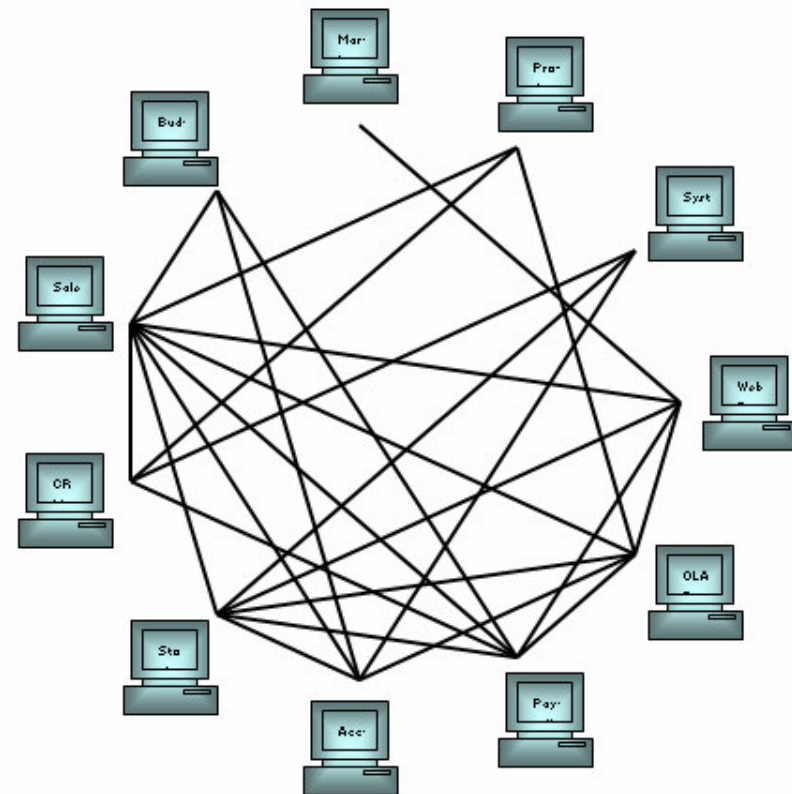
Draw

**zsystems**  
by semcon

Nr of Integrations : 25 (every integration requires 2 interfaces)  
Nr of Systems to be replaced : 0



Nr of Interfaces: 22  
Total Cost: 2 200 000 kr



Nr of Interfaces: 50  
Total Cost: 5 000 000 kr

# Illustrations Courtesy of Zsystems by Semcon, Sweden

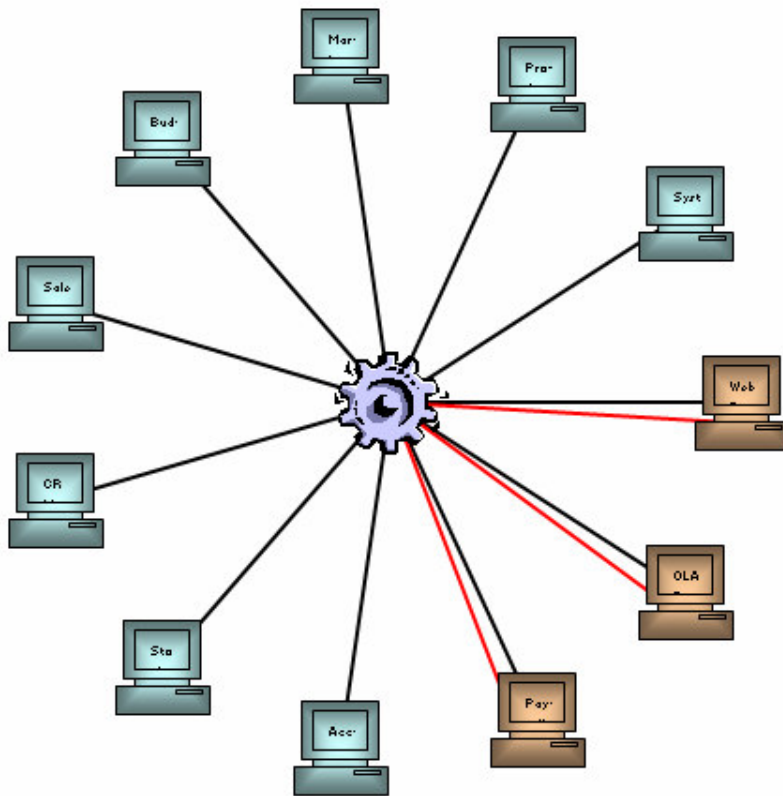
## System Democompany

Nr of Systems : 11  
Cost/Interface : 100 000 kr

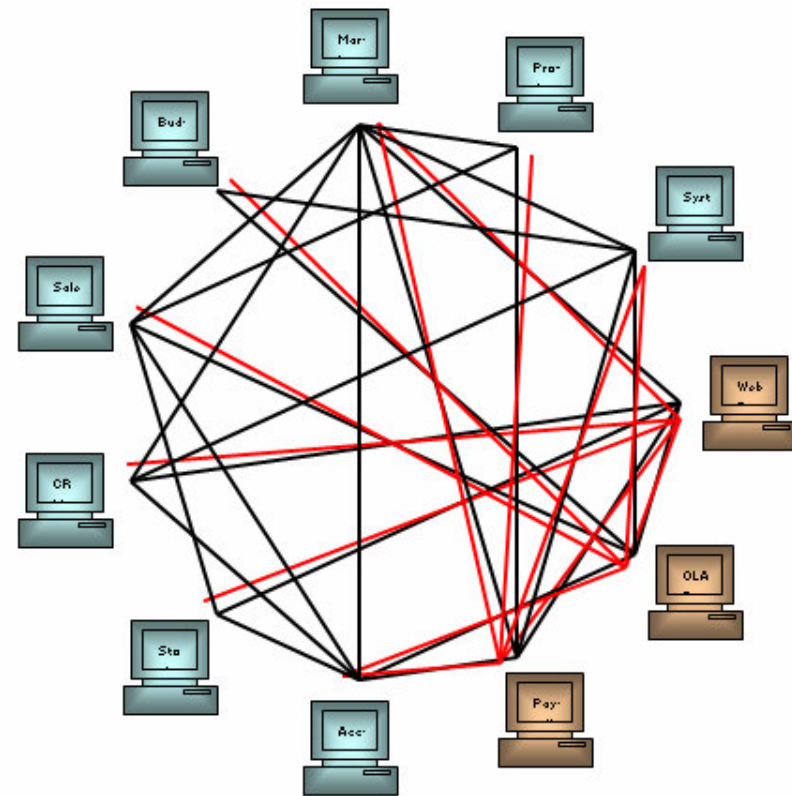
Draw

**zsystems**  
by semcon

Nr of Integrations : 25 (every integration requires 2 interfaces)  
Nr of Systems to be replaced : 3



Nr of Interfaces: 28  
Total Cost: 2 800 000 kr



Nr of Interfaces: 76  
Total Cost: 7 600 000 kr

# Why IBM?



# IBM Software Is #1 In 2003 Say Gartner And IDC



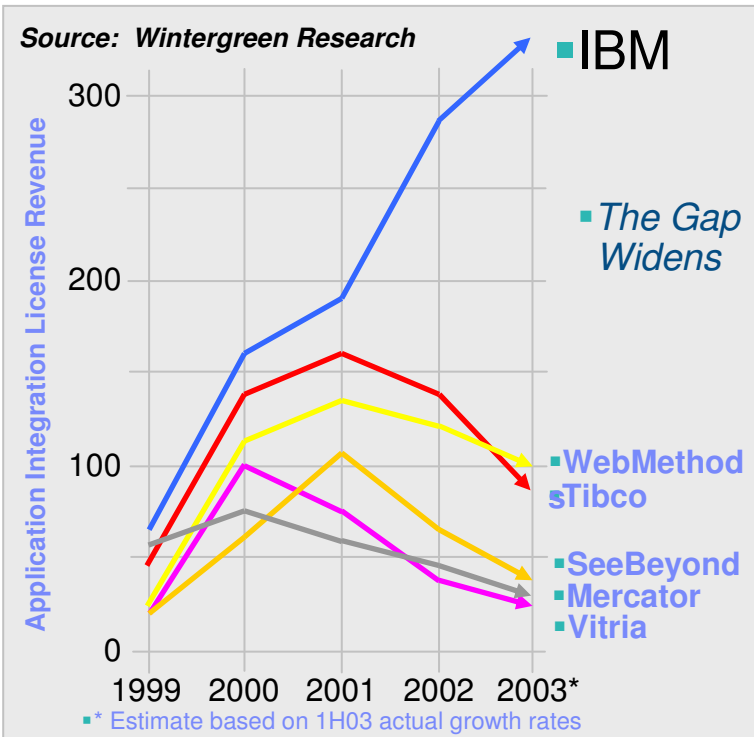
“IBM is gaining share in every market, whereas most vendors were flat or negative,’ said Joanne Correia, an analyst at Gartner Dataquest.”

“No. 1 IBM's license and services revenue from application servers went up 6 percent in 2003 to give the company 29 percent market share, IDC said, as No. 2 BEA's dropped 4 percent to give it 26 percent market share.”

Excerpts from “IBM continues gains in server software,” CNET, May 12, 2004

## Market Leadership

Leading industry analysts recognize IBM's market share leadership across the core integration infrastructure components



■ IBM "continued its long time lead of this market," *IDC says (June 2003)*

■ Application Deployment Platform Software Market

	2002 Share*	2001-02 Growth%
IBM	23.3%	17.5%
BEA Systems	17.3%	9.6%
Oracle Corp.	9.5%	8.0%
Tibco Inc.	4.9%	-19.4%
webMethods	4.3%	6.3%

\* Based on license revenue and license-related service fees

■ "IBM Has Top Share in All Application Integration Middleware Markets" *Gartner Dataquest, May 2003*

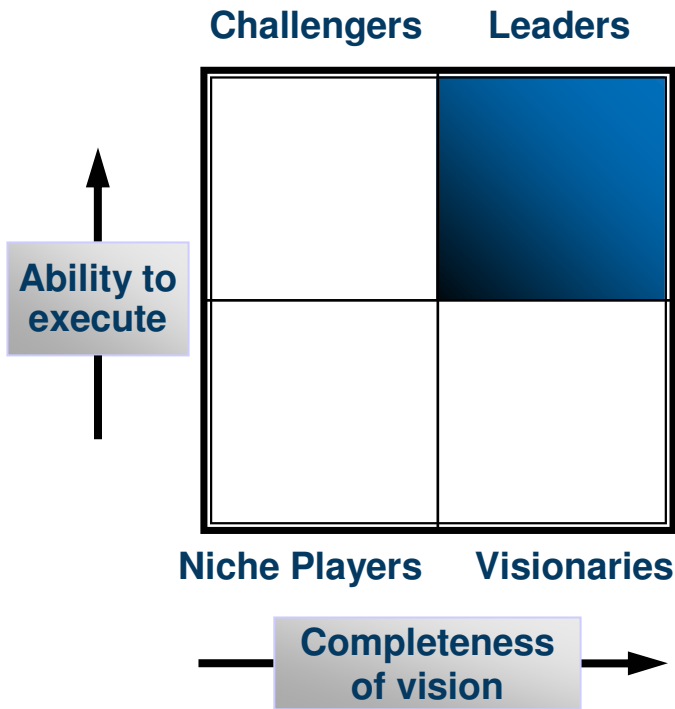
Worldwide IBM Market Share Position Based on New License Revenue

	2000	2001	2002
Application Servers	2	2	1
Integration Broker Suites	1	1	1
Portals	N/A	3	1
Message-Oriented Middleware	1	1	1
Application Platform Suites Composite Market	2	2	1
Transaction Processing Monitors	1	1	1
Total Market	1	1	1

Sources:

- IDC, "Application Deployment Platform Software Market, 2000-2002, with Leading Suppliers" June 2003, Dennis Byron, Vice President, Business Process and Deployment Software Research
- Gartner First Take "IBM Has Top Share in All Application Integration, Middleware Markets", J. Correia, Y. Natis, M. Pezzini, R. Schulte, 7 May 2003.

