



COMPETITIVE ANALYSIS

Worldwide Business Process Management and Middleware 2010 Vendor Shares

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IDC OPINION

The worldwide business process management (BPM) and middleware market recovered strongly from its 2009 growth slump. Although the global economic crisis continued in 2010, the BPM and middleware market accelerated sharply. Specifically:

- ☒ Worldwide revenue for the BPM and middleware market totaled nearly \$16.1 billion in 2010, representing growth of 9.2%, up sharply from 2.2% growth in 2009.
- ☒ IBM was the largest vendor, accounting for 34.2% of the market. While IBM's growth rate was slower than the overall market, its September 2010 acquisition of Sterling Commerce from AT&T helped IBM gain share over the 31.9% in 2009.
- ☒ Oracle was the second-largest vendor in 2010, accounting for 17.4% of the market, and third-largest Microsoft accounted for 4.9%. Of the top 3, Microsoft's 20% growth rate was the fastest.
- ☒ Among the companies with at least \$20 million revenue in 2010, Accellion, Appian, Crossgate, Cordys, Global 360, InterSystems Corp., Micro Focus, Nintex, SEEBURGER Inc., YouSendIt Inc., and Workday Inc. grew 35% or more in 2010.
- ☒ SPS Commerce, a software-as-a-service (SaaS) provider of business-to-business (B2B) integration middleware, also performed well in 2010, growing 18.2% to \$44.6 million. SPS raised approximately \$30 million in April 2010 in its initial public offering.

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IN THIS STUDY

This study examines the BPM and middleware market for the period from 2006 to 2010. Worldwide market sizing is provided for 2010. Revenue is broken down by IDC functional market, vendor, and region. The business process management and middleware market is an aggregation of spending on application server middleware, integration middleware, and process automation middleware. This document is renamed from last year's *Worldwide Application Deployment Software 2009 Vendor Shares* (IDC #223504, May 2010).

Methodology

See the Methodology in the Learn More section for a description of the data collection and analysis methodology employed in this study.

In addition, please note:

- The information contained in this study was derived from the IDC Software Market Forecaster database as of May 11, 2011.
- All numbers in this document may not be exact due to rounding.
- For more information on IDC's software definitions and methodology, see *IDC's Software Taxonomy, 2010* (IDC #222023, February 2010).

BPM and Middleware Market Definition

The BPM and middleware market is composed of the two secondary markets application server middleware and integration and process automation middleware, which in turn are made up of the functional markets described in the sections that follow.

Application Server Middleware

Application server middleware is the foundation of many types of applications, whether custom developed or packaged, including financial applications, portals, content management, and some types of middleware.

Application server middleware executes application logic, mediates access to data sources, and provides quality of service (QoS) to offer scalability, performance, reliability, and security to applications. Applications built on modern application server middleware are used over TCP/IP networks and are built using standard frameworks such as Java Enterprise Edition (JEE), .NET, and Spring. Older legacy application server middleware is deployed on mainframes.

This class of middleware also offers ancillary capabilities associated with tooling for Web application configuration as well as synchronizing content for Web applications.

The following functional markets are included in the application server middleware market:

- Application server software platforms (ASSPs)
- Transaction processing monitors (TPMs)
- Other application server middleware

Integration and Process Automation Middleware

The integration and process automation middleware markets include tools used by developers, business analysts, and administrators to automate processes, create and deploy process-centric applications, integrate applications, exchange data between enterprises, and monitor the business and process performance of these applications and automated processes.

The integration and process automation middleware is deployed on-premise as software implemented on servers, in appliances, and as hosted offerings fitting into the software-as-a-service model.

In the IDC taxonomy, there are four specific types of integration and process automation middleware along with an "other" category that includes legacy software and integration-related middleware not yet large enough to be categorized into a standalone market. The integration and process automation middleware are:

- Business-to-business (B2B) middleware
- Enterprise service bus (ESB) and connectivity middleware
- Event-driven middleware
- Process automation middleware
- Other integration and process automation middleware

Process automation software is a competitive market consisting of: BPM suites and portions of business rules management software and model-driven development software and process analytics.

SITUATION OVERVIEW

The BPM and Middleware Market in 2010

In 2010, the business process management and middleware market grew 9.2% to \$16.1 billion. Growth accelerated sharply from 2.0% in 2009 and slightly exceeded the 2008 growth rate of 8.7%. It also was more than double the 4% overall growth rate for software spending in 2010.

