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An Industry Analyst's View of IBM WebSphere

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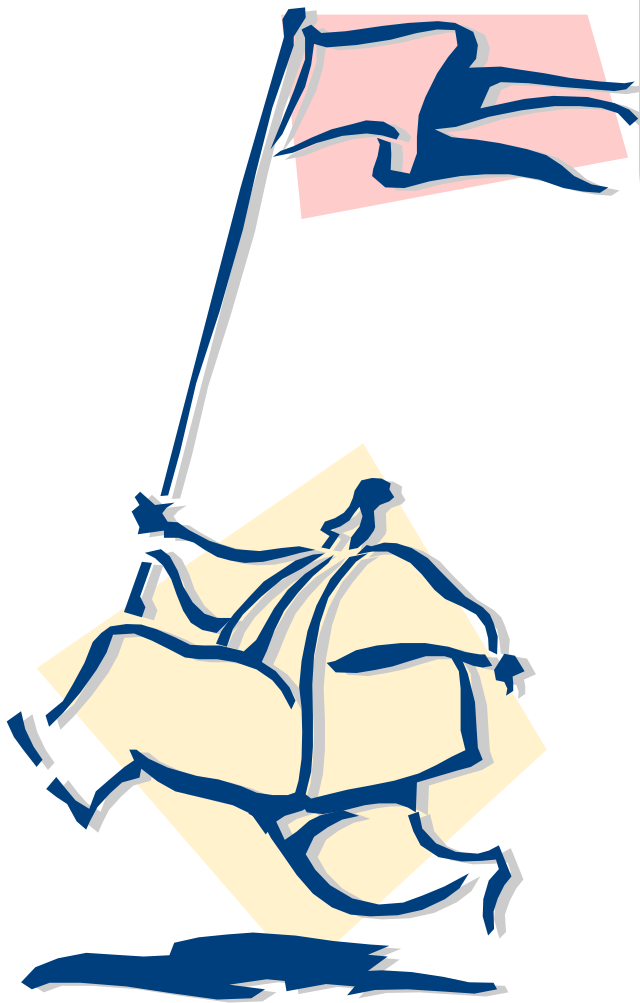
My credentials

- I am Forrester Research's primary application platforms analyst
- I give clients advice about WebSphere and its competitors
 - Application development managers and architects
 - Procurement managers
 - CIOs
- I've been doing market and product research on middleware for 18 years
- I and colleagues advise the WebSphere and SOA product and marketing teams

Agenda

- The WebSphere franchise
- What clients (and others) ask me about WebSphere
- What this input means to you
- What clients say about WebSphere competitors
- Questions I expect to get soon

The WebSphere franchise is strong, but faces tough new challenges



I see WebSphere everywhere

- A big percentage of the clients I speak with use WebSphere Application Server
 - A smaller number use other WebSphere products (WebSphere Portal leads among those ...)
- Many are long-standing WebSphere customers; most use more than one application server
- The number of WebSphere “mission critical” deployments is notable
 - Only BEA WebLogic is in the same league as WebSphere

No news is good news

- I've experienced a big reduction in “complaint” Inquiries during the last two years
- Experience says WAS can support large-scale, HA apps; a wide variety of requirements
- In large banks and insurance carriers, WAS is the platform, period
- Large base of skills is available
- A number of clients now refer to “IBM” and “WebSphere” interchangeably

Customer challenges: Control costs, conquer complexity, keep up

Drive cost out of
Web applications

Find SOA payoffs
now as well as in
future

Find expertise at a
reasonable cost

Figure out how to
build, run dynamic
business apps

Master new
automation
scenarios in BPM,
rules, predictive
analytics, event
management ...