# Gartner Magic Quadrants: *IBM in the Leaders Quadrant*



## IBM in Leaders Quadrant in these Magic Quadrants

- **Application Integration Vendor** (as of 5/2003)  
*Magic Quadrant for Application Integration Vendors, 2Q03, J. Thompson, F. Kenney, B. Lheureux, Y. Natis, M. Pezzini, R. Schulte, J. Sinur, J. Correia, D. McCoy, 5 May 2003*
- **Enterprise Application Server** (as of 5/2003)  
*Enterprise Application Server Magic Quadrant, 2Q03, Yefim V. Natis, Massimo Pezzini, 6 May 2003*
- **Horizontal Portal Product** (as of 3/2003)  
*Management Update: Gartner's Horizontal Portal Product Magic Quadrant for 2003, Gene Phifer, Ray Valdes, David Gootzit, 9 April 2003*
- **Web Services Major Vendor Influence** (as of 9/2003)  
*Magic Quadrant for WS Major Vendor Influence, 3Q03, David Smith, Charles Abrams, 2 Sept 2003*
- **Legacy Modernization** (as of 2/2003)  
*CIO Update: Legacy Modernization Magic Quadrant Helps in Providing Applications for Tomorrow, Dale Vecchio, 19 March 2003*
- **Programmatic Integration Server** (as of 12/2003)  
*Magic Quadrant for Programmatic Integration Servers, 2003, Dale Vecchio, 17 December 2003*
- **Presentation Integration Server** (as of 3/2003)  
*Noninvasive Legacy Web Enablement Is Still Viable, Dale Vecchio, 20 March 2003*

The Magic Quadrant is copyrighted 2003 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

# Five Years of WebSphere

## WebSphere the leading software platform for e-business on demand

**20+ points ahead of nearest competitor**  
(Gartner AIMP analysis, 2003)

- Open, integrated development environment
- Comprehensive business integration and portal capabilities to seamlessly connect processes and people

- Open Application Server

### Market Share 2002

Application server **37.7%**  
Business integration 19.1%  
Portal: 13.5%

**2004**

*On demand operating environment, industry solutions, open services infrastructure*

**2003**

*Business Integration 5 styles of integration, Cross Worlds acquisition, Express launch*

**2002**

*Open integrated tool environment - Eclipse, Web services, Portal, PVC*

**2001**

### Market Share 2001

Application server **31.4%**  
Business integration 15.5%  
Portal: 7.0%

### Market Share 2000

Application server **22.1%**  
Business integration 13.1%  
Portal: 3.4%

**2000**

*WebSphere software platform common development tools*

**1999**

### Market Share 1999

Application server **21.7%**  
Business integration 12.8%  
Portal: 2.6%

**1998**

*WebSphere Application Server*

**WebSphere. software**

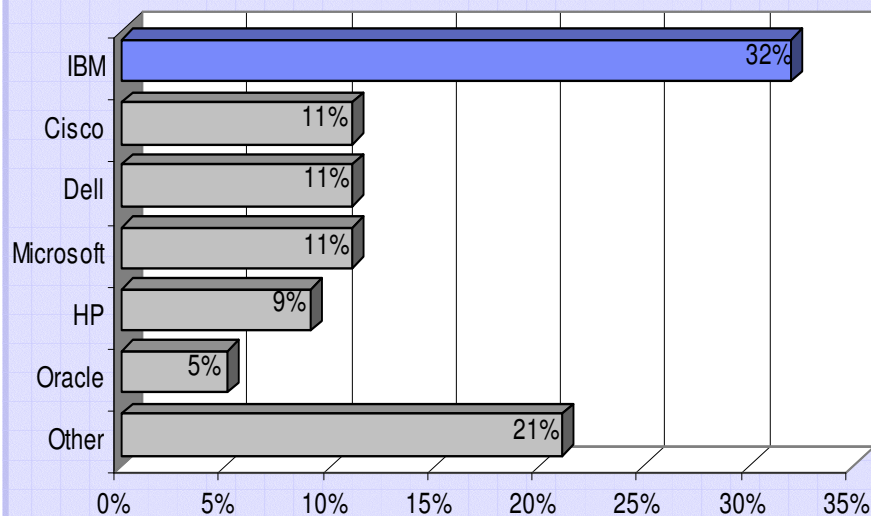




# Why IBM?

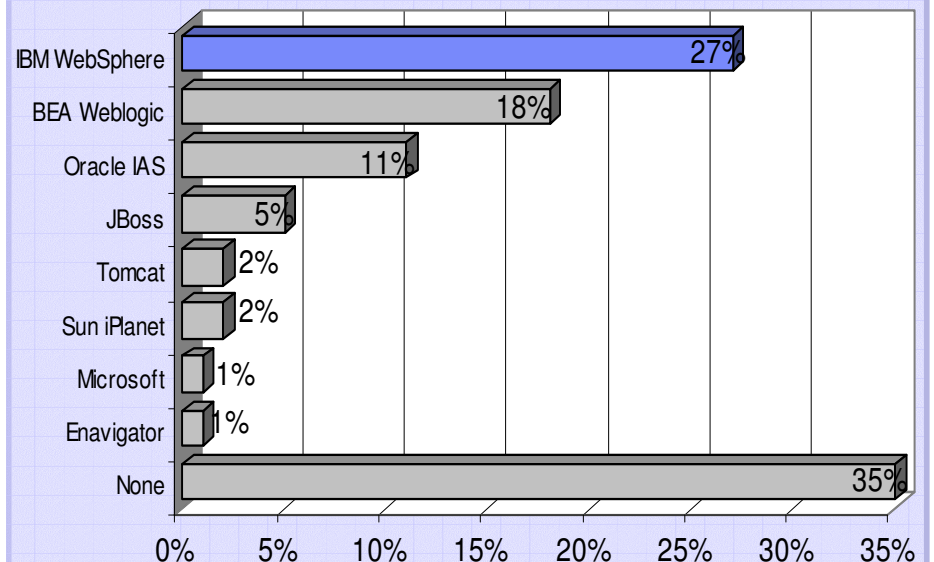
## “IBM Clear Strategic Vendor of Choice” CSFB CIO Survey

Strategic partner of choice for major information technology initiatives over the next 3 years



CSFB CIO Survey, January 2004

Which of the following vendors will take increased share of your application server spending in 2004 vs. 2003?



Morgan Stanley, Software Expert Survey, January 2004

“... right now Microsoft seems some way away from the network enterprise-computing model that progressive companies are looking to achieve.”

Morgan Stanley, Update to CIO Roundtable, February 2004

Proven, Robust WebSphere Business Integration Portfolio drives mission-critical applications

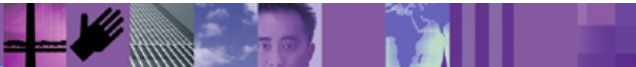


# WebSphere Business Integration Express

## Customer Wants & Needs

*Customer's need for integration is driven by the underlying business processes. SMB customers need functionally rich, non-invasive middleware that is easy-to-use at an attractive price point.*

- **Non-invasive infrastructure**
  - Leverages existing infrastructure. Averse to “Rip & Replace”
  - Integrate SMB Business Applications with internal systems and data stores
- **Time to market**
  - Quickly deploy SMB solutions that require back-end integration
  - Easy-to-use with little skill set.
- **Business Processes driving integration**
  - Top-down Integration approach. LOB processes driving IT integration
- **Business Process Automation**
  - Automates business processes that are manual and inefficient
- **Completeness of the solution**
  - Need a comprehensive package that addresses the various SMB Business Integration Drivers
- **Business Process Flexibility & Agility**
  - Change the Business Rules on-demand to meet the market needs
- **Scalable Solution**
- **Support for relevant Platforms and Open Standards**



# WebSphere Business Integration Server Express

*WBI Server Express helps medium businesses quickly and easily integrate their applications to better serve customers, partners and suppliers. It can be rapidly deployed, scales as your business grows, delivers lower total cost of ownership and is easy to install and use.*

- New mid-market Express offering starting \$5,999
- Comprehensive features that rapidly integrates back-end systems and front-end applications
  - Off-the-box solution that is easy to install and use
  - Easy-to-use tooling to automate and integrate business processes
  - Suite of Pre-packaged adapters and Process accelerators
  - Support for Open standards including Web services
  - Runs on Windows, Linux and OS/400
- Scales with your needs



WebSphere Business Integration Server Express provides almost immediate back-end integration, right out of the box. It enables faster implementation of standard processes without disrupting the current customer environment—**Brian Hall, Practice Leader, Gemini Systems**

