

## **IBM Buys Lombardi to Strengthen Support for BPM 'Sweet Spot'**

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This acquisition strengthens IBM's support for the BPM "sweet spot" buying segment, where Lombardi has already prevailed. Yet the chasm between their cultures, R&D priorities and sales strategies could impede success.

## NEWS ANALYSIS

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### Event

On 16 December 2009, IBM announced that it has entered into a definitive agreement to acquire privately held Lombardi Software, based in Austin, Texas. Lombardi provides business process management (BPM) software and services. The transaction is expected to close by 30 January 2010. Financial terms of the deal were not disclosed.

### Analysis

Gartner attributes Lombardi's success to its delivery on key tenets of BPM — process flexibility, transparency and business role empowerment over process change control. Although IBM has applied many resources and several products to BPM, buyers with needs in the BPM "sweet spot" (see "Gartner's Evaluation of IBM's BPM Strategy and BPMS Product") have not embraced its strategy. Many Gartner clients report that IBM's BPMS products are too complex. With this acquisition, IBM is addressing this weakness and validating Lombardi's market understanding, vision and success.

When complete, this transaction will give IBM outstanding BPM "DNA" and an opportunity to scale Lombardi's success. In every area of the BPM market where IBM is weak, Lombardi has strength — most notably in cross-functional process deployments, ease of use, simplicity in design, business role empowerment, and process participant collaboration in its Blueprint and Teamworks products. In areas where Lombardi is weak, IBM is strong — for example, in its global reach, its sales channel, integration technology, service-oriented architecture infrastructure and registry/repository, professional services, business content and enterprise content management. Lombardi's small size makes operational integration easy. Product integration will be staged over two or more years. However, the chasm between the two companies' respective cultures, R&D priorities and go-to-market strategies presents big challenges and could impede further market success.

## RECOMMENDATIONS

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### Lombardi customers and prospective customers:

- Continue to invest in Lombardi to gain BPM benefits quickly, but also weigh the longer-term integration risks.
- If you run Teamworks on non-IBM platform technologies (like WebLogic and JBoss), develop a strategy to migrate to WebSphere in two years. Although IBM will commit to supporting non-IBM platforms, expect WebSphere to be the preferred platform.

### Customers and prospective customers of IBM BPMS solutions:

- Evaluate Lombardi for projects that require quick success, as it already runs on WebSphere.
- If you use WebSphere Process Server for projects with significant human workflow needs, consider Lombardi and other alternatives.

## RECOMMENDED READING

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- "Gartner's Evaluation of IBM's BPM Strategy and BPMS Product"— Gartner evaluates IBM's BPM strategy and the strengths and challenges of its BPM suite using several Gartner frameworks. **By Janelle Hill and Michele Cantara**
- "Magic Quadrant for Business Process Management Suites"— Gartner revised its 2009 Magic Quadrant on BPM suites to focus on product support for use cases, rather than product features and functions. **By Janelle Hill and others**

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