Figure out rich
Internet applications,
social computing

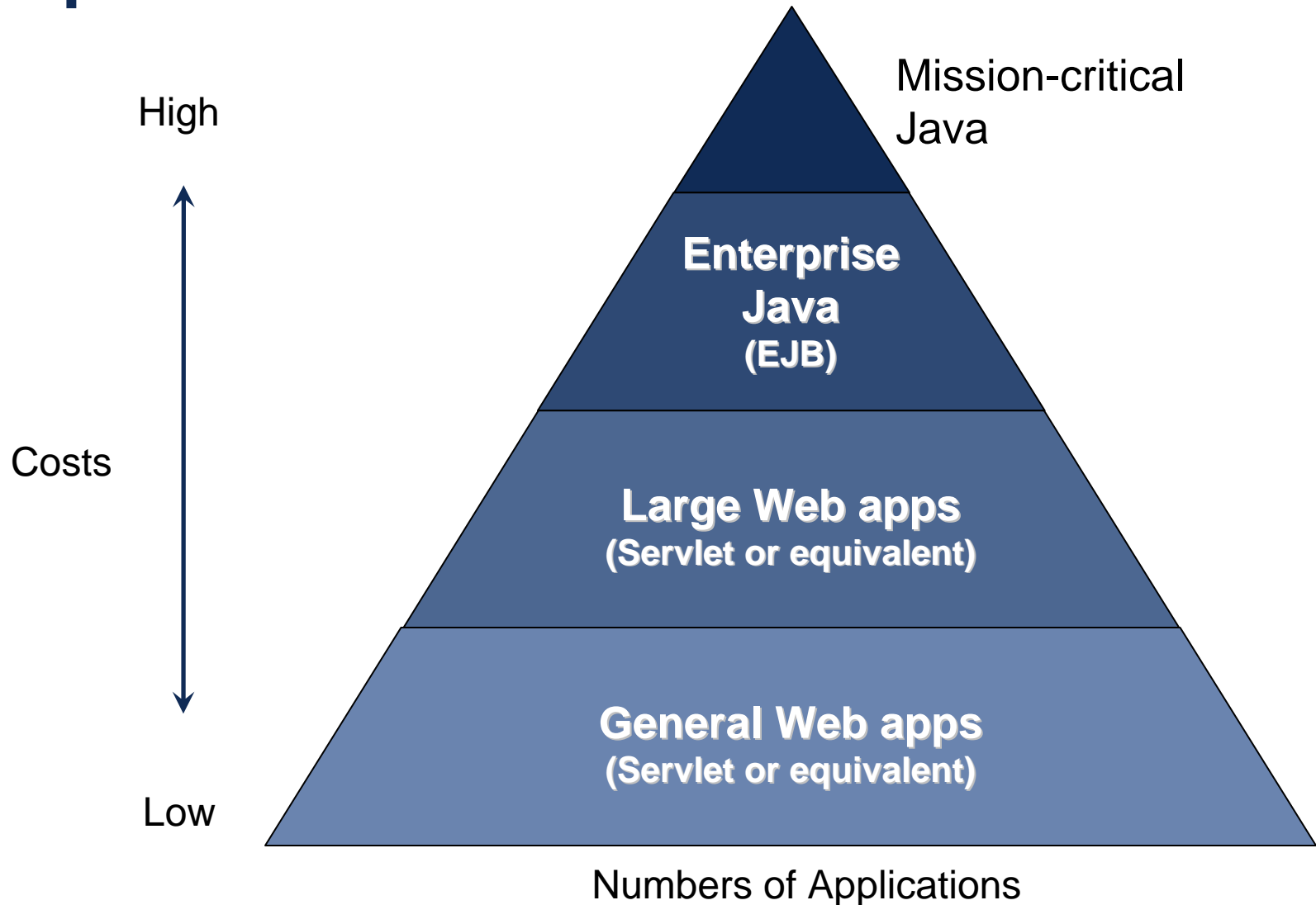
Prototypical cost question

“We currently utilize a J2EE Application Server Platform. We are evaluating the potential benefits of utilizing new technology based on open-source alternatives (or other sources) to achieve reduced cost and increased productivity. We believe our current platform is limiting us in utilizing new technology.”

This is how I parse the question

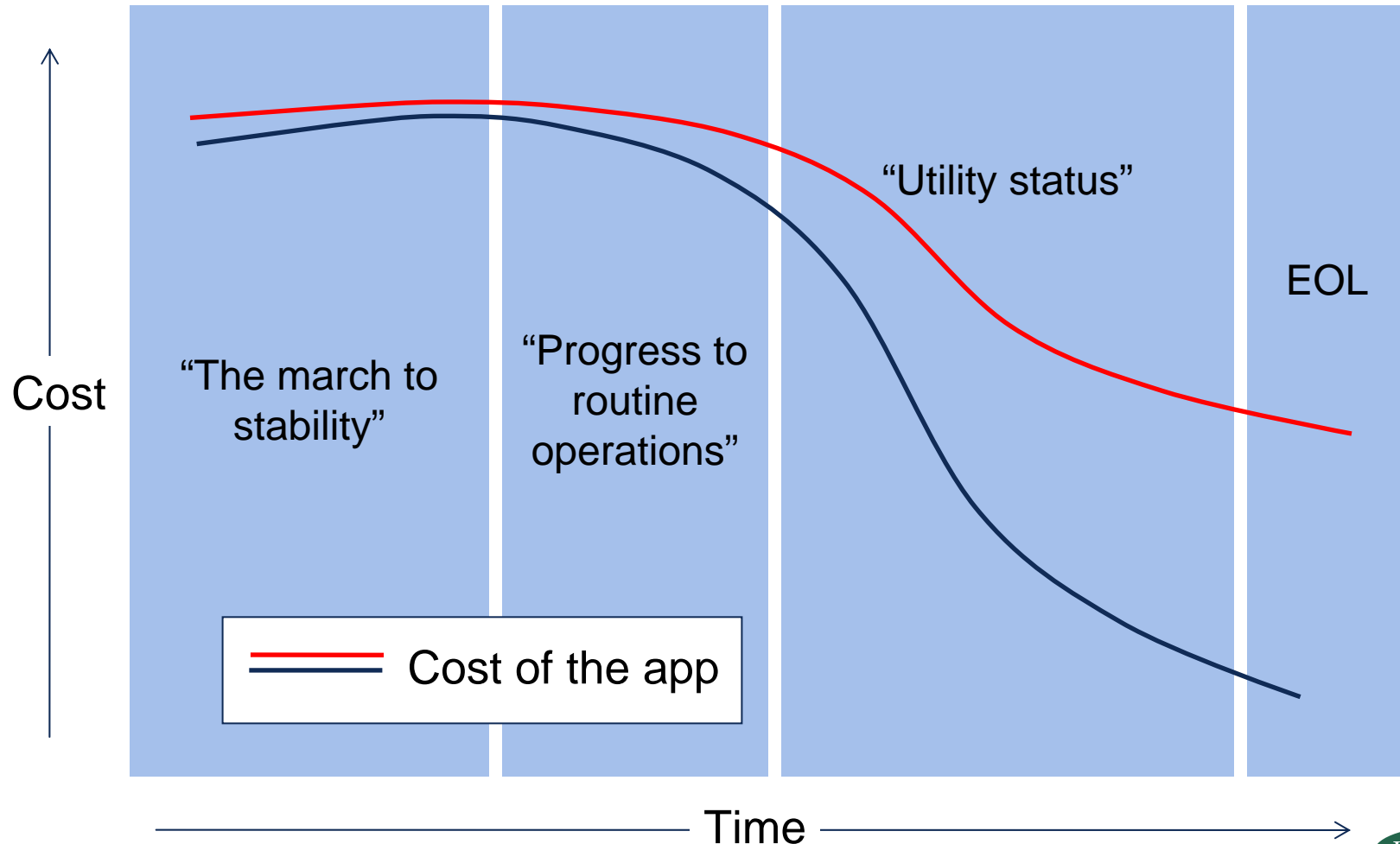
“We currently utilize a J2EE Application Server Platform. We are evaluating the potential benefits of utilizing new technology based on **open-source alternatives (or other sources)** to achieve **reduced cost and increased productivity**. We believe our current platform is **limiting us in utilizing new technology**.”