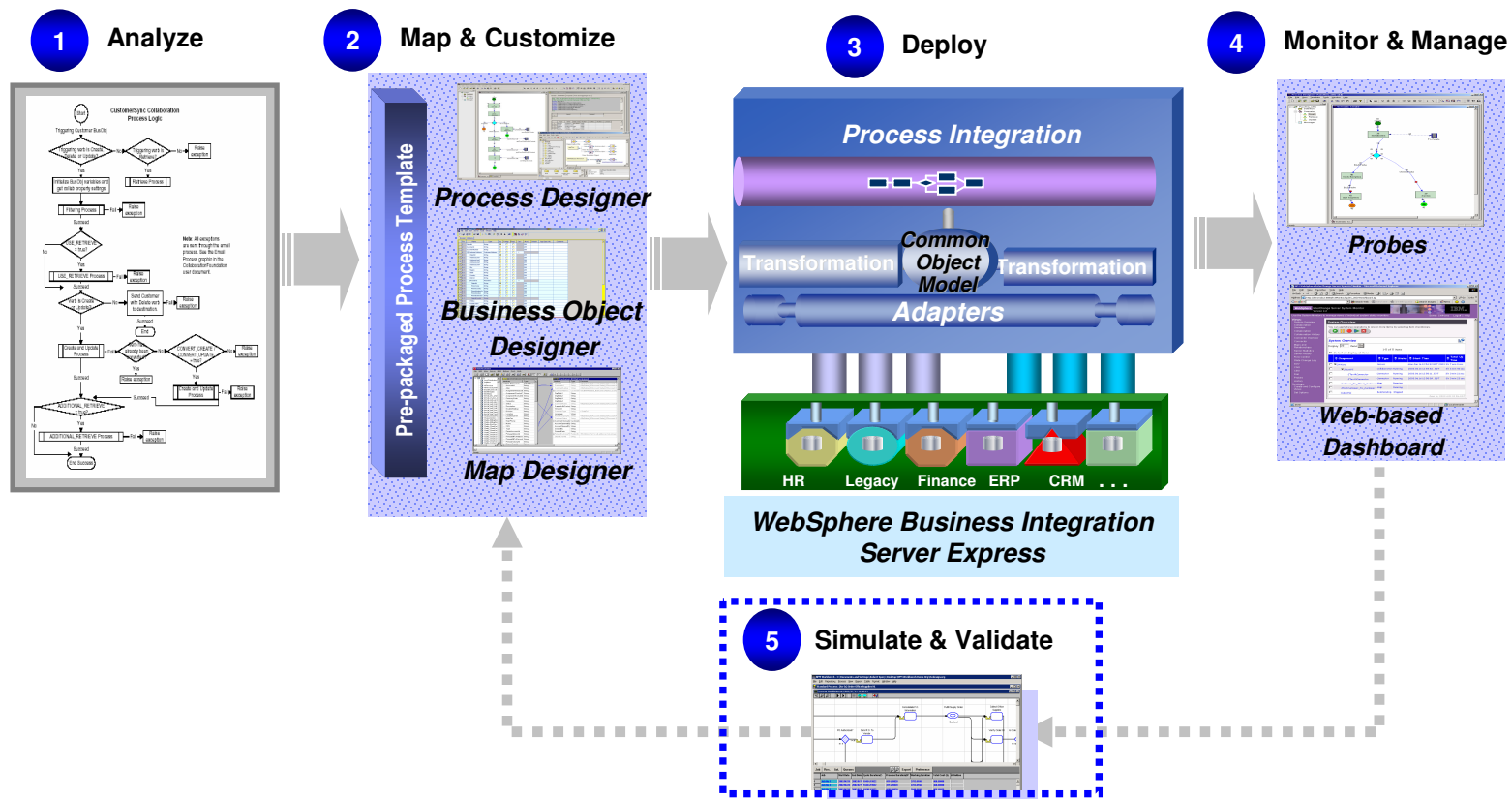
# Benefits

- **Improved Business Efficiencies**
  - Integrate and automate inefficient business processes
- **Faster Time-to-market**
  - IBM certified Express offering that facilitates Ease of use
  - Easy to use tooling with little or no programming accelerates the development process
  - .
- **Low Total Cost of Ownership**
  - Easy-to-use tooling facilitates lowered development & operational costs
  - Comprehensive packaging with little or no pre-requisite, pre-packaged adapters and process templates lowers software cost
- **Transforms your business to “On-Demand”**
  - Rules driven business processes allows you to adapt with market needs
  - Pre-packaged adapters allows easy integration of existing and new systems.
  - Support for Web services including BPEL to facilitate service oriented architecture
- **Robust Middleware from Proven Market Leader in Business Integration**
- **Scales with the needs of your business**
- **Runs on Windows, Linux and OS/400**

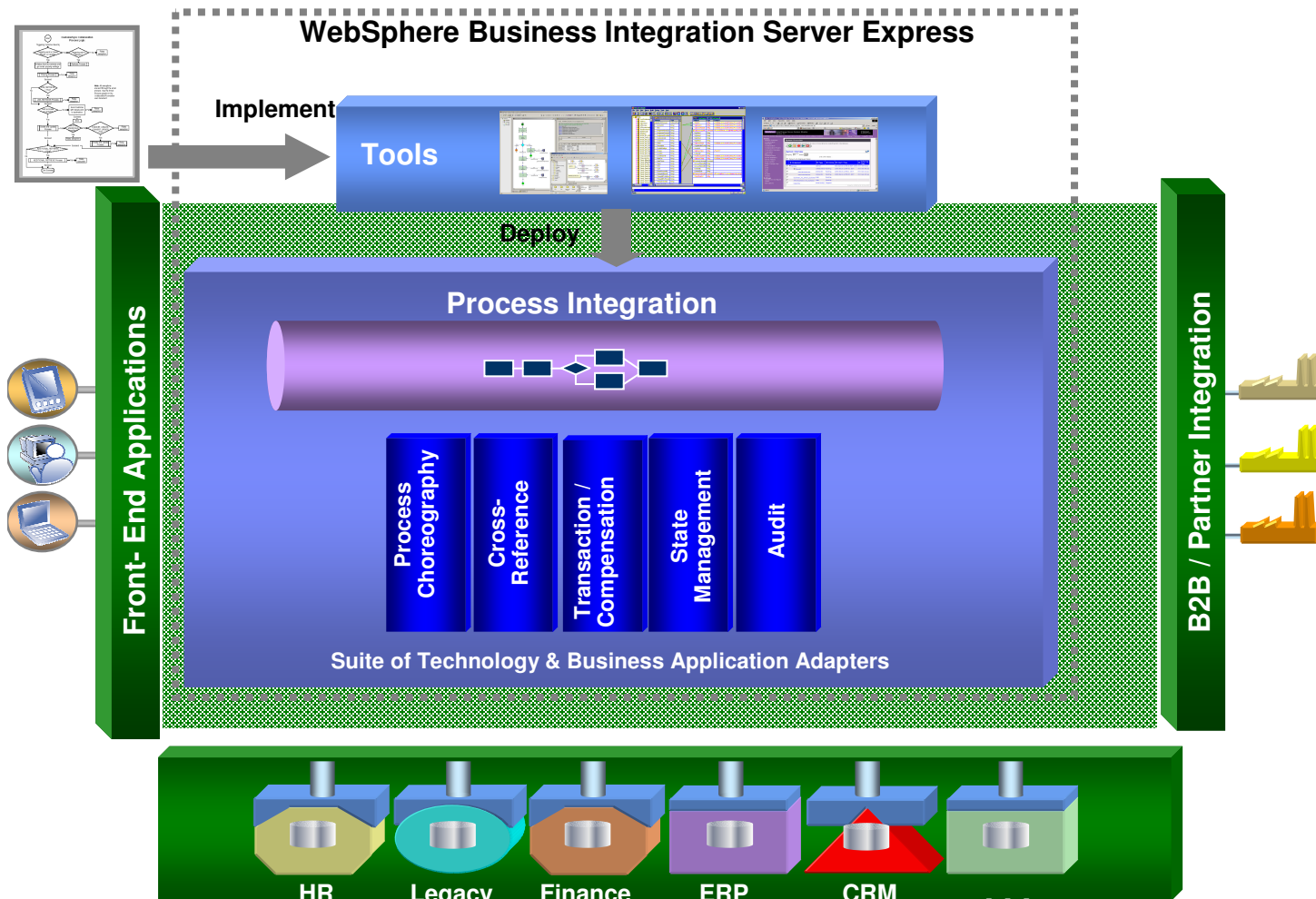


# On-ramp Integration Solution

- Easy-to-use Tools Driven Integration integrating internal systems, customers & partners
- Map Business Process to underlying IT implementations
- Support for open standards including Web services and BPEL



# WebSphere Business Integration Server Express



- Non-intrusive infrastructure
- Easy-to-use tooling
- Pre-packaged Process templates
- Pre-packaged adapters
- Robust infrastructure with transactional and message integrity
- Support for Web services including BPEL



# WebSphere Business Integration Server Express

## WebSphere Business Integration Server Express

\$5,999 per Processor

## WebSphere Business Integration Server Express Plus

\$19,999 per Processor

### Optional Packages for Express Plus

#### Adapter Capacity Pack for WBI Server Express Plus

\$14,999 per application instance

#### Collaboration Capacity Pack for WBI Server Express Plus

- Business Process Engine powered by WebSphere Interchange Server
- Tools to create and manage business processes
  - Business Object Designer, Map Designer, Relationship Designer, Connector Configurator,, Relationship Manager, Flow Manager
  - Process Designer (**Available only in Express Plus**)
- Pre-packaged process template – Foundation Collaboration
- Choice of Adapters:: JDBC, email, JMS, WMQ, XML, Web Services, COM, Exchange, Portal, Domino, Swift, iSeries
  - Use of 3 Adapters in Express
  - Use of 5 Adapters in Express Plus
- Limited use license for
  - WebSphere MQ
  - WebSphere Application Server – Express
  - DB2 Express
  - WebSphere Business Integration Workbench Entry (**Available only in Express Plus**)

#### Extends the number adapters that can be used by 1

- Includes the use of the following Business Application Adapters
  - SAP, JDEdwards, Oracle, Siebel, i2, Commerce, MetaSolv, QAD, Telecordia, Peoplesoft
- Use of a Maximum of three Adapter Capacity packs per WBI-Express Plus edition

- Use of 1 Group of collaborations from 4 groups of horizontal collaborations
  - Procurement, CRM, Order Management, Financials and HR

# Features

- **Comprehensive Integration Package**
  - Business Process Integration that includes rules driven transformation, back-end integration, message transformation and brokering.
  - All inclusive package that requires little or no pre-requisites
- **Business Processes Driving Integration**
  - Easy to use tooling create and manage complete lifecycle of processes
  - Easy implementation of business logic independent of application specific information
  - Flexible Choice of Pre-packaged adapters that offer easy connectivity with wide range of applications
  - On-ramp Process template for rapid implementation of business processes.
- **Improved Business Agility**
  - Easy to change business rules to adapt to business needs.
  - Monitor and Manage Processes for historical analysis using Web-based dashboard
  - Ability to change and modify processes on the fly.
- **Functionally rich toolset**
  - Easy to use tooling to manage lifecycle of business processes including rules driven transformation, relationship mapping, and data transformation
  - Ability to attach business probes to monitor process flows.
  - Web based dashboard with customizable views to monitor business processes and business data
  - Graphical debugging to test end to end integration.
- **Robust, proven technologies**
  - Built using proven WebSphere Business Integration technologies
  - Powerful compensation support to handle transaction failures
- **Support for Open Standards and Platforms**
  - Runs on Windows, Linux and OS/400
  - Support for Web Services including BPEL to facilitate Service Oriented Architecture
  - Ability to expose any Business process as a Web Service for easy consumption by other applications



