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**Topic: Mobile**

**Issue:** Who are the Mobile providers and how will they evolve?

## IBM and Apple Partnership Will Give Apple a Boost in the Enterprise

**Summary:** On July 15, 2014, IBM and Apple announced an exclusive partnership that involves hardware service and support, new business apps and new EMM offerings for iOS from IBM.

**Event:** On July 15, 2014, IBM and Apple announced a strategic partnership that will see Apple leveraging IBM's advanced predictive analytics and also offering a new AppleCare for Enterprise. IBM will resell and provide onsite service for Apple Macs, iPhones and iPad devices. IBM will also offer a new Enterprise Mobile Management (EMM) Service for Apple Devices as well as over 100 iOS Business Apps in select industries.

### Analysis

The IBM and Apple partnership is an alliance that will benefit both firms, while distancing both from Google and Microsoft. This partnership highlights the steps that both firms are willing to take to win in the marketplace, and even though IBM has partnered with others in the past, this move has caught many off-guard.

In IBM, Apple gains a trusted partner that knows how to play the enterprise game. IBM will now have new iOS-specific services, Bluemix and Worklight, with the level of enterprise support that enterprises have always wanted but that Apple was reluctant to offer. Via IBM, Apple also gets worldwide distribution and global financing of its product line, something that will be attractive to large enterprises.

IBM also gets a big boost in mobile in subtle ways. IBM teams now have much more to talk about in their enterprise accounts – and those accounts can now count on IBM for some of the services that Apple isn't focused on. It's a win-win for both firms.

### IBM Ups the Ante in EMM

IBM had been making moves in EMM with its 2013 purchase of Fiberlink for its MaaS360 product. With the focus on iOS, it is enhancing its existing vendor-neutral EMM platform to offer more support for Apple devices.

This move, which will bolster Apple's already strong security, may be seen as a no-confidence vote in Google's Android OS, which has been subject to increasing levels of malware attack over the last 12 months. IBM indicated that it is committed to providing deeper security for all Operating Systems.

### 'Mobile First' Is All About Apps

IBM has been talking about Mobile First for a while, but with the new business apps it is developing for Apple iOS devices, this signifies a new race that so far has had many tech titans looking on from the sidelines. Most firms offer a handful of mobile apps or a store with partner apps. IBM's announcement that it will have a fleet of over 100 business apps signifies that the mobile app race is now front and center for the enterprise, not just the consumer.

### Apple and IBM Shift to Predictive

IBM has substantial assets in predictive business apps and cognitive computing. While IBM did not share details, we expect it to leverage these

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capabilities in its new Mobile Apps. IBM is upping the game in Cloud Services that iOS developers can leverage. IBM's Cloud store, workflow, integration and analytics services are significant because they allow developers to add rich enterprise capabilities to their apps delivered by Bluemix.

### IBM-Apple Partnership Will Impact Many

Whenever two major tech titans announce a large, exclusive partnership, there are often significant ramifications. Some of the factors that will come into play:

- **Faster Consolidation of the EMM Marketplace.** This market has been consolidating, and for players like Google, which needs to settle its forked ecosystem, buying up an EMM provider might be a smart move.
- **Google looks increasingly isolated** as a consumer player. While Android is the largest OS deployed on Mobile devices, enterprises are starting to look carefully at its malware risks. The IBM-Apple partnership will put more pressure on Google.
- Less than 48 hours after the IBM and Apple Partnership announcement, **Microsoft** announced a reduction in force of 18,000 employees, most of whom will come from its recently absorbed Nokia unit. Microsoft has been talking to IT departments about its Mobile services and platforms. If anything, the IBM and Apple partnership may put additional pressure on Microsoft to move faster in Mobile than it is now.
- **Blackberry.** This move is not positive for Blackberry, and we expect IBM to target Blackberry and the BES server for replacement.

### Aragon Advisory

- Enterprises who were evaluating Apple should look closely at the new IBM offerings that include onsite service for Macs as well as iOS devices.
- Enterprises with AppleCare should look at the new support options from both Apple and IBM, with IBM being able to customize offerings.
- Enterprises should look at IBM as a complete supplier of all forms of Enterprise Mobile Management and App Development Services.

### Bottom Line

The Apple and IBM Partnership is a win for both firms but the biggest winner is the enterprise. Enterprises should look at the various offerings from both Apple and IBM and others, particularly when deploying large fleets of tablets and mobile apps.

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