Reduced cost: Clients now want to optimize their costs

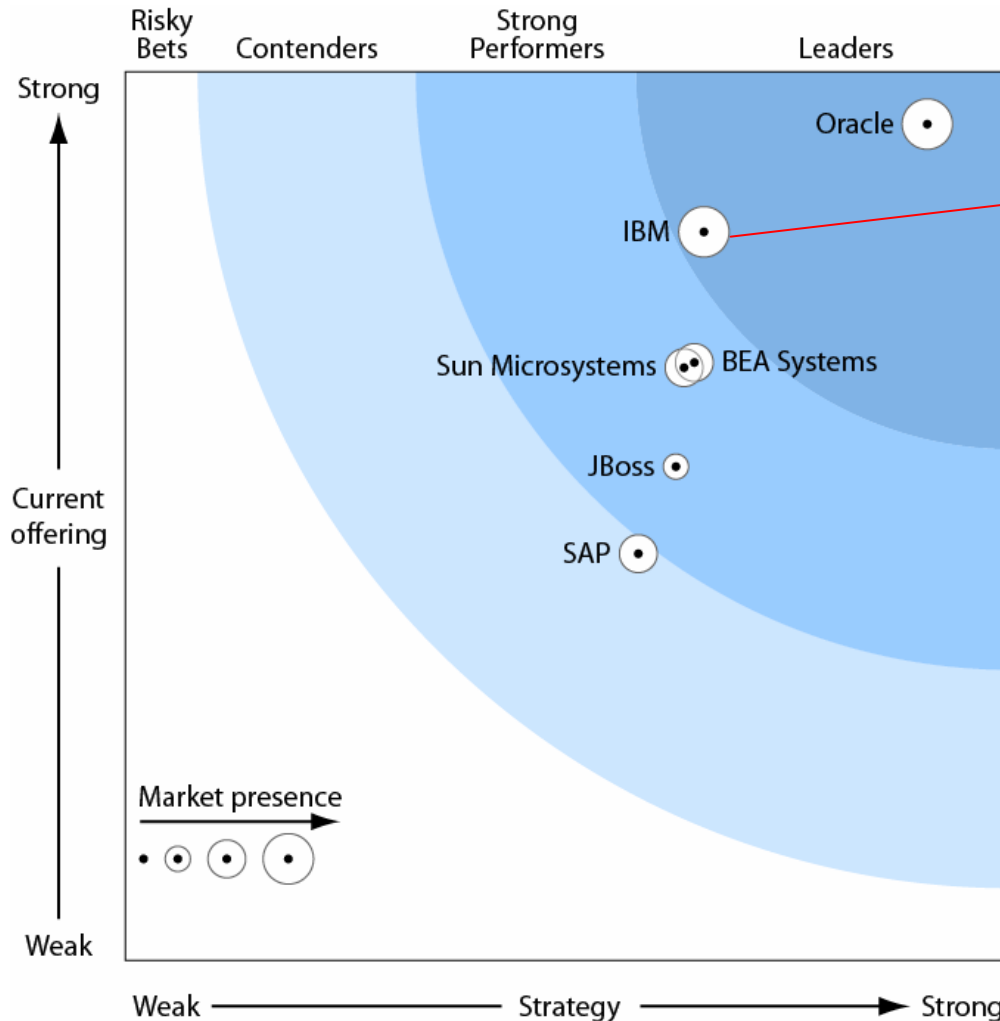


Reduced cost: Many clients are looking for downward curves

Cost of an Application over Time



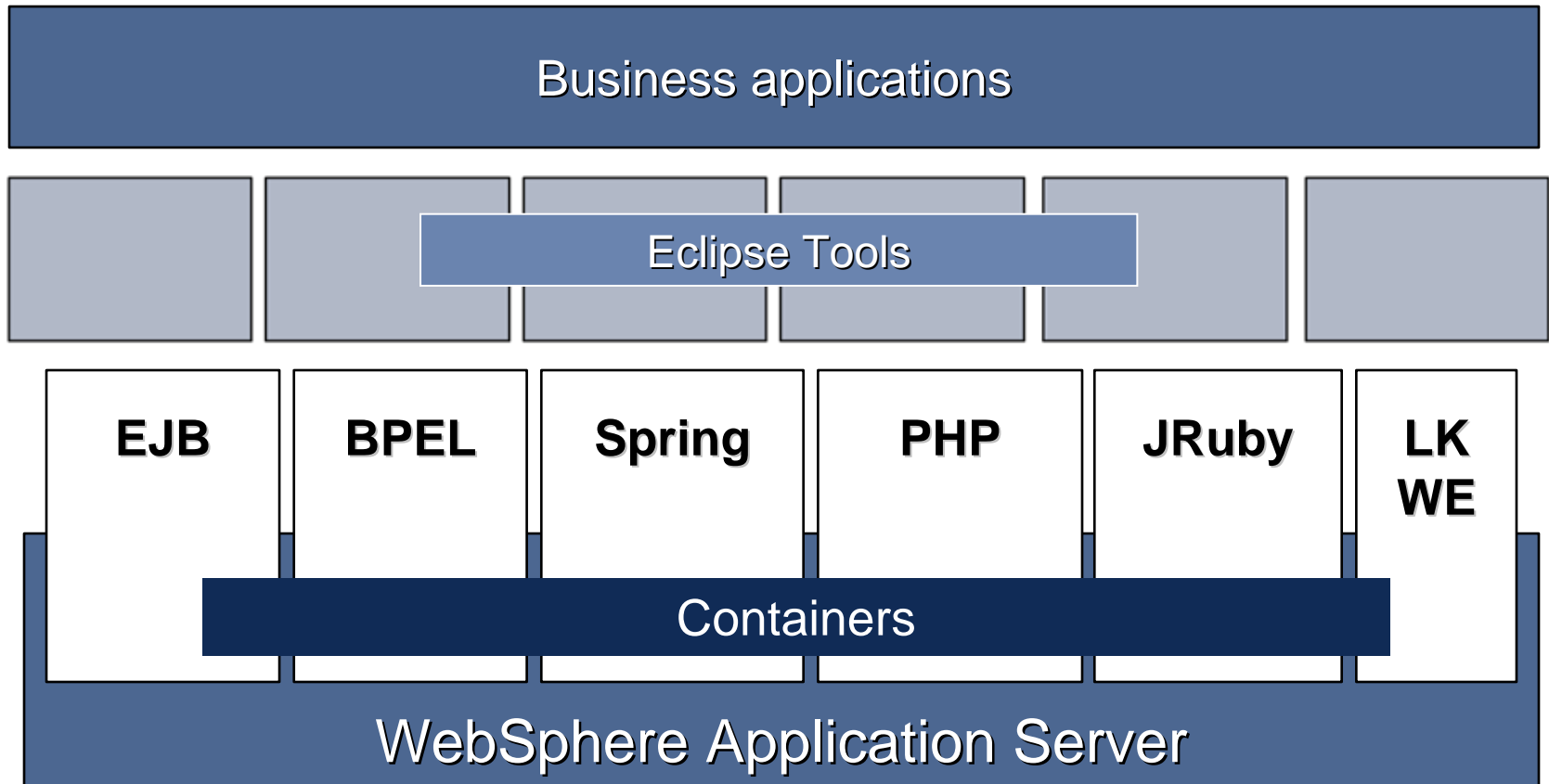
The problem: Clients understand IBM to be a premium-priced option