## Collaboration Capacity Pack for WebSphere Business Integration Server Express Capacity Pack

### Order Management V1.0

- ATP to Sales Order
- Available To Promise
- Item Manager
- Price List Manager
- Sales Order Processing
- Order Billing Status
- Order Delivery Status
- Order Status
- Return Billing Status
- Return Delivery Status
- Return Status
- Contact Manager
- Customer Manager
- Trading Partner Order Management

### Customer Relationship Management V1.0

- Contact Manager
- Contract Sync
- Customer Credit Manager
- Customer Manager
- Installed Product
- Billing Inquiry
- Vendor Manager

### Financials and Human Resources V1.0

- AR Invoice Sync
- Department Manager
- Employee Manager
- GL Movement
- Invoice Generation

### Procurement V1.0

- BOM Manager
- Inventory Level Manager
- Inventory Movement
- Purchasing
- Vendor Manager

## WebSphere Business Integration Server Express delivers specific values to IBM Business Partners

### Consultants and Integrators

- Faster time to market
  - Fully integrated offerings that provides process, partner and back-end integration
  - Instantly connects to a wide range of back-end systems and business applications
  - Well-known industry templates
- Build repeatable solutions
- Reach new markets via pre-built collaborations
- Flexible, yet comprehensive package
  - Choose and use multiple adapters
  - Connect to back-end systems
- Improve your success rate
  - Beat the competition with superior value
  - Leverage WebSphere leadership Business integration
  - Reduce Total Cost of Ownership

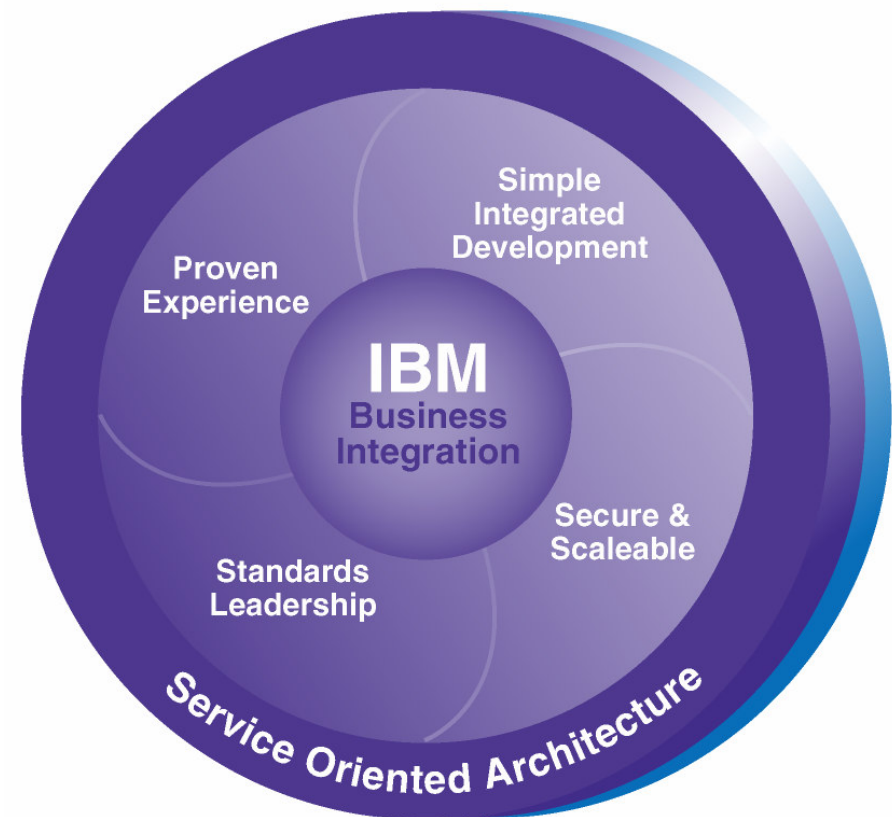
### Independent Software Vendors

- Reach new markets faster and cheaper
  - Customize processes
  - Improve focus on customer solutions
- Reduced Total Cost of Ownership
  - Server/Site based licensing
  - Easily connect to maximum 5 applications at no additional cost
- Flexible and Comprehensive
  - Chose and use multiple adapters
  - Connect to back-end systems
- Improve your success rate
  - Beat the competition with superior value
  - Leverage WebSphere Brand success im Business integration

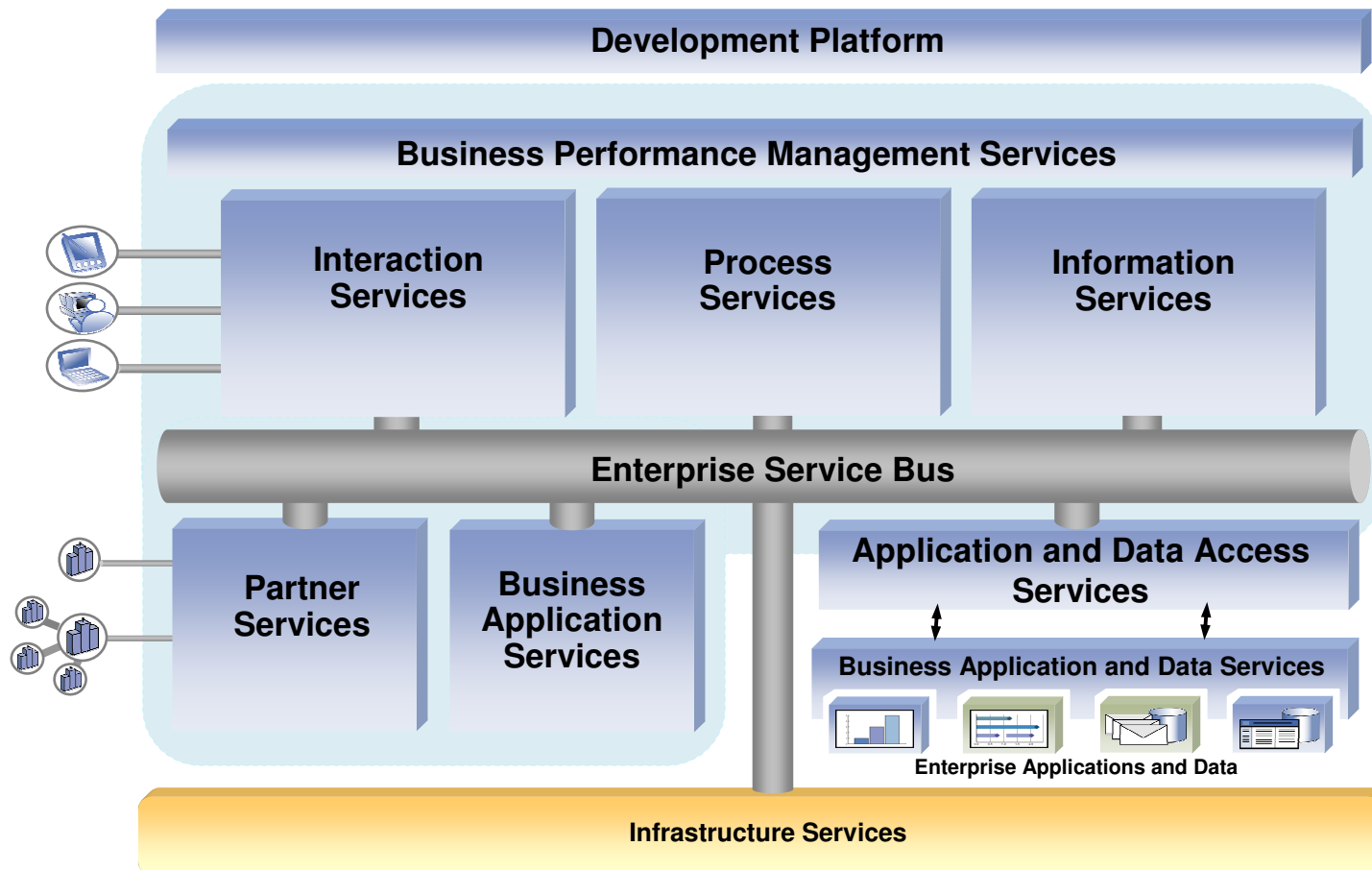


## Business Integration Qualities from IBM

- Service Oriented Architecture (SOA) enablement
- Simple, integrated development
  - Common tools platform
  - Re-use and unification of assets
- Secure and scalable deployment
  - Common and flexible deployment environment
  - Flexible management and security infrastructure
- Standards leadership
  - Interoperability
  - Investment protection
  - Freedom of choice
- Proven experience
  - Augmented with best practices
  - Improved time to value
  - Risk mitigation

