Salesforce Buys MuleSoft, Wants to Promote Digital Transformations, Smarter Customer Journeys

**Summary:** Salesforce announced it was buying MuleSoft, which will give it access to an integration cloud, and expanded market options through hybrid deployment.

**Event:** On March 20th, Salesforce announced via press release that it plans to acquire MuleSoft for US $6.5 billion. The deal is projected to close during the second quarter of Salesforce’s fiscal year 2019, which ends July 31, 2018.

**Analysis**

Salesforce’s acquisition of MuleSoft will enhance and strengthen the Salesforce AppExchange Platform by providing even more APIs and connectors to third party applications. In addition to expanding its own portfolio, Salesforce will be able to leverage MuleSoft’s Integrated Platform as a Service (iPaaS) offerings to accelerate and enhance the digital transformations and journeys of its customer base.

MuleSoft’s Anypoint will provide an AI component and allow Salesforce users to gain intelligent insights through new data-based offerings.

MuleSoft Provides Key Component For Integration Cloud Solution

MuleSoft’s Anypoint is a well-known platform for constructing application networks that are able to connect devices, enterprise apps, and data on-premise or in-cloud. Aragon feels that the MuleSoft platform will allow Salesforce to launch its Integration Cloud while offering improved integration across all of its Clouds (Sales, Service, Marketing, IOT and Healthcare).

The ability to integrate Salesforce with more existing processes and applications means that Systems Integrators (SIs) will look at Salesforce as more of an alternative to other Digital Business Platforms.

The Great Race to Digital, Backed By Salesforce

It is no secret that digital transformation is a priority within the enterprise, and that companies are consistently seeking ways to become more efficient and automated.

Salesforce’s acquisition of MuleSoft is a move aimed at simplifying the transition to digital enterprise through more seamless connections between legacy systems, cloud applications, and various devices. This can enable more connected journeys and more accelerated and informed decision-making.
The Race to own API Platforms

Salesforce is not the first enterprise to make an acquisition move on an API Platform. Google bought Apigee in 2016. We think that Salesforce’s move will push others to enhance their iPaaS capabilities. Some of the providers who could be on the list for acquisition include:

- Adaptris
- Google
- Jitterbit
- Scribe Software
- SnapLogic

Salesforce Wants To Create Smarter Customer Journeys

Customer Journeys is a hot topic and for good reason: understanding and improving customers’ unique experiences with a product or service is key to creating customer loyalty.

The Salesforce Integration Cloud is intended to produce personalized 1:1 journeys for users. This is made possible by tools integrated with AI that are able to analyze data and produce insights. MuleSoft brings API and IoT to the table to help power Salesforce in its AI investments to enhance customer journeys.

Aragon Advisory

- Salesforce users should experience greater degrees of data integration across a range of cloud products with the launch of the Integration Cloud.

- When the deal is closed, Salesforce will become a full iPaaS provider. Enterprises should evaluate Salesforce and other providers mentioned above.

Bottom Line

Salesforce is already a well-established leader in CRM, and the addition of MuleSoft’s iPaaS Platform will provide enhanced connectivity to speed up the race to the digital enterprise. Growing focus on customer journey mapping and providing individualized experiences for users is key in today’s world where customer loyalty is diminishing. Enterprises should now look at Salesforce as a full iPaaS provider.

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