IBM's position primarily due to highest costs.

July 2007 "The Forrester Wave™: Application Server Platforms, Q3 2007"

Increased productivity: It's all about “fad” languages and tools



Cost-optimization tactics we don't get many inquiries about

Application server virtualization

- Forrester gets lots of questions about hypervisors, but few about other forms of virtualization

WebSphere CE

- It's always **JBoss**; sometimes GlassFish, Tomcat

Stack optimization

- Volume purchasing benefits
- Reductions in integration of best of breed components

The "cloud" alternative

- Little real demand apparent
- No awareness of IBM options

Views differ by role

Situation: A Web team at a large media company decides to dump WebSphere and adopt an open source app server and rich Internet application tools.

IT Director and IT Operations Manager

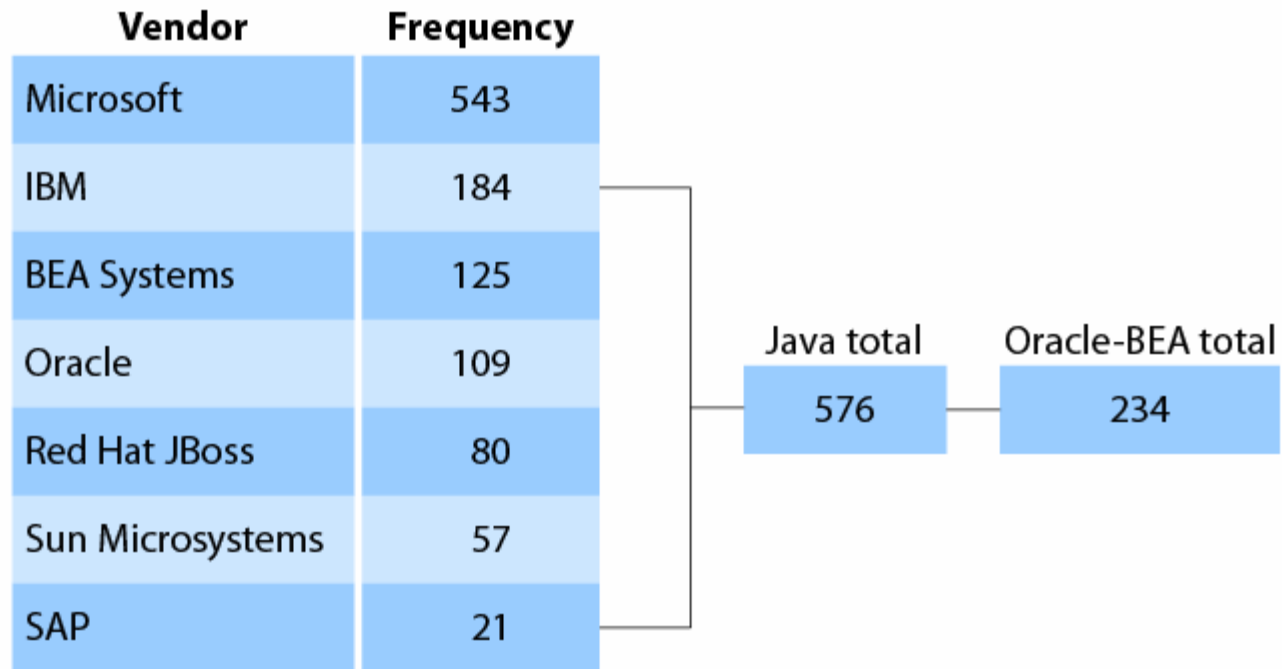
- “Can’t they just use different tools and deploy to WebSphere? We’ve invested years to build a reliable, predictable implementation ...”

Web Team Manager

- “My two best developers want new tools and don’t like WebSphere. I’ll lose them if we don’t make this change.”

Not all clients are large enterprises

“Of the products you are able to discuss, please choose up to three products about which you know the most regarding reliability and support.”



Base: 617 IT professionals
(multiple responses accepted)

Source: January 2008 Global Forrester/BZ Media Application Platform Quality Online Survey

April 25, 2008, “**Application Server Quality: Review Your Assumptions**”

What you should do with this feedback

Make sure customers, prospects understand how they can meet the cost/productivity challenge with IBM products

- WAS CE, WebSphere Smash, stack integration
- Give ammo to your IT operations allies