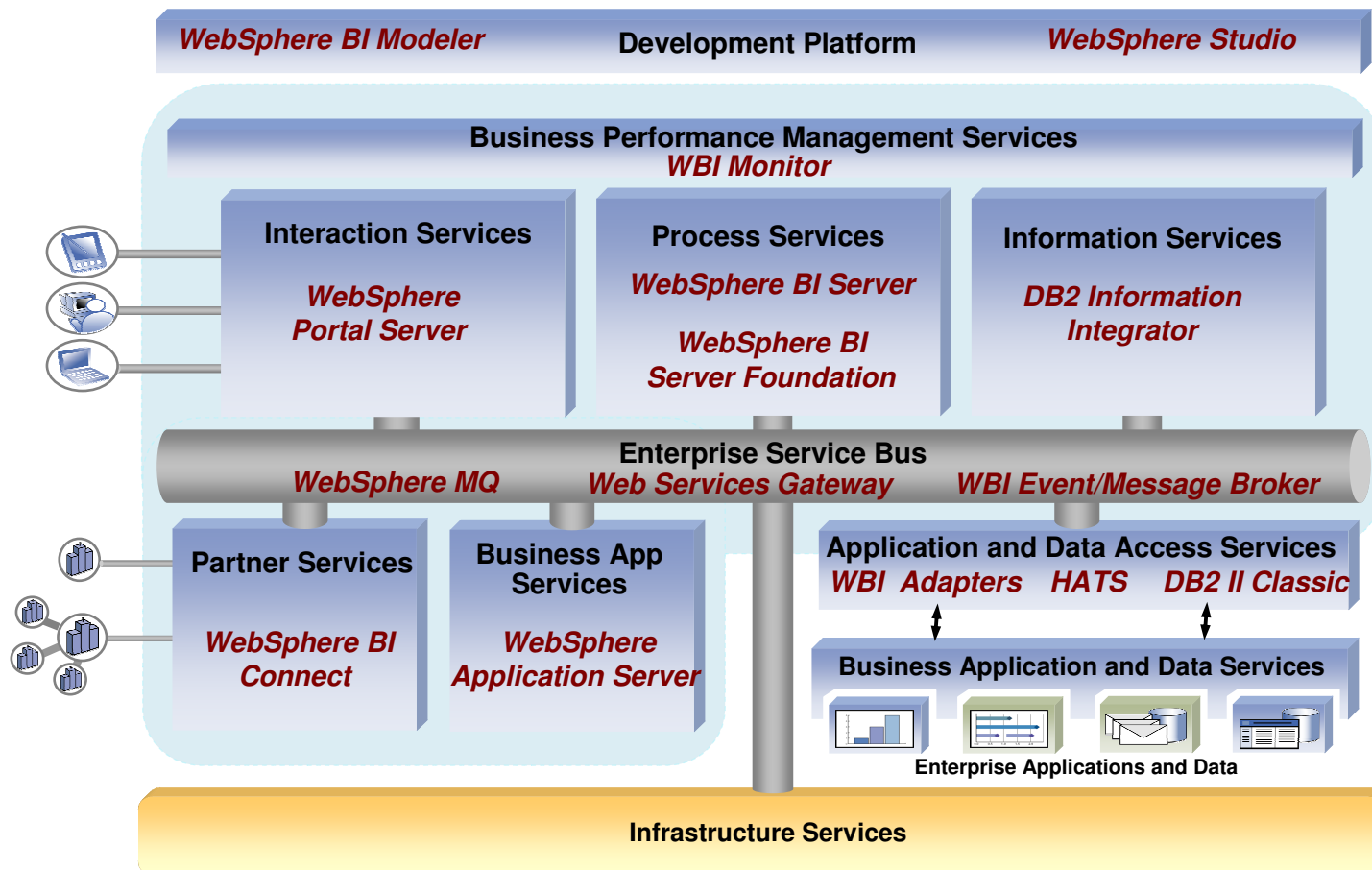


# Business Integration Reference Architecture



# Business Integration Reference Architecture

■ IBM Software Offerings



# Winning with WBI Express in SMB

## The Customer

- Finnveden Powertrain AB (Sweden)
- Manufacturer of components for powertrain, fuel injection and braking systems to the automotive industry.
- Turnover of 125 m€ with 950 Employees

## The Business Partner

- Systems by Semcon (Sweden) teaming with Cypoint for the the portal solution
- Local Systems Integrator with 40 Employees
- Committed to WebSphere Business Integration
- Sales and deployment methodology – Baseline for WBI Express

## The Deal

- Systems by Semcon committing to WBI Express Beta Program
- Adoption of BP's sales and implementation methodology and artefacts to match WBI Express
- Customer decision time 5 weeks only
- Initial sale included
  - WBI Express Plus
  - WPS Express
  - DB2 Express .....**ALL ON LINUX**



POWERTRAIN COMPONENTS

## Customer decision points

- Right strategic direction for customer
- scalability and extendability (B2B/Pervasive etc)
- Vendor credibility/proved track record within business integration
- Open standards support/Non-proprietary approach
- Pricing allows a resonable project scope







“WebSphere Business Integration Server Express provides almost immediate back-end integration, right out of the box. It enables faster implementation of standard processes without disrupting the current customer environment—*Brian Hall, Practice Leader, Gemini Systems*



“We selected WebSphere Business Integration Server Express as the cornerstone for our integration strategy because we needed a scalable, low-cost integration platform to handle message brokering, message transports, adapters and integration between our systems and Web sites” -- Peter Josefsson, IT systems specialist, VSM.



“WBI Server Express is a much better solution than anything from Microsoft because of the supplied adapters and full function toolkit”—*Gregg Smith, Senior Solution Architect, Netcom Systems.*

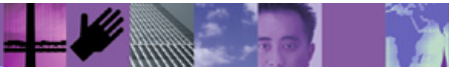
## Financial Justification of IT Projects is more and more important

- “79% of Fortune 1000 IT decision makers agree that financial justification is important to them, yet only 40% conduct business case analysis on a regular basis.”  
[Ernst&Young LLP](#)
- “IT decision makers often lack the tools, time and resources to conduct a full-blown return-on-investment analysis for most IT projects.”  
[ComputerWorld](#)
- “80% of respondents said they have to cost-justify IT projects that cost less than \$100,000 and many valued at less than \$10,000 require sign-offs”.  
[ComputerWorld](#)
- “The proposed budget (the 2004 IT spending plan for the federal government), which calls for a 12% increase in IT spending during fiscal 2003, puts the managers of more than 700 projects on notice that those projects will be cut if they cannot prove return on investment.”  
[SearchCIO.com](#)

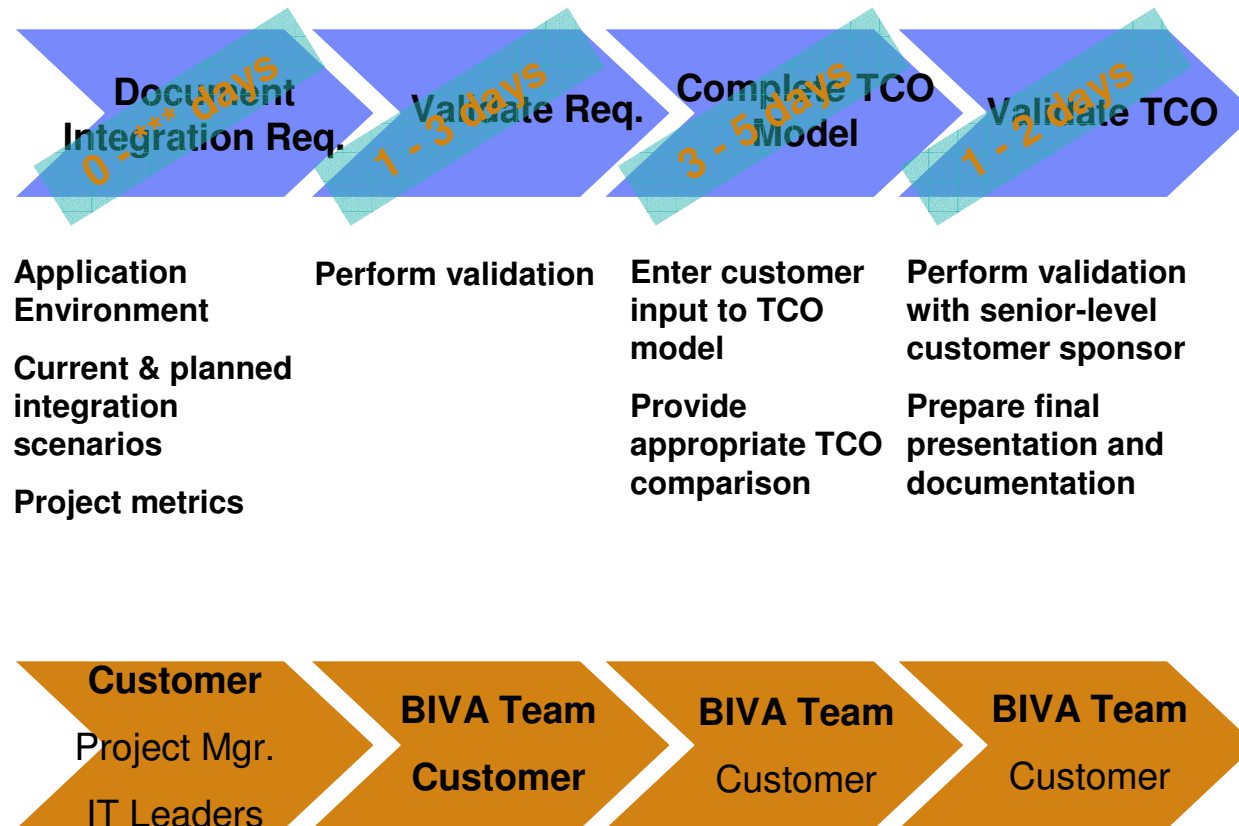


## Why We do BIVA's:

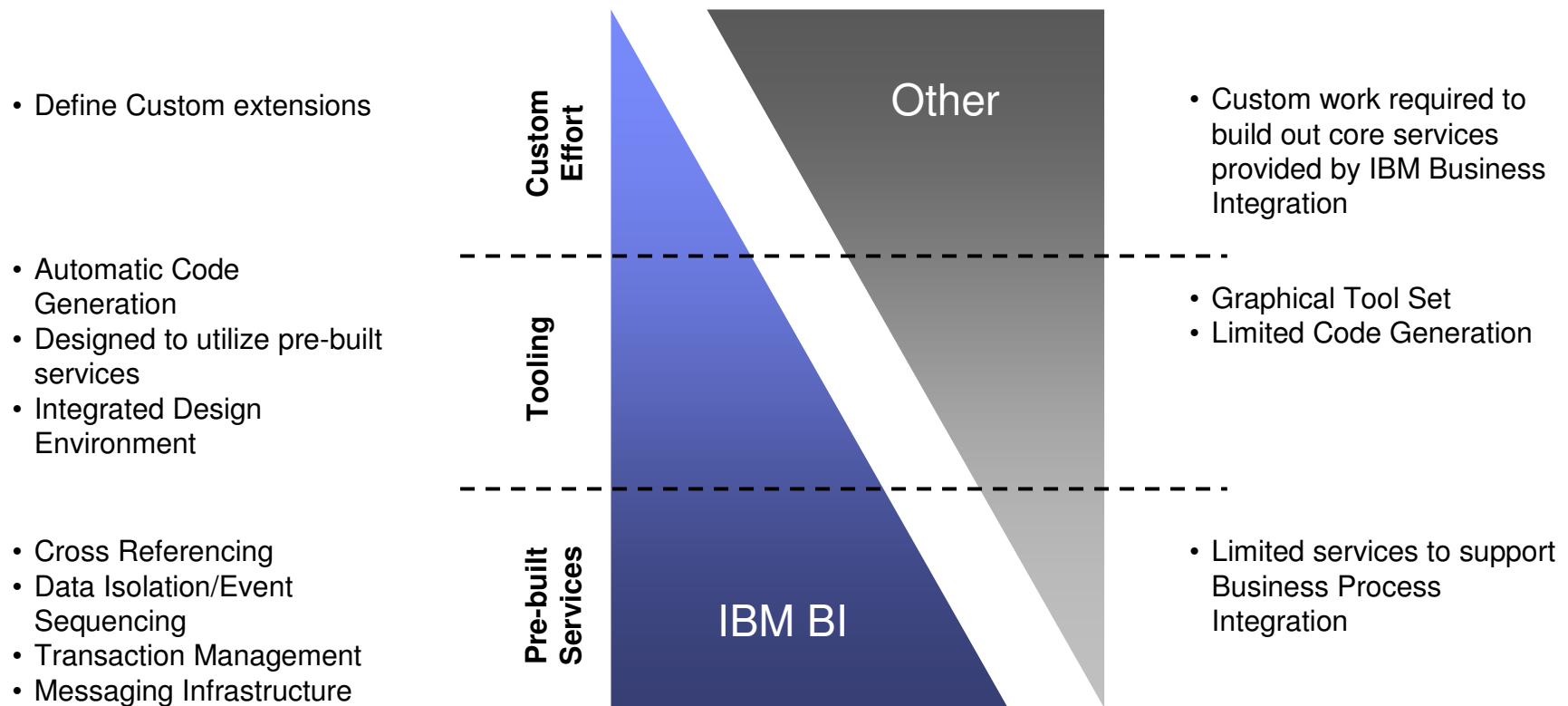
- **Facilitates the development of a high-level architectural solution that meets their business requirements**
- **Demonstrates the value of a business integration platform and clearly shows that IBM WebSphere Business Integration is the best solution because**
  - WBI has the lowest TCO compared to the alternatives**
  - WBI demonstrates the value of Process Analysis**
- **Provides them with a detailed business case for deployment tailored to their specific requirements**



