

Aragon Research

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Topic: Mobile

Issue: Who are the mobile providers and how will they compete?

IBM To Buy Fiberlink In Bid For EMM Leadership

Summary: IBM's planned acquisition of Fiberlink signals a major trend of large software vendors making strong plays in the enterprise mobile management market.

Event: On November 13, 2013, IBM announced its intention to buy Fiberlink, whose Maas360 offering is a cloud-based EMM (enterprise mobile management) solution. Financial terms of the deal were not disclosed.

Analysis

With this acquisition, IBM rounds out its mobile portfolio and becomes a major supplier of EMM solutions. The acquisition puts IBM in a competitive race for EMM leadership. It may open the floodgates on a second round of mergers and acquisitions, this time by Tech Titans.

Building a Mobile Suite

IBM has not been standing still in mobile; it has steadily built out a mobile portfolio with several acquisitions over the past few years. It attacked mobile development first by acquiring Worklight and UrbanCode (see Note 1). All these acquisitions now form a comprehensive mobile suite that includes EMM, the fastest-growing area of mobile.

Aragon believes it is not enough to just control the device; enterprises need to control and manage devices, apps and content.

IBM Will Force Other Tech Titans to Move

Clearly IBM sees the future of this market and wants to be a one-stop shop for all things mobile. IBM is the first titan to make a major mobile move since Citrix's purchase of Zenprise last year. We believe other major enterprise software vendors will look at EMM players like AirWatch and MobileIron to make a play in this space. One thing is clear: after IBM's move, subsequent acquisitions of the remaining standalone players will be much more expensive.

The technology providers we feel need to make a move include BMC Software, Cisco, Computer Associates, Google and Microsoft. Microsoft has Windows Intune for mobile device management, but will potentially look to round out its portfolio. Dell has the KACE appliance for mobile device management, and BMC already has an MDM solution.

Challenges/Opportunities

A big challenge for IBM will be to reconcile all its previous acquisitions in the mobile space and integrate all its assets. One opportunity for IBM will be to leverage Maas360's Federal Information Security Management Act (FISMA) certification, a priority for cloud-based systems.

Aragon Advisory

- Current Fiberlink customers should get guidance from IBM/Fiberlink on their current investments and roadmap.
- Enterprise planners should focus on complete EMM solutions that manage the entire mobile lifecycle, including apps, devices and content.

Bottom Line

The EMM space is heating up and going through massive consolidation as major enterprise software vendors look to gain traction and a leadership role. IBM is positioning itself to emerge as an EMM leader with a strong services business.

Note 1: Key IBM Mobile Acquisitions

- **Fiberlink** for its well-rounded EMM solution with FISMA and SOC 2 certifications
- **Worklight** in 2012 for its technology platform to build mobile applications
- **UrbanCode**, also for its app development platform
- **Xtify** for push notifications
- **Emptoris** for telecom expense management
- **Trusteer** for mobile and application security

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