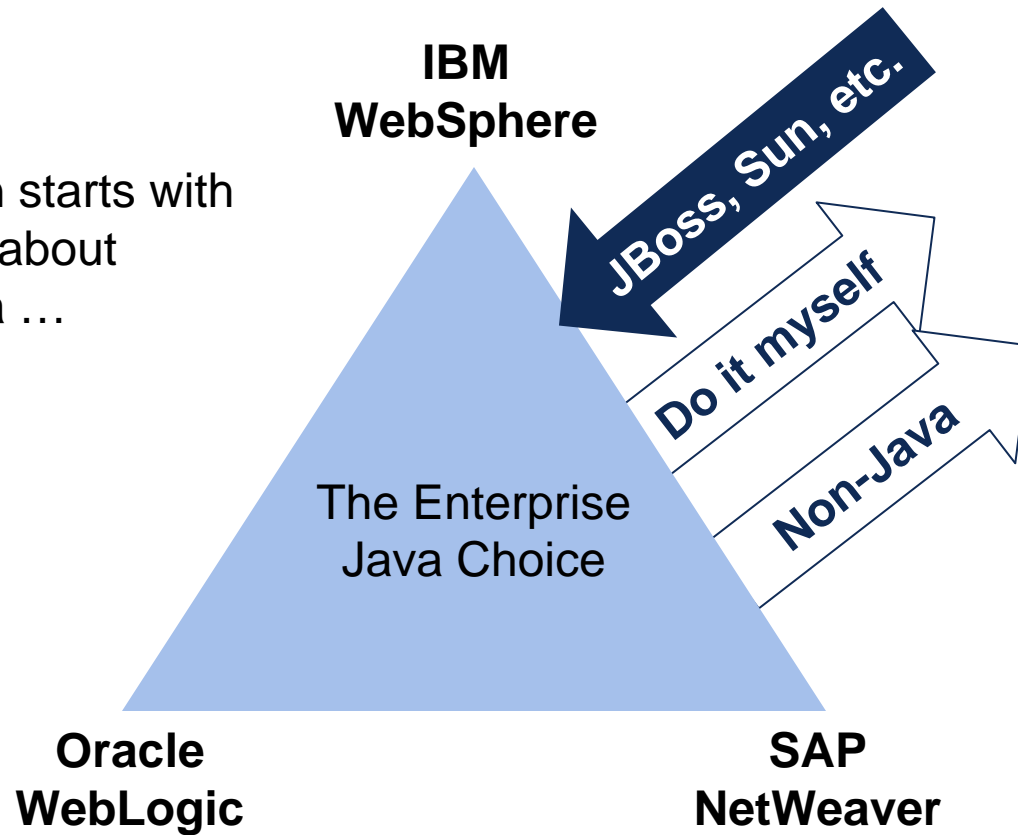
Help customers find the downward cost curves and optimization opportunities within their IBM relationship.

Help customers understand the sequence of investments they can make over time

Sharpen the TCO message and evidence for midmarket customers and prospects

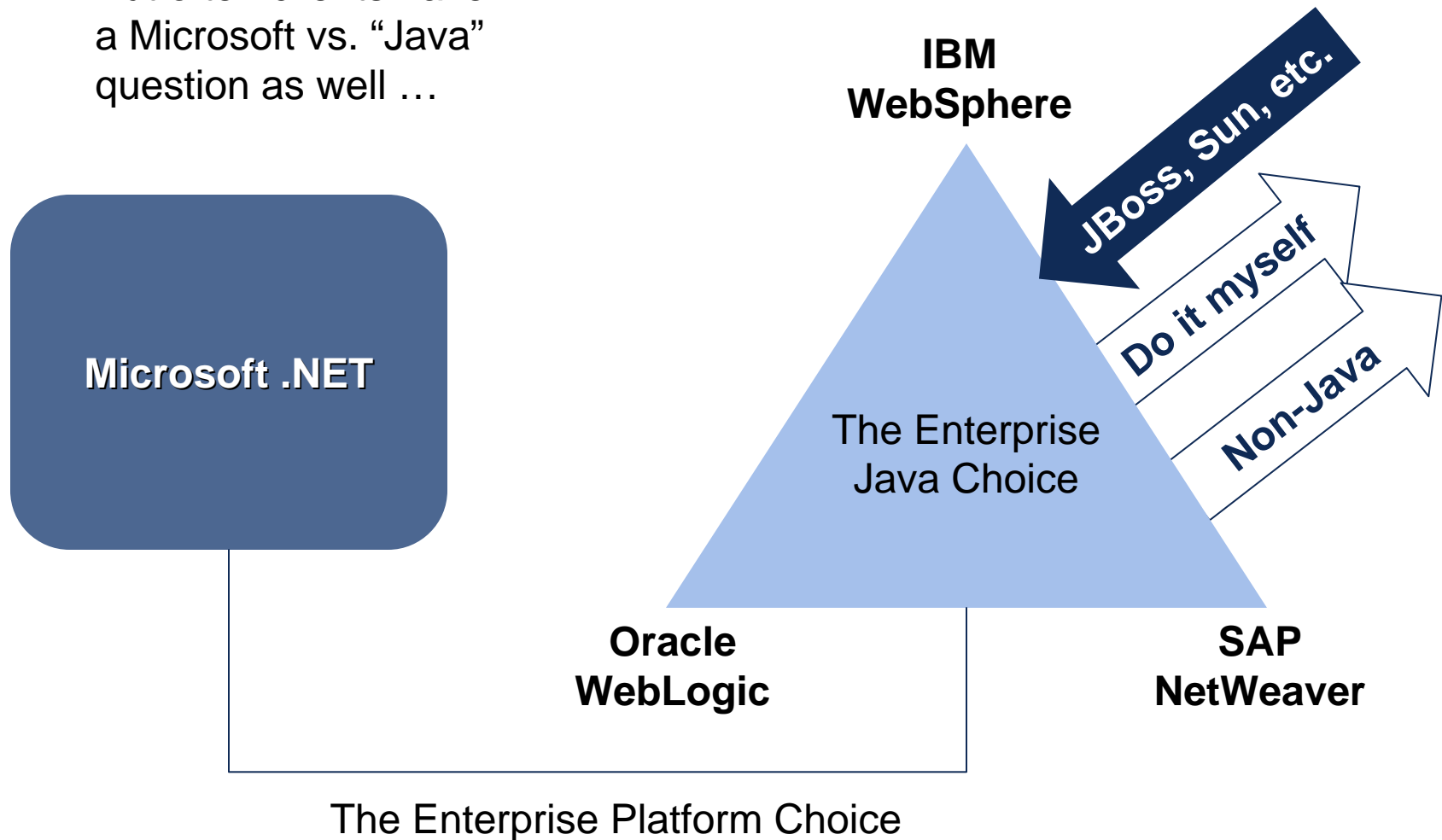
The WebSphere competitors I hear about

The client often starts with a point of view about enterprise Java ...