## Methodology for a TCO Study

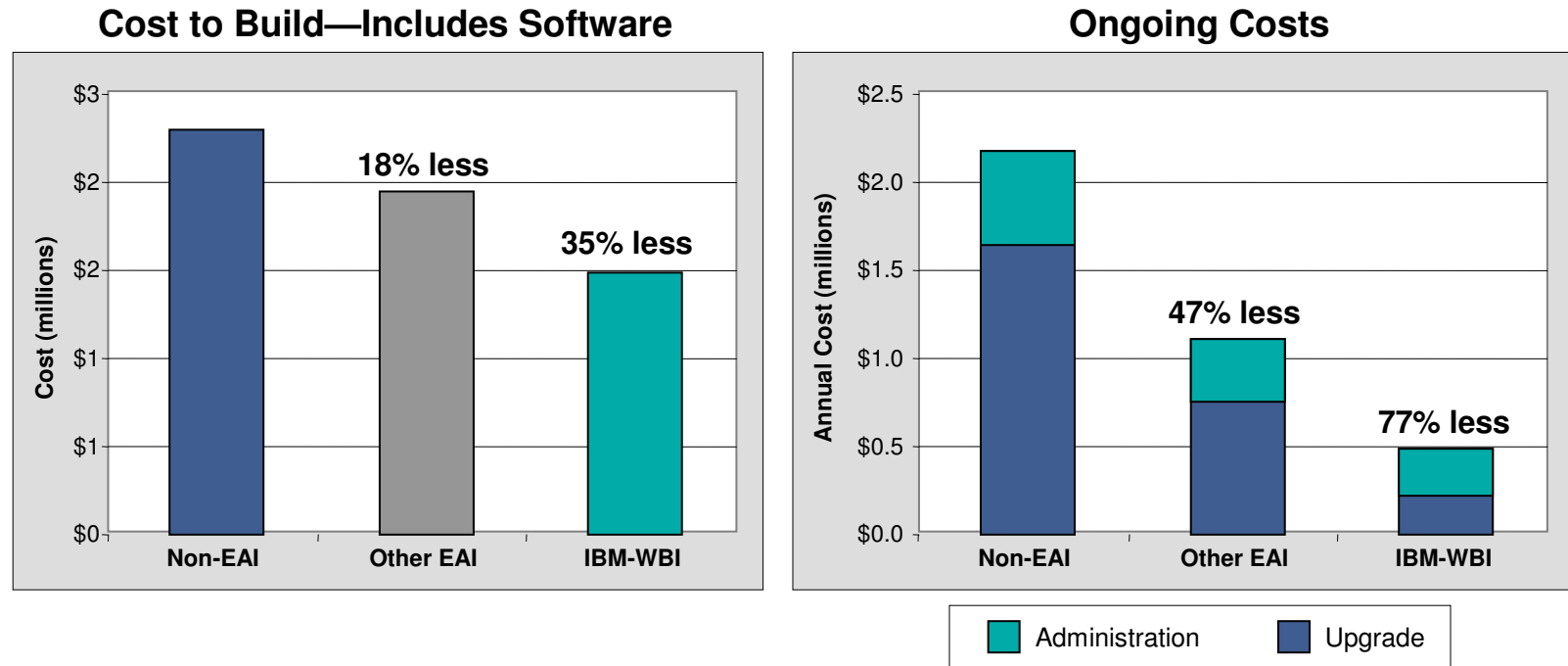


# IBM Business Integration Versus Other Integration “Solutions”



Integration Solution Value Proposition

## IBM Business Integration Significantly Reduces TCO



IBM Business Integration significantly lowers the TCO of typical, non-EAI systems

- 35% lower implementation costs
- 80% lower upgrade costs per year
- 50% lower maintenance costs per year

## *IBM Business Integration Significantly Reduces TCO*

Client	Project	Savings
Global Automotive Parts Manufacturer	Global ERP to Legacy, 7 Divisions (125 integration points)	42% over P2P using Mercator
Consumer Packaged Goods Distributor	ERP 11i to Siebel 2000 and Portal (12 integration points)	36% over ERP Consulting P2P
Leading Medical Equipment Manufacturer	ERP to Legacy, 3 projects (267 integration points)	36% over TIBCO
Leading Consumer & Industrial Products Manufacturer	SAP, Clarify, Legacy (240 integration points)	60% over WebMethods
Global Oil Industry	SAP, Legacy (650 integration points)	30% over P2P
Leading Beverage Distributor	JDE, JBA, ERP, Siebel (113 integration points)	40% over P2P
Incumbent Telco	SAP, Legacy, Supply Chain (281 integration points)	65% over TIBCO,

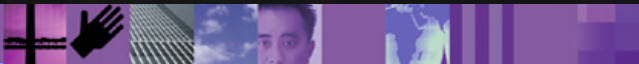


## How does WBI produce the lowest integration TCO?

- Architecture matters: **WBI's true hub and spoke architecture and Common Business Object Model provide unbeatable efficiencies from the start.**
- Pre-built content **for collaborations, adapters, industry specific content allows for efficient buy vs. build trade-offs.**
- A robust development tool kit, with parallel development **provides for a very efficient development environment.**
- The WBI architecture and tool kit drive lowest costs, **fastest delivery of future upgrades, maintenance.**







Thank  
You

<http://www.ibm.com/software/integration/wbiserverexpress>



## IBM Software Is #1 In 2003 Say Gartner And IDC



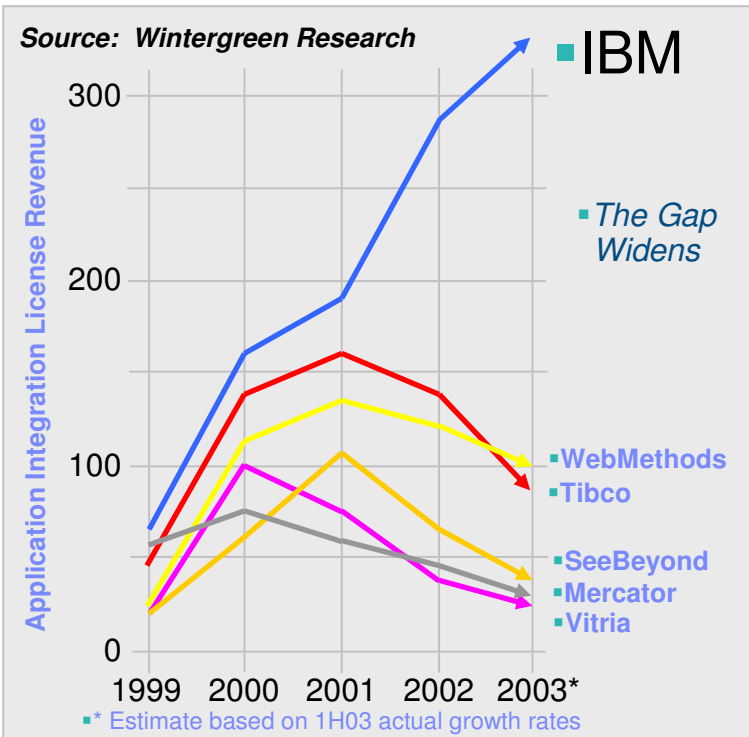
“IBM is gaining share in every market, whereas most vendors were flat or negative,’ said Joanne Correia, an analyst at Gartner Dataquest.”

“No. 1 IBM's license and services revenue from application servers went up 6 percent in 2003 to give the company 29 percent market share, IDC said, as No. 2 BEA's dropped 4 percent to give it 26 percent market share.”

Excerpts from “IBM continues gains in server software,” CNET, May 12, 2004

## Market Leadership

Leading industry analysts recognize IBM's market share leadership across the core integration infrastructure components



IBM "continued its long time lead of this market," *IDC says (June 2003)*

### Application Deployment Platform Software Market

	2002 Share*	2001-02 Growth%
IBM	23.3%	17.5%
BEA Systems	17.3%	9.6%
Oracle Corp.	9.5%	8.0%
Tibco Inc.	4.9%	-19.4%
webMethods	4.3%	6.3%

\* Based on license revenue and license-related service fees

"IBM Has Top Share in All Application Integration Middleware Markets" *Gartner Dataquest, May 2003*

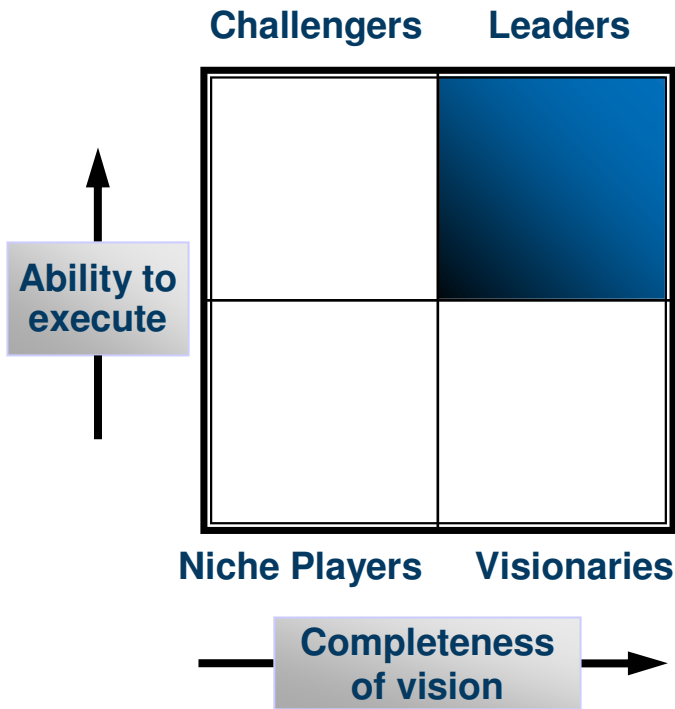
### Worldwide IBM Market Share Position Based on New License Revenue

	2000	2001	2002
Application Servers	2	2	1
Integration Broker Suites	1	1	1
Portals	N/A	3	1
Message-Oriented Middleware	1	1	1
Application Platform Suites Composite Market	2	2	1
Transaction Processing Monitors	1	1	1
Total Market	1	1	1

#### Sources:

- IDC, "Application Deployment Platform Software Market, 2000-2002, with Leading Suppliers" June 2003, Dennis Byron, Vice President, Business Process and Deployment Software Research
- Gartner First Take "IBM Has Top Share in All Application Integration, Middleware Markets", J. Correia, Y. Natis, M. Pezzini, R. Schulte, 7 May 2003.

