



IBM's Trigo Acquisition--Product Content Becomes Middleware

Wednesday, March 10, 2004

Jim Murphy

IBM's acquisition of **Trigo**, a Product Information Management (PIM) vendor, gives customers at least one long-needed, financially sturdy entity in the PIM business.

The Bottom Line: Manufacturers, distributors, and retailers stand to benefit from this move--whether directly from IBM and Trigo or from IBM's competitors, which cannot afford to ignore it any longer.

What It Means: Founded only four years ago, Trigo was remarkably successful selling into the Consumer Products, Retail, and Electronics industries, lately spurred on by the urgency and appeal of global data synchronization (see the AMR Research *Alert* article "IBM Acquires Trigo," March 10, 2004). But data synch alone could not have garnered little-known Trigo seven-figure deals with the likes of Staples, Sony, and Unilever. Less expensive point products that address the relatively thin 153-attribute requirements of data synch are available.

What Trigo was really selling was an excuse, a compelling business case for manufacturers and retailers to take control of their own product content and their own destiny. Outsourcers, hosted content providers, hubs, and trading exchanges come and go. Manufacturers and retailers have too often found this out the hard way.

For years we've been saying that "content is king" and "content is the fuel of the enterprise," notions firmly supported by deals as big as **i2 Technologies'** \$9.3B acquisition of **Aspect Development** in March 2000. (If you're in a nostalgic mood, see the AMR Research *Alert* article "Market Cap Madness: i2 Buys Aspect Development For \$9.3B"). What we meant was product and service information, which failing to fall neatly into either structured or unstructured categories, requires a challenging combination of data management and content management. For the most part, the well-known database vendors don't do it, nor do the content management vendors.

Yet customers have struggled with product content, and vendors have struggled to help them for a long, long, very long time. Vendors like **A2i**, **Cardonet**, **ePlus**, **Requisite**, and **SAQQARA**, among many others that long ago faded away, have plodded along in this business for years--offering a great deal of value, one industry or one customer at a time.

Unfortunately, vendors were hard-pressed to create repeatable systems that were recognized across industries, or even across companies, all of which had their own ways of defining their products--and requiring far more than 153 attributes. Vendors had to subsist on services-heavy models, models which Wall Street wasn't too keen on for awhile.

Which brings us to IBM, clearly a company with enough assurance of viability and a strong enough services motivation to bring catalog management, Product Content Management (PCM), PIM, Product Data Management (PDM), and Enterprise Data Management (EDM), depending on your industry and your business function, into more markets and make it a feasible choice for a wider array of customers in need. What I like most about the IBM-Trigo deal is that IBM, after looking hard at this alphabet soup of obtuse and hackneyed acronyms, calls it "Middleware."

Conclusion: Companies are honing in on creating a single source of truth for product content, whether derived from many systems or one. Whether they call it "Master Data Management," "Enterprise Data Repository," or even "Enterprise Content Management," it's vital ground for enterprise vendors to hold.