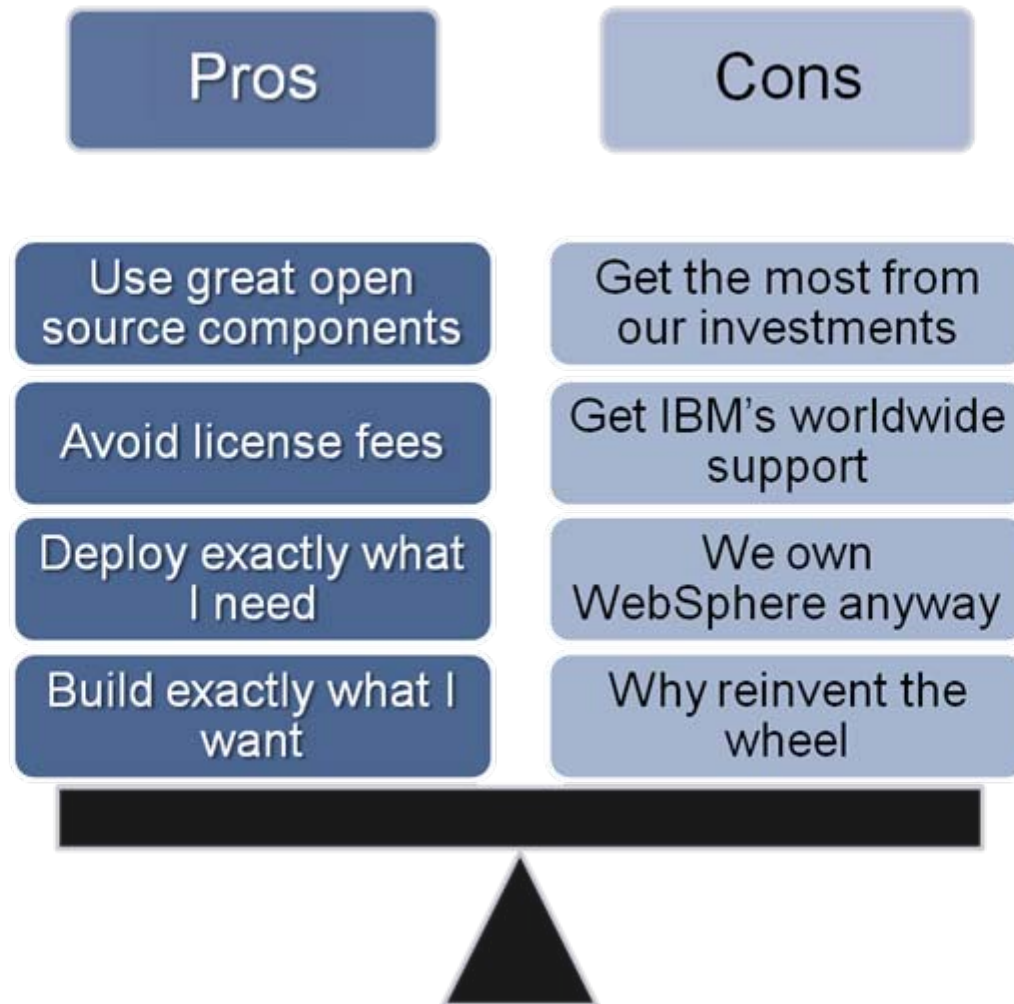


The WebSphere competitors I hear about

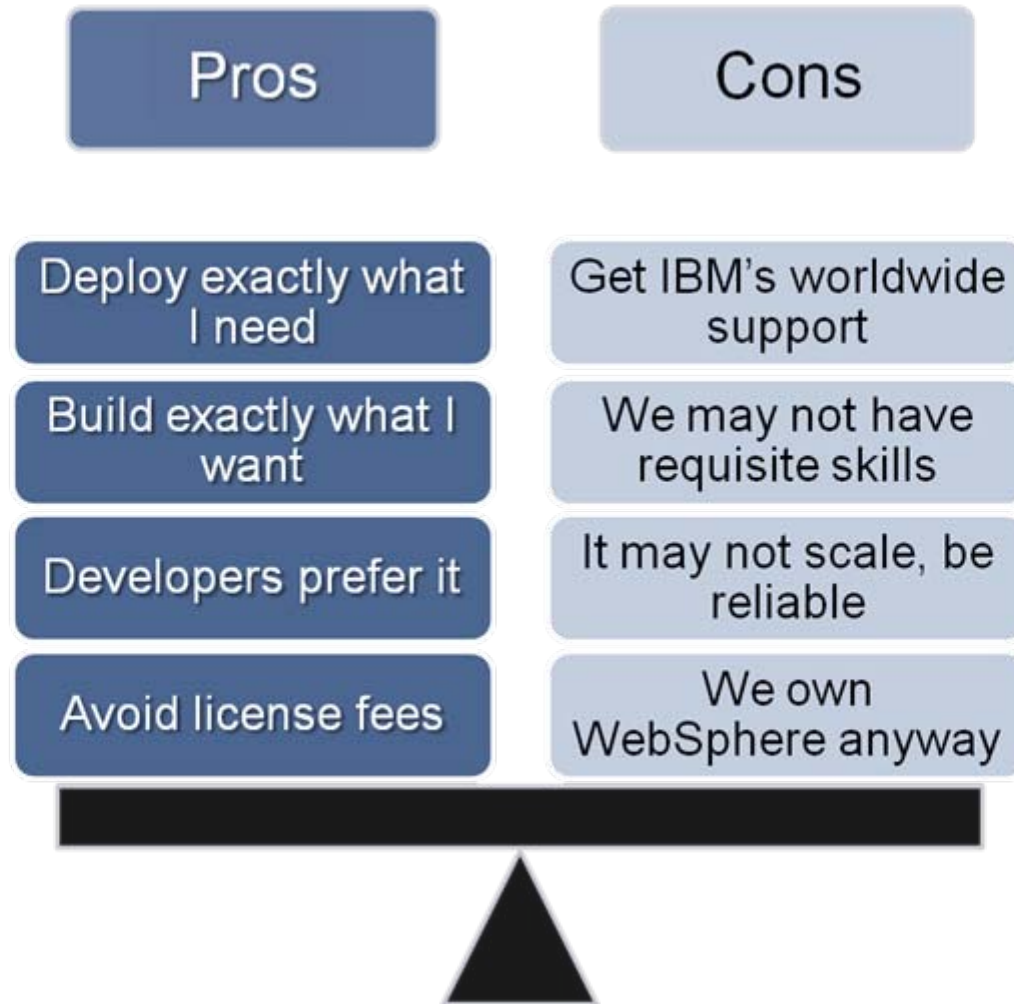
But often clients have a Microsoft vs. “Java” question as well ...