Of the two main components of the BPM and middleware market, application server middleware grew the fastest, at 10.8%, while integration and process automation middleware grew at 8.2%.

Of the six core segments of BPM and middleware market, ASSP and process automation middleware were the largest. As Table 1 shows, the ESB and connectivity middleware and ASSP segments grew the fastest in 2010 at 16.9% and 14.9%, respectively.

Table 1 shows the five-year revenue history of the BPM and middleware market.

TABLE 1							
Worldwide Business Process Management and Middleware Revenue by Functional Market, 2006–2010 (\$M)							
	2006	2007	2008	2009	2010	2009–2010 Growth (%)	2010 Share (%)
Application server middleware							
Application server software platforms	3,174.0	3,560.0	3,672.4	3,786.7	4,349.6	14.9	27.1
Transaction processing monitors	1,736.0	1,806.0	2,005.5	1,979.0	2,046.9	3.4	12.8
Other application server middleware	112.0	124.0	100.8	100.0	104.9	4.9	0.7
Subtotal	5,022.0	5,490.0	5,778.6	5,865.7	6,501.4	10.8	40.5
Integration and process automation middleware							
Process automation middleware	1,972.0	2,522.0	2,901.8	3,070.7	3,351.9	9.2	20.9
Business-to-business middleware	1,862.0	2,007.0	2,125.4	2,056.6	2,175.1	5.8	13.6
Enterprise service bus and connectivity middleware	838.0	1,202.0	1,367.1	1,405.7	1,642.9	16.9	10.2
Event-driven middleware	850.0	1,114.0	1,276.2	1,343.3	1,421.4	5.8	8.9
Other integration and process automation middleware	835.0	918.0	962.0	952.5	959.4	0.7	6.0
Subtotal	6,357.0	7,763.0	8,632.5	8,828.8	9,550.7	8.2	59.5
Total	11,379.0	13,253.0	14,411.1	14,694.4	16,052.0	9.2	100.0

Source: IDC, May 2011

Performance of Leading Vendors in 2010

Table 2 shows the 2008–2010 worldwide revenue and the 2010 market shares and growth rates for BPM and middleware vendors. IBM, the largest vendor in this market, grew 6.8% to \$5.5 billion in 2010, nearly double the size of Oracle. Microsoft is a distant third, at less than one-third the size of Oracle, which is in the second-place position. However, at 20% growth in 2010, Microsoft was the fastest-growing large BPM and middleware vendor.

While IBM's 6.8% growth rate in 2010 underperformed the market, IBM gained share in 2010 from its September 2010 acquisition of Sterling Commerce from AT&T. The acquisition also rounded out IBM's middleware offerings by bringing in sophisticated business-to-business integration and managed file transfer capabilities.

For more information, see *IBM Premium-Priced Acquisition of Sterling Commerce Shows Newfound Commitment to Multi-Enterprise Integration* (IDC #ICUS22353910, May 2010).

TABLE 2

Worldwide Business Process Management and Middleware Revenue by Vendor, 2008–2010 (\$M)

	2008	2009	2010	2009–2010 Growth (%)	2010 Share (%)
IBM	5,016.9	5,146.4	5,494.7	6.8	34.2
Oracle	2,311.3	2,489.1	2,800.3	12.5	17.4
Microsoft	675.5	662.0	794.1	20.0	4.9
SWIFT	677.1	660.5	681.2	3.1	4.2
TIBCO	449.0	432.5	459.5	6.2	2.9
GXS	469.9	449.8	440.4	-2.1	2.7
Software AG	308.2	308.5	405.1	31.3	2.5
ACI Worldwide	299.2	293.2	300.1	2.3	1.9
Fujitsu	254.1	270.2	292.2	8.2	1.8
SAP	272.0	260.4	275.0	5.6	1.7
Hitachi	209.0	226.0	243.9	7.9	1.5
Axway	171.8	164.7	178.9	8.6	1.1
Micro Focus	124.8	129.0	173.9	34.8	1.1
Progress Software Corp.	152.1	148.5	156.8	5.6	1.0
Pegasystems	94.9	134.4	144.8	7.7	0.9

TABLE 2

Worldwide Business Process Management and Middleware Revenue by Vendor, 2008–2010 (\$M)

