IBM to Gain Product Information Management with Trigo Buy

The acquisition of Trigo Technologies' product information management (PIM) functionality will round out IBM's infrastructure strategy — and simplify enterprises' product data synchronization choices.

Event: On 9 March 2004, IBM said it will buy Trigo, a privately held PIM vendor. The Trigo technology will be offered as part of the WebSphere family of products.

First Take: The Trigo acquisition signal's IBM growing interest in the global data synchronization (GDS) market segment. GDS is a consumer goods and retail initiative that seeks to create semantically reconciled product data to increase revenue by reducing out-of-stock products and increase efficiencies in all kinds of business-to-business processes between retailers and suppliers. For retailers and suppliers to participate in GDS, two kinds of technology are being adopted: integration and PIM. IBM's WebSphere portfolio of products has been getting more and more attention as retailers and consumer goods companies increase their GDS investments. With this acquisition, however, IBM is acknowledging that its portfolio has been incomplete.

This is a good move for IBM customers, for several reasons:

- Fewer IT vendors are needed to support GDS when IBM is the preferred brand, since only one agreement is needed, with IBM.

- IBM customers outside of consumer goods and retail may find value in product data synchronization inside their enterprises, as well as between trading partners. Expect to see IBM engage in other industry segments, such as automotive, life sciences and high-tech.

- IBM will leverage PIM and data synchronization to exploit new technologies, such as radio frequency identification.

Trigo customers will benefit in the following ways:

- IBM will inject more funding into Trigo solutions and support than Trigo could have as an independent vendor, and provide more focus around established marketing infrastructure.

- Trigo, one of the faster-growing PIM vendors, has had to focus on a multitude of integration approaches outside of IBM. With an owner in place, as opposed to a set of conflicting alliances or partnerships, Trigo will be able to concentrate on one technology.

PIM, which was a small, emerging market, will now become an important component in the wider application and business-to-business integration and data synchronization markets. This attention and

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increased investment bodes well for customers. Look for continued strategic investments (or partnerships with IBM) in the PIM market.

IBM's announced acquisition of Trigo follows a similar move by Global eXchange Services, which acquired HAHT Commerce earlier this year. These acquisitions simplify the vendor landscape for customers, enabling them to sign one agreement and hold one vendor accountable for what is still an emerging area.

Recommendations: Enterprises that want to participate in GDS must now evaluate technology providers based on the strength of both integration and PIM capability. Internally developed PIM solutions optimized for industry initiatives (such as UCCnet) will be good enough for enterprises with fewer items, but enterprises with large numbers of items and global trade item numbers should consider vendors such as IBM that have acquired PIMs or partnered with vendors that provide them.

Analytical Source: Andrew White and Frank Kenney, Gartner Research

Recommended Reading and Related Research

- "GXS to Buy HAHT, Get Its First Industry-Specific Application" — The purchase of HAHT Commerce will add retail applications to Global eXchange Services' (GXS') portfolio of business-to-business integration software and services. **By Benoit Lheureux and Frank Kenney**

- "How to Manage Product Data in a Multienterprise World" — Handling product content and data internally can be made easier by a set of content and data management disciplines. **By Andrew White and David Hope-Ross**

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