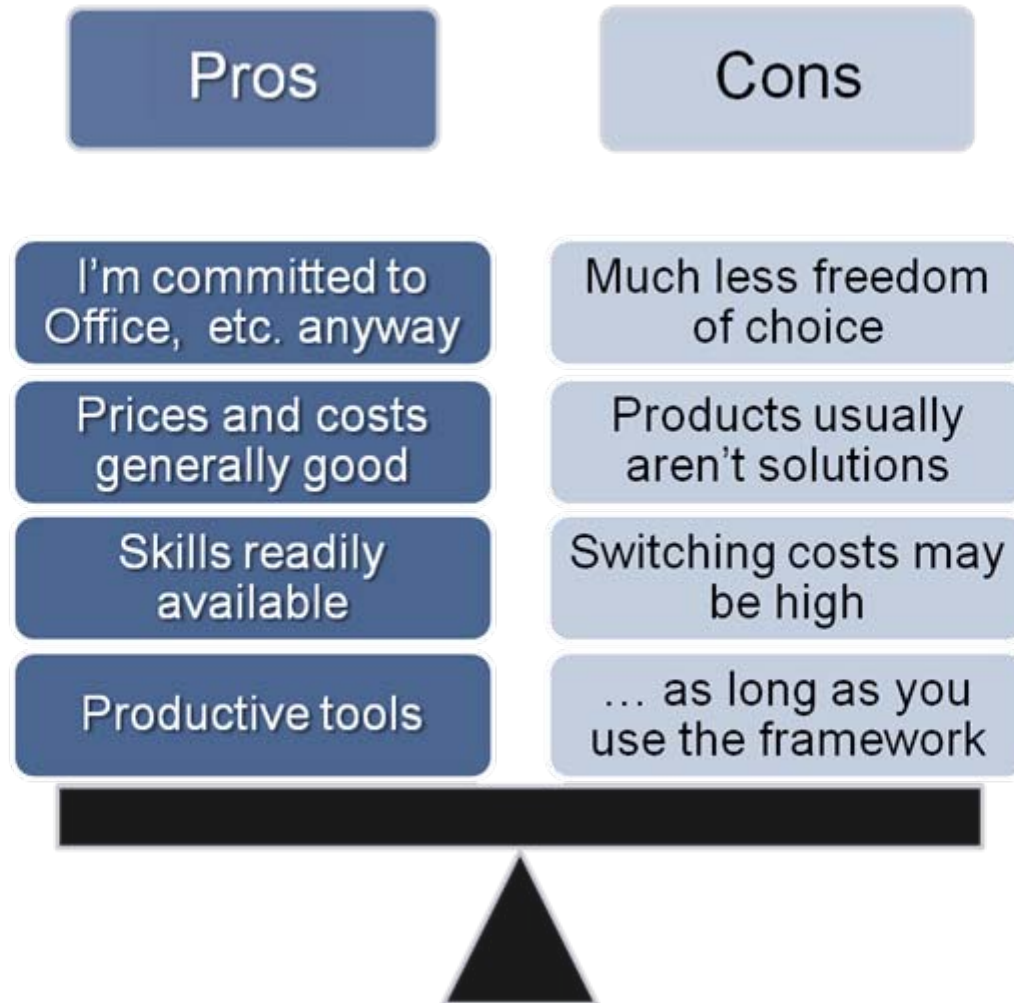
Discussing the “do it myself” choice with clients



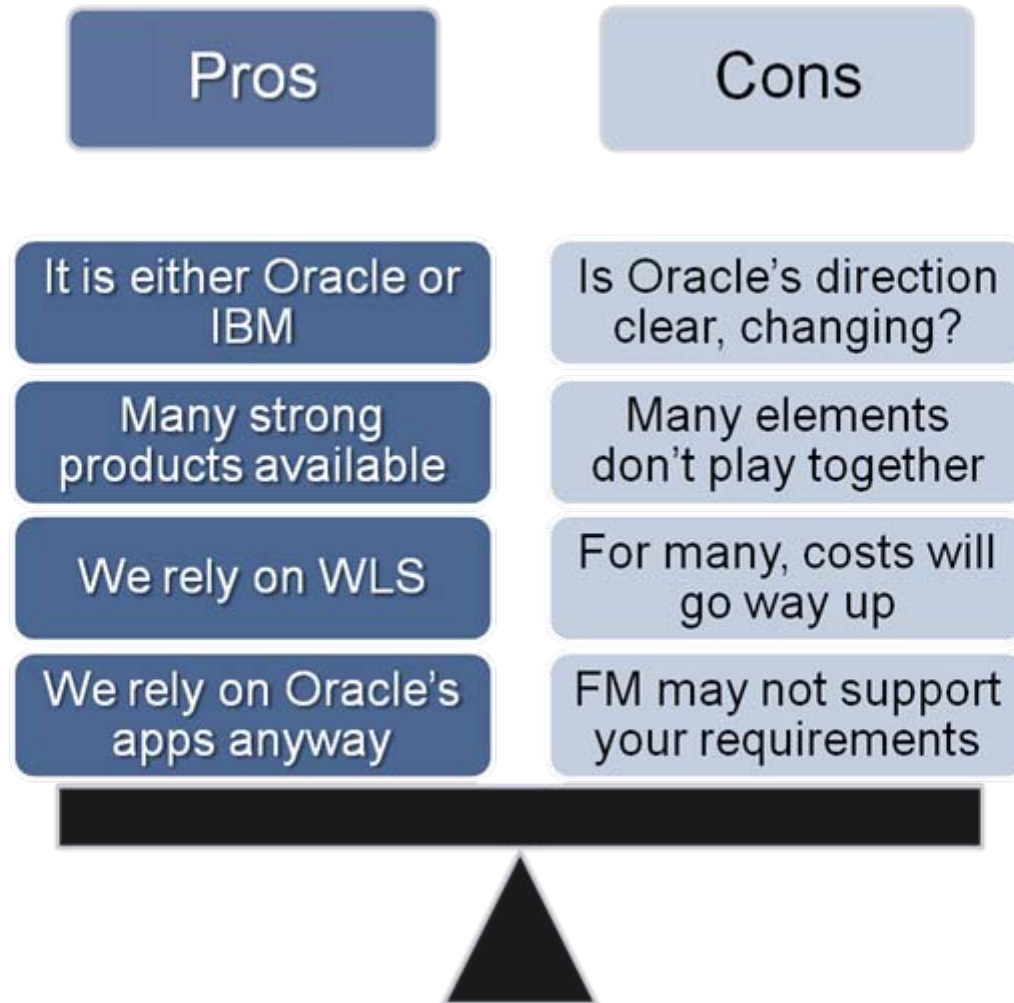
Discussing the JBoss (open source) choice with clients



