IBM Buys XCC – Shifts to Digital Work Hub Approach

Summary: On May 31st, 2017, IBM announced that it was buying XCC, a German maker of Digital Work Hubs. XCC will be part of the IBM Connections Product Family.

Event: IBM announced the purchase of TimeToAct Group’s XCC Web Content & Custom Apps Extension Solution offering. IBM will rebrand the solution as the IBM Connections Engagement Center.

Analysis

With the acquisition of TimeToAct’s XCC, IBM is investing in its IBM Connections Platform to make it more of an outcome-based Digital Work Hub. It comes at a time when other Social Collaboration providers, such as Jive and Lithium, are also being sold.

The objective of the IBM XCC purchase is to bolster its Connections product, which enhances its Social Intranet and Employee Communications capabilities. IBM is also preparing a more mobile centric Watson Workspace.

Enterprises that are looking for a more seamless, ready-to-go Work Hub will now have more options with IBM Connections. The key use case for IBM Connections Engagement Center looks to be the Intranet, with a strong set of capabilities for Internal Communications.

The proven market traction of this offering in Europe, combined with the potential for faster deployment times, should be attractive to buyers.

The Rise of Digital Work Hubs

The Digital Work Hub is an emerging category of enterprise-grade software that facilitates and manages the creation, curation, and communication of business content from the individual to ecosystem level. Digital Work Hubs provide a functionality normally associated with multiple applications – from messaging to content management – with a single interface designed to simplify work.

Social Software Market is Waning

Social Networking demand has waned, and providers have responded to this change with multiple classes of work tools, which often overlap.

The launch of Workplace by Facebook, which is an enterprise offering positioned to take on IBM and others, is probably what helped to drive the sale of Jive Software, one of IBM’s Primary Competitors in Social Collaboration.

The Rise of Mobile Work Hubs

Mobile Collaboration, which primarily focuses on Messaging, is challenging email and is poised to take on more of the communication workload. Many Social Collaboration providers lagged when it came to adding mobile capabilities, and this caused the market to shift to meet the demands of the mobile worker.
IBM is hedging its bets with XCC because it adds a mid-life kicker to Connections, and at the same time, IBM is preparing Watson Workspace for a Launch. Our take is that Connections and Watson Workspace makes for a more formidable offering to take on Facebook, Slack, and others.

IBM Looks to Up Its Game with Watson Workspace

Watson Workspace, when fully trained and configured, is a conversational, AI-based Digital Assistant that does more than your average analog chatbot. The idea here is that the Mobile Work Hub will include people doing work and software applications (bots) doing work for people.

One of the more compelling demos of Watson Workspace was in a sales scenario. Watson Workspace was able to help a Sales Rep find some opportunities via its conversational UI. That said, IBM Watson Workspace is still in an early preview. The timing of its full launch, including solutions such as the Sales Digital Assistant, is scheduled tentatively for later in 2017.

Markets are Shifting and IBM is Reacting

Aragon believes that many Collaboration providers will shift to more of a Digital Work Hub approach.

However, not all are and this is the reason that new providers have emerged (e.g. Bolste, Slack, and Facebook). It is also the reason that legacy providers, such as Sitrion, are not what they used to be. While we don’t think IBM spent a lot on this XCC acquisition, it demonstrates that IBM is investing at a time when others are selling or standing still.

Aragon Advisory

- Enterprises should evaluate IBM’s new Employee Engagement as part of their enhanced IBM Connections Platform.
- Intelligent Digital Work Hubs that are AI-based will become a reality by 2018. Enterprises need to prepare now by conducting pilots and converting those to production in 2018.
- Enterprises should ask existing providers of Collaboration and Work tools for roadmaps.

Bottom Line

Enterprises looking for Digital Work Hub offerings should evaluate IBM Connections and the new Connections Engagement Center. The Workplace of the future means Collaboration and Digital Work Hub capabilities will be smarter. Enterprises need to understand the shift that is occurring in the marketplace as business leaders search for more outcome-based product offerings.

Related Aragon Research

- [The Workplace of the Future Starts with a Digital Work Hub](#)
- [The Aragon Research Technology Arc for Digital Workplace, 2017](#)