	2008	2009	2010	2009–2010 Growth (%)	2010 Share (%)
Adobe	131.2	113.3	132.8	17.2	0.8
Global 360	58.4	65.0	96.2	48.0	0.6
NEC	66.1	70.7	76.5	8.2	0.5
HP	83.3	73.3	72.7	-0.8	0.5
SmartStream	69.6	64.5	69.1	7.2	0.4
SEEBURGER Inc.	48.1	44.4	64.1	44.4	0.4
Red Hat	34.4	46.8	60.9	30.1	0.4
SunGard	52.5	62.1	60.7	-2.2	0.4
Appian	27.7	36.5	52.9	44.9	0.3
Nintex	11.0	37.0	50.0	35.1	0.3
Compuware	35.8	39.0	48.2	23.6	0.3
Crossgate	25.4	28.6	47.8	67.1	0.3
Vitria Technology	46.8	43.9	47.2	7.6	0.3
SPS Commerce	30.7	37.7	44.6	18.2	0.3
Cordys	17.1	24.4	39.5	61.9	0.2
EasyLink Services	46.4	41.8	36.6	-12.4	0.2
HandySoft	23.0	33.3	36.1	8.3	0.2
Metastorm (now OpenText)	38.2	28.8	34.6	20.1	0.2
K2	33.6	30.9	33.3	7.7	0.2
CA Technologies	31.9	30.8	31.4	2.0	0.2
Information Builders Inc.	38.0	29.0	30.1	3.7	0.2
Workday Inc.	13.9	12.9	29.5	128.3	0.2
InterSystems Corp.	14.8	14.4	25.7	78.5	0.2
Signiant	16.0	19.9	25.6	28.6	0.2
Accellion	11.0	15.0	25.6	70.3	0.2

TABLE 2

Worldwide Business Process Management and Middleware Revenue by Vendor, 2008–2010 (\$M)

	2008	2009	2010	2009–2010 Growth (%)	2010 Share (%)
Ipswitch Inc.	24.2	21.9	23.8	8.7	0.1
YouSendIt Inc.	8.4	15.5	21.8	40.6	0.1
PrismTech	22.6	20.8	21.6	4.0	0.1
Subtotal	12,545.6	12,877.5	14,179.9	10.1	88.3
Other	1,865.5	1,817.0	1,872.1	3.0	11.7
Total	14,411.1	14,694.4	16,052.0	9.2	100.0

Source: IDC, May 2011

Among the 25 largest vendors in the BPM and middleware market, Global 360, Appian, SEEBURGER, and Nintex were the growth leaders, all with gains of at least 35% in 2010. Among the remainder of the companies in this market with 2010 sales of at least \$20 million, Workday, InterSystems, Accellion, Crossgate, Cordys, and YouSendIt were the growth leaders, all with 2010 revenue gains of at least 40%.

Table 3 shows revenue performance by region. The Americas region accounted for more than 51% of the market in 2010 and grew at approximately the rate of the overall market. The Asia/Pacific region, accounting for nearly 15% of the total, grew more than 11% in 2010. The EMEA region, accounting for nearly 34% of the total, grew 8.7%, slightly below the overall market.

TABLE 3

Worldwide Business Process Management and Middleware Revenue by Region, 2008–2010 (\$M)

	2008	2009	2010	2009–2010 Growth (%)	2010 Share (%)
Americas	7,304.5	7,577.9	8,262.5	9.0	51.5
EMEA	5,106.9	4,998.6	5,431.2	8.7	33.8
Asia/Pacific	1,999.8	2,117.9	2,358.3	11.3	14.7
Total	14,411.1	14,694.4	16,052.0	9.2	100.0

Source: IDC, May 2011

FUTURE OUTLOOK

IDC anticipates continued strong growth across the BPM and middleware market.

ESSENTIAL GUIDANCE

The BPM and middleware market continues to gain share overall in IT spending. Growth across the segments continues to be driven by innovation, even in the largest and most mature segments. IT cost pressure will continue to factor in as will the adoption of new architectures to support the move toward better manageability and higher utilization rates, utility-based processes and middleware services, and development of private clouds and platform as a service.

Innovation will continue as well in the business layer of the BPM and middleware market, with increasing innovation around work management, embedding of service-level agreements into work prioritization, support of business configurability, use of social software techniques to create new style of user interfaces, greater use of real-time information from such things as RSS feeds and the ability of packaged applications and SaaS offerings to publish events into these feeds, and support of mobile devices.

For all of these reasons, there will be a continued need to select modern and best-of-breed software. And that definition of modern in the context of changing architectures means that organizations are looking beyond the largest vendors to find products and services that offer them the flexibility, usability, and scalability they need for the innovation efforts.