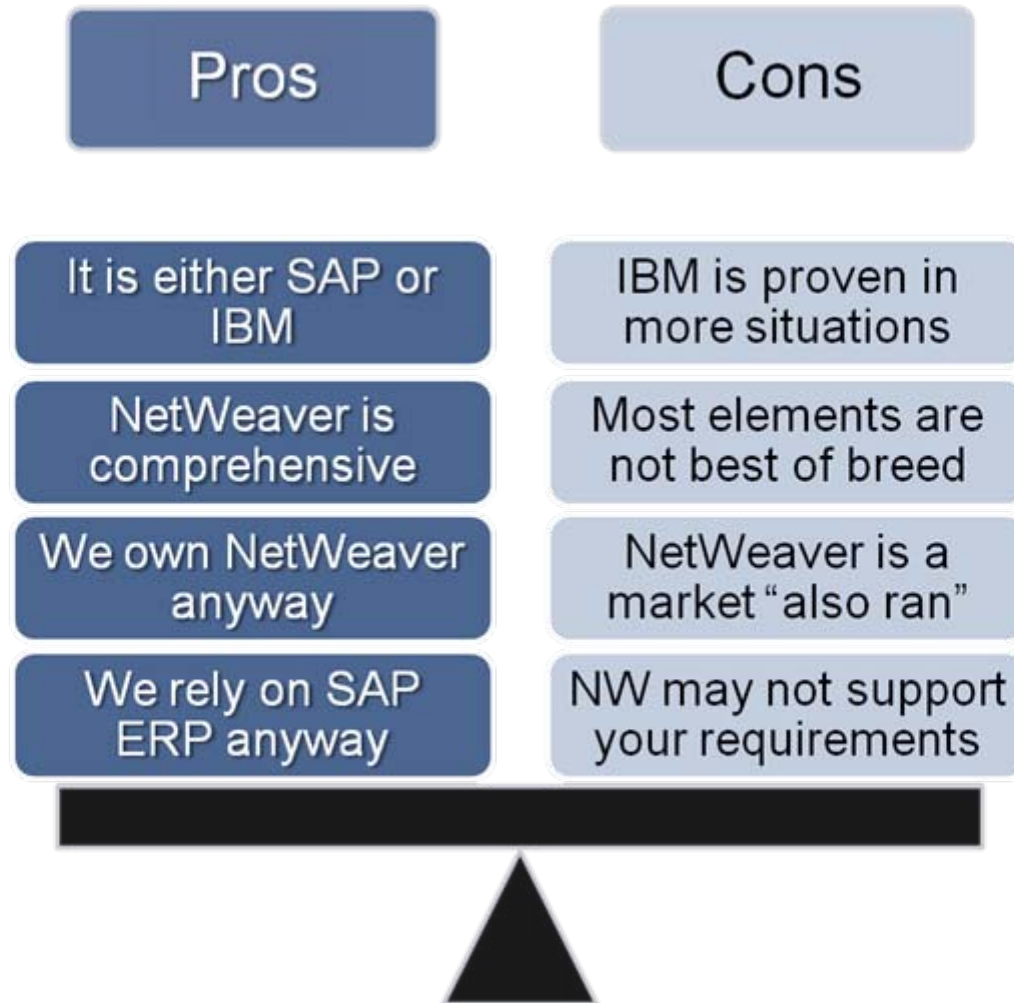
Discussing the Microsoft choice with clients



Discussing the Oracle/BEA choice with clients



Discussing the SAP choice with clients



These are the next questions I expect

Ranked in order of immediacy:

- More requests for help with cost cutting
- Issues and opportunities with full IBM stacks
- Virtualization strategies
- Is platform-as-a-service something we should consider to cut costs?
- Should I host PHP, Ruby, etc. in WebSphere?
- IBM's plans for ILOG
- What benefits can I expect from SCA and OSGi?

Thank you

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www.forrester.com

For Follow-up and Analyst Inquiry please contact:

WebSphere Analyst Relations

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Selected Forrester research

- April 2008, “Application Server Quality: Review Your Assumptions”
- April 2008, “The Forrester Wave™: Business Rules Platforms, Q2 2008”
- March 2008, “Java Platforms: Where The Market Is Headed”
- July 2007, “The Forrester Wave™: Application Server Platforms, Q3 2007”

Upcoming research reports of interest

- “What App Development Managers Need to Know About the New Generation of Application Servers”
- “Getting Oriented for the New Platform-as-a-Service Choices”
- “The Forrester Wave: Application Servers, TBD 2009”