# Gartner Magic Quadrants: *IBM in the Leaders Quadrant*



The Magic Quadrant is copyrighted 2003 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

## IBM in Leaders Quadrant in these Magic Quadrants

- **Application Integration Vendor** (as of 5/2003)  
*Magic Quadrant for Application Integration Vendors, 2Q03, J. Thompson, F. Kenney, B. Lheureux, Y. Natis, M. Pezzini, R. Schulte, J. Sinur, J. Correia, D. McCoy, 5 May 2003*
- **Enterprise Application Server** (as of 5/2004)  
*Enterprise Application Server Magic Quadrant, 2Q04, Yefim V. Natis, Massimo Pezzini, Kimihiko Iijima 10 May 2004*
- **IVR/Enterprise Voice Portals** (as of 3/2004)  
*Magic Quadrant for IVR/Enterprise Voice Portals, 2004, B. Elliot, D. Kraus, 30 Mar 2004*
- **Horizontal Portal Product** (as of 3/2004)  
*Gartner: Magic Quadrant for Horizontal Portal Products, 2004, Gene Phifer, Ray Valdes, David Gootzit, Kim S. Underwood, Joanne M. Correia, Whit Andrews, 30 March 2004*
- **Web Services Major Vendor Influence** (as of 9/2003)  
*Magic Quadrant for WS Major Vendor Influence, 3Q03, David Smith, Charles Abrams, 2 Sept 2003*
- **Programmatic Integration Server** (as of 12/2003)  
*Magic Quadrant for Programmatic Integration Servers, 2003, Dale Vecchio, 17 December 2003*

## IBM rated "Promising" or "Positive" in these MarketScopes

- **Positive: Sell-Side Electronic Commerce** (as of 1/2004) *MarketScope: Sell-Side Electronic Commerce, 1H04, A. Sarner, R. DeSisto, 22 Jan 2004*
- **Promising: Multichannel Access Gateways** (as of 12/03) *MarketScope: Multichannel Access Gateways, 2H03, W. Clark, 16 Dec 2003*



# WebSphere Software Momentum

## Comprehensive Market Share Leadership!

**“IBM Has Top Share in All  
Application Integration, Middleware Markets.”**

*Gartner Dataquest, May 2003*

**33%**

*Gartner 2003  
(AIMP)*

- Enterprise App Servers (38%)
- Integration Broker Suites (19%)
- Application Development (27%)
- Message Oriented Middleware (83%)
- Portals (13%)

*Gartner Dataquest, May-July 2003*

## Customer Strength!

**WebSphere software customers include**

**91 out of the top 100 Global companies in 2003**

*2003 Global 1000 List and IBM Finance 1H03 WebSphere Customer List*

**WebSphere family has grown revenue at least 10% per  
quarter in 17 out of the past 18 quarters.**

*IBM Finance, 1Q04*

## Industry Recognition!

[IBM] is the only company that  
can offer a **“complete infrastructure stack”**

*Kevin McIsaac from Meta Group in  
Information Age article: “Back to blue”, Jan 2003*





## 2003 - Market Transforming Momentum

### Customers

**WebSphere software customers include 91 out of the top100 Global companies in 2003**

*2001 Global 1000 and IBM 1H03 cust. list*

**Over 60,000 Customers Worldwide**

- Top 37 worldwide commercial & savings banks
- Top 20 Insurers
- 14 of the top 15 worldwide telecommunications firms
- All 14 worldwide pharmaceutical companies listed

*2003 Global 1000 list and IBM 1H03-cust. list*

### Partners

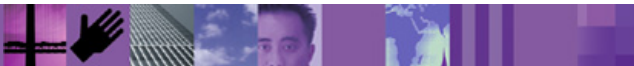
**IBM Wins Channel Champion Award for Application Integration.** "IBM dominated the field of six competitors, garnering the highest score on all criteria and an overall composite score of 74.8 points."

- CRN 13th Annual Channel Champions Awards, March 2004

- 43% Business Partner Skills Certification Growth July2003 YTY (PWSW, July 2003)
- Over 15,800 business partners trained on WebSphere software ( WIC, Aug 2003)
- 100 business partners authorized worldwide to deliver WebSphere education via the Education Centers for IBM Software program (ECIS, January 2004)

### Technology Innovation

- Over 1,400 IBM software-related patents in 2003
- Over 400 WebSphere Studio/Studio Workbench ISV solutions
- Latest Web services standards including: AXIS, SOAP, JAX-R, JAX, WS-Coordination, WS-Transactions, BPEL4WS, WS-Security



# Five Years of WebSphere

## WebSphere the leading software platform for e-business on demand

**20+ points ahead of nearest competitor**  
(Gartner AIMP analysis, 2003)

- Open, integrated development environment
- Comprehensive business integration and portal capabilities to seamlessly connect processes and people

- Open Application Server

### Market Share 2002

Application server **37.7%**  
Business integration 19.1%  
Portal: 13.5%

**2004**

*On demand operating environment, industry solutions, open services infrastructure*

**2003**

*Business Integration 5 styles of integration, Cross Worlds acquisition, Express launch*

**2002**

*Open integrated tool environment - Eclipse, Web services, Portal, PVC*

**2001**

### Market Share 2001

Application server **31.4%**  
Business integration 15.5%  
Portal: 7.0%

### Market Share 2000

Application server **22.1%**  
Business integration 13.1%  
Portal: 3.4%

**2000**

*WebSphere software platform common development tools*

**1999**

### Market Share 1999

Application server **21.7%**  
Business integration 12.8%  
Portal: 2.6%

**1998**

*WebSphere Application Server*

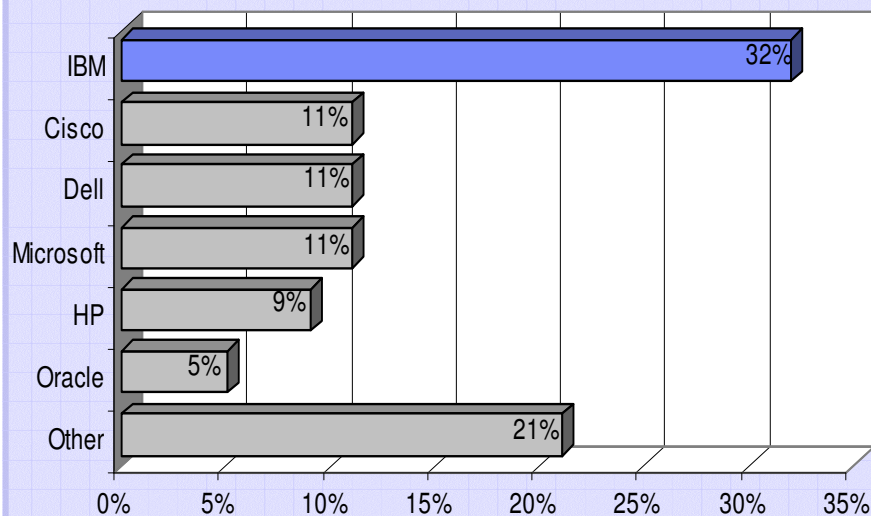


**WebSphere. software**

# Why IBM?

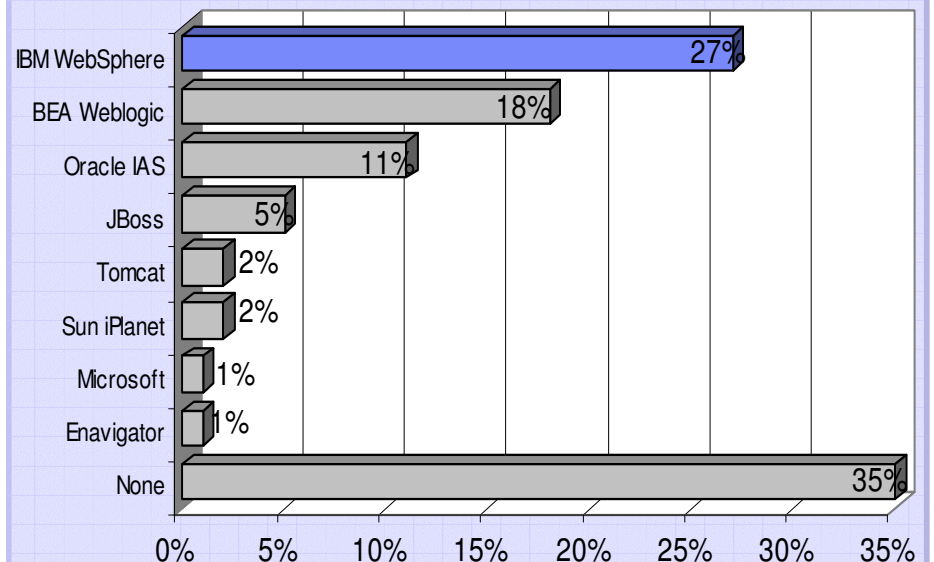
## “IBM Clear Strategic Vendor of Choice” CSFB CIO Survey

Strategic partner of choice for major information technology initiatives over the next 3 years



CSFB CIO Survey, January 2004

Which of the following vendors will take increased share of your application server spending in 2004 vs. 2003?