LEARN MORE

Related Research

- ☒ *Worldwide Application Development and Deployment 2011 Top 10 Predictions* (IDC #227110, March 2011)
- ☒ *Worldwide Decision Management Software 2010–2014 Forecast: A Fast-Growing Opportunity to Drive the Intelligent Economy* (IDC #226244, December 2010)
- ☒ *Worldwide Business Process Management Software 2010–2014 Forecast and 2009 Vendor Shares* (IDC #226327, December 2010)
- ☒ *Worldwide Public Cloud Platform as a Service 2009 Vendor Shares* (IDC #226381, December 2010)
- ☒ *Worldwide Event-Driven Middleware 2010–2014 Forecast and 2009 Vendor Shares* (IDC #226211, December 2010)

- ☒ *Worldwide Enterprise Service Bus and Connectivity Middleware 2009 Vendor Shares* (IDC #223724, June 2010)
- ☒ *Worldwide Process Automation Middleware 2009 Vendor Shares* (IDC #223740, June 2010)
- ☒ *Worldwide Integration and Process Automation Middleware 2009 Vendor Shares* (IDC #223524, June 2010)
- ☒ *Worldwide Application Server Middleware 2009 Vendor Shares* (IDC #223525, May 2010)
- ☒ *IBM Premium-Priced Acquisition of Sterling Commerce Shows Newfound Commitment to Multi-Enterprise Integration* (IDC #cUS22353910, May 2010).
- ☒ *Worldwide Application Deployment Software 2009 Vendor Shares* (IDC #223504, May 2010)
- ☒ *IDC's Software Taxonomy, 2010* (IDC #222023, February 2010)

Methodology

The IDC software market sizing and forecasts are presented in terms of packaged software revenue. IDC uses the term *packaged software* to distinguish commercially available software from custom software, not to imply that the software must be shrink-wrapped or otherwise provided via physical media. Packaged software is programs or codesets of any type commercially available through sale, lease, rental, or as a service. Packaged software revenue typically includes fees for initial and continued right-to-use packaged software licenses. These fees may include, as part of the license contract, access to product support and/or other services that are inseparable from the right-to-use license fee structure, or this support may be priced separately. Upgrades may be included in the continuing right of use or may be priced separately. All of these are counted by IDC as packaged software revenue.

Packaged software revenue excludes service revenue derived from training, consulting, and system integration that is separate (or unbundled) from the right-to-use license but does include the implicit value of software included in a service that offers software functionality by a different pricing scheme. It is the total packaged software revenue that is further allocated to markets, geographic areas, and operating environments.

The market forecast and analysis methodology incorporates information from five different but interrelated sources, as follows:

- ☒ **Reported and observed trends and financial activity.** This study incorporates reported and observed trends and financial activity in 2010 as of the end of April 2011, including reported revenue data for public companies trading on North American stock exchanges (CY 1Q10–4Q10 in nearly all cases).

- ☒ **IDC's Software Census interviews.** IDC interviews all significant market participants to determine product revenue, revenue demographics, pricing, and other relevant information.
- ☒ **Product briefings, press releases, and other publicly available information.** IDC's software analysts around the world meet with hundreds of software vendors each year. These briefings provide an opportunity to review current and future business and product strategies, revenue, shipments, customer bases, target markets, and other key product and competitive information.
- ☒ **Vendor financial statements and related filings.** Although many software vendors are privately held and choose to limit financial disclosures, information from publicly held companies provides a significant benchmark for assessing informal market estimates from private companies. IDC also builds detailed information related to private companies through in-depth analyst relationships and maintains an extensive library of financial and corporate information focused on the IT industry. We further maintain detailed revenue by product area models on more than 1,000 worldwide vendors.
- ☒ **IDC demand-side research.** This includes interviews with business users of software solutions annually and provides a powerful fifth perspective for assessing competitive performance and market dynamics. Direct conversations with technology buyers provide an invaluable complement to the broader survey-based results.

Ultimately, the data presented in this study represents IDC's best estimates based on the above data sources as well as reported and observed activity by vendors and further modeling of data that we believe to be true to fill in any information gaps.

Synopsis

This IDC study examines the BPM and middleware market and submarkets for the 2006–2010 period. Revenue for 2008–2010 and 2010 market share of the leading vendors are provided.

"The BPM and middleware market continues to gain share overall in IT spending. Growth across the segments continues to be driven by innovation, even in the largest and most mature segments," according to Maureen Fleming, program vice president, Business Process Management and Middleware Research Programs.

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