

RuleBurst's Haley Buy Will Further Consolidate BRE Sector

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RuleBurst's acquisition of Haley Systems positions RuleBurst as a potent vendor for natural-language rule technology. This purchase supports Gartner's assertion of continued business rule engine sector consolidation.

NEWS ANALYSIS

Event

On 14 November 2007, RuleBurst, a business rule engine (BRE) vendor based in Australia, announced it had acquired Haley Systems, a U.S.-based natural-language rule engine provider.

Analysis

As Gartner has stated, the BRE market is a volatile technology sector, and market trends point to increased consolidation. In recent research, we stated that some consolidation will come from rules-to-rules acquisitions. Recent examples of this include Trilogy/Versata buying Gensym and now, RuleBurst purchasing Haley Systems. Another form this consolidation will take is application vendors or business process management suite vendors buying much-needed rule technology, as seen in SAP's recently announced intention to purchase Yasu Technologies. In either case, rule technology will persist, but the vendors selling the technology will often be different.

Market consolidation dynamics aside, this was a sound strategic acquisition for RuleBurst and its customers, for several reasons:

- RuleBurst is seeking to broaden its product functionality. Adding Haley's impressive "English-like" capabilities will give it an edge in natural-language rule management.
- RuleBurst wants to aggressively pursue the U.S. market, grow overall market share, and enhance its presence within the rule sector. The quickest way to accomplish this is to acquire an existing presence in the U.S., and Haley Systems and its customer base fit that requirement.
- RuleBurst and Haley Systems have strong, strategic relationships with large ERP providers (SAP and Oracle/Siebel respectively). Their combined forces will bolster these lucrative partner channels.

RuleBurst has indicated that it will support both products; however, we believe this is only logical as a short-term strategy and expect RuleBurst to move toward a single composite offering. RuleBurst wants and needs Haley Systems' natural-language technology prowess and market presence, but we believe the most valuable opportunity of the combined entity will come from leveraging RuleBurst's background in compliance and governance and seeking "can't live without it" vertical domain relevance (for example, in financial services) through rule templates and frameworks. RuleBurst remains in a consolidating market; it must quickly articulate a strategy for relevance that extends beyond rule technology.

RECOMMENDATIONS

- **RuleBurst and Haley customers:** Contact RuleBurst to get a complete product and industry solution road map.
- **Prospective BRE customers:** Buyer beware — the rule engine market is a volatile sector. Choose your vendors carefully and be prepared to see more BRE acquisitions.

RECOMMENDED READING

- "A Business Rule Market Checkup" — The BRE market is a mature technology sector undergoing consolidation. **By David McCoy and Eric Deitert**
- "SAP to Bolster Business Rule Capabilities With Yasu Buy" — SAP's offer to acquire Yasu will challenge the status quo of the BRE and business process management technology markets. **By Eric Deitert, David McCoy and Yvonne Genovese**

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