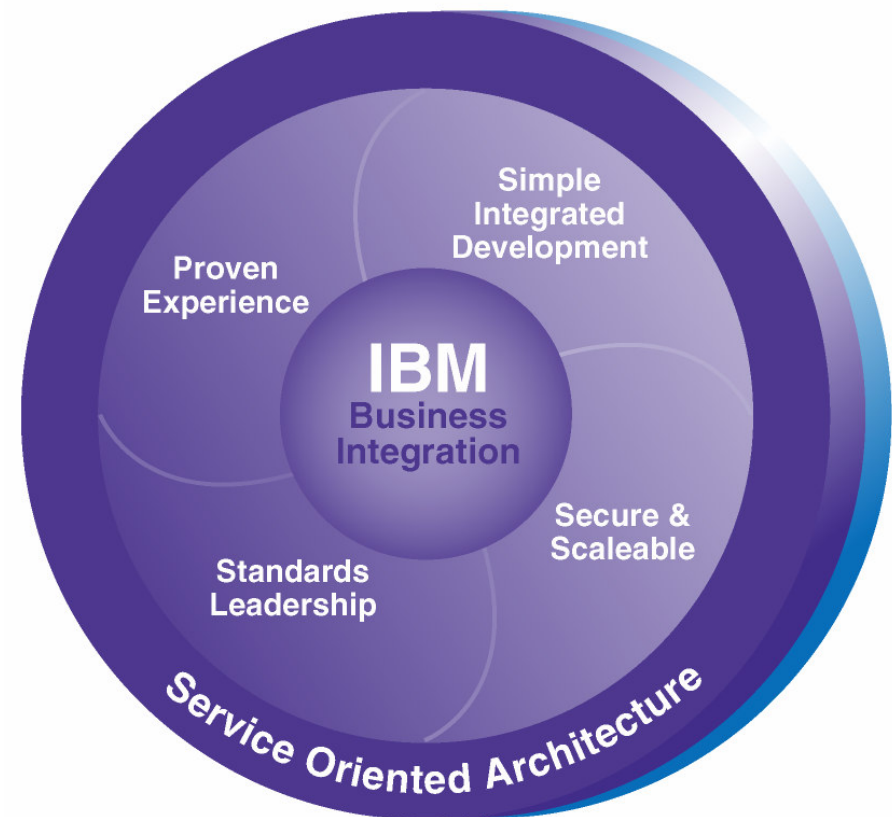
Morgan Stanley, Software Expert Survey, January 2004

“... right now Microsoft seems some way away from the network enterprise-computing model that progressive companies are looking to achieve.”

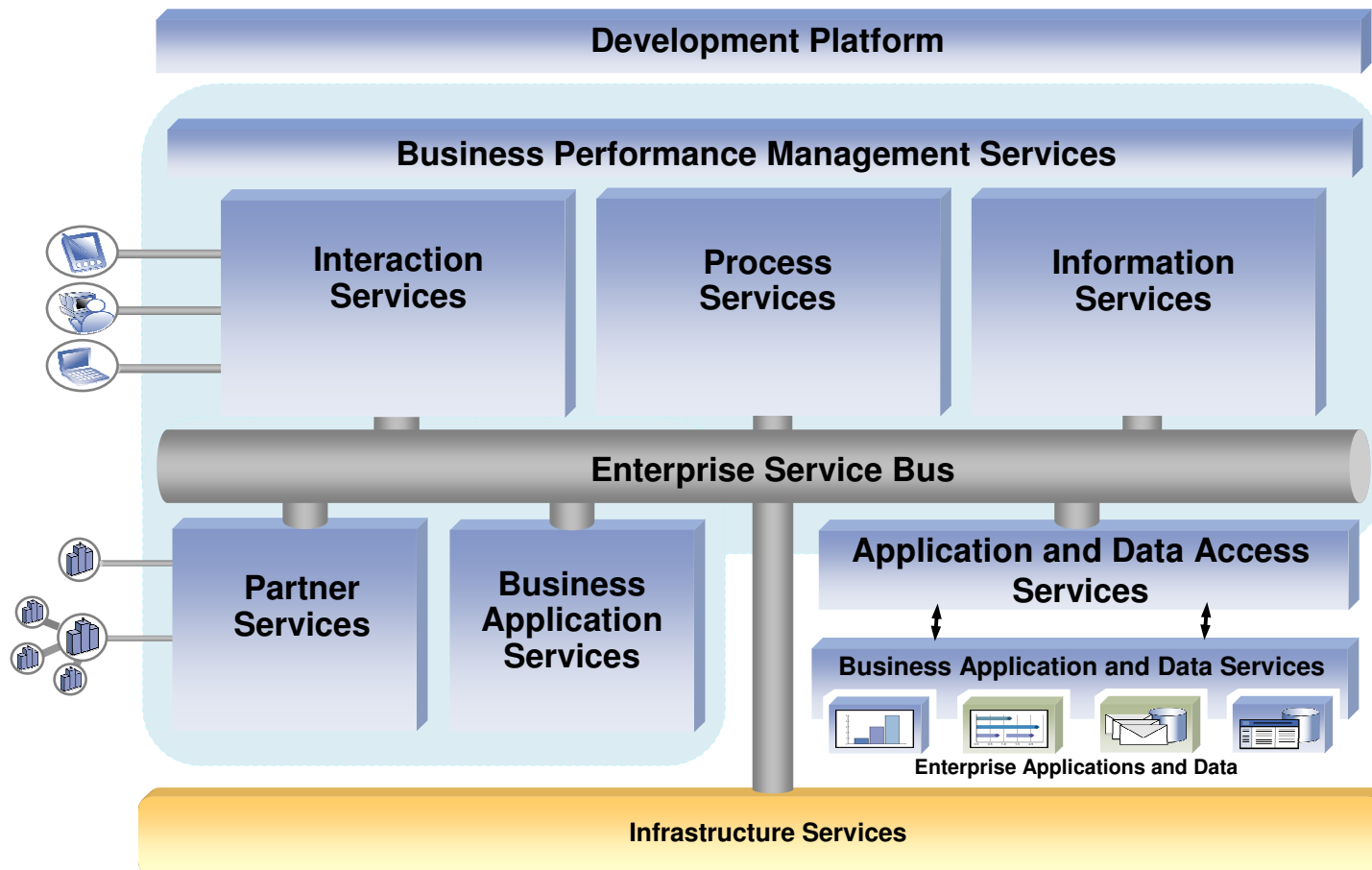
Morgan Stanley, Update to CIO Roundtable, February 2004

## Business Integration Qualities from IBM

- Service Oriented Architecture (SOA) enablement
- Simple, integrated development
  - Common tools platform
  - Re-use and unification of assets
- Secure and scalable deployment
  - Common and flexible deployment environment
  - Flexible management and security infrastructure
- Standards leadership
  - Interoperability
  - Investment protection
  - Freedom of choice
- Proven experience
  - Augmented with best practices
  - Improved time to value
  - Risk mitigation

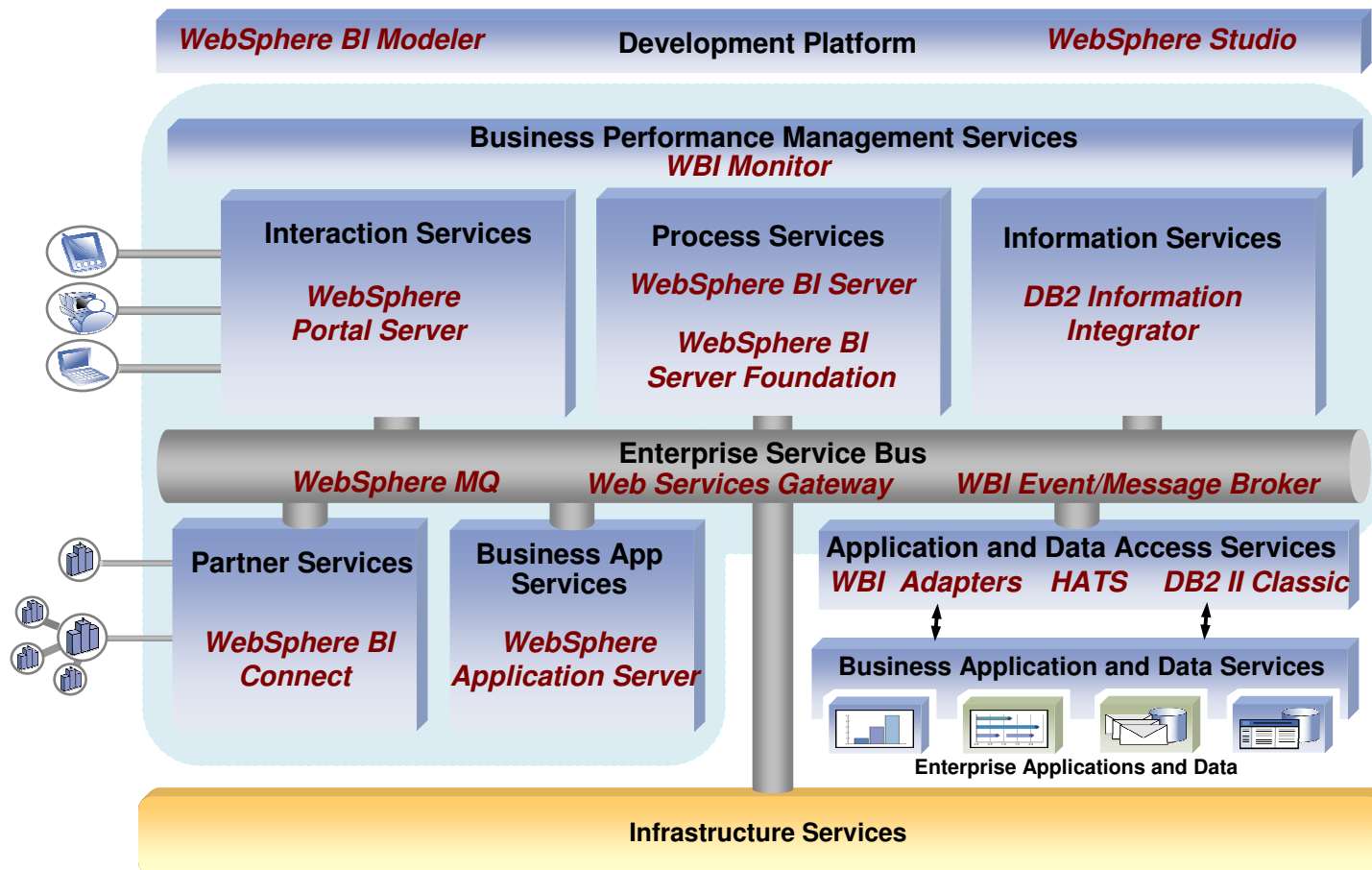


# Business Integration Reference Architecture



# Business Integration Reference Architecture

■ IBM Software Offerings





# Business Integration Reference Architecture

