

REPORT REPRINT

Informatica links Salesforce ecosystems, pitching a uniform cloud integration platform

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The company is driving hard to enrich its Informatica Cloud integration platform as a service, hoping to become the preferred integration platform for customers of top IT vendor ecosystems..

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At the Dreamforce 2015 conference in San Francisco in September, Informatica announced new capabilities and offerings for its integration platform as a service (iPaaS). Informatica Cloud is now equipped to help power multiple key Salesforce initiatives that include the Internet of Things (IoT), analytics and vertical market strategies. Salesforce's relationship with Informatica spans over 10 years and it recently became a strategic investor when Informatica formally became a private firm. Informatica is wasting no time strengthening its tooling to become the preferred integration vendor for all things Salesforce. With this announcement, it is positioning its product portfolio as a unified cloud integration platform across Salesforce's clouds and applications.

THE 451 TAKE

Enterprises of all sizes are rethinking the integration strategies and toolkits amid evolution of their IT infrastructure across hybrid clouds. They are looking closely at their core IT vendor ecosystems to see how best to use them as an integral system for creating new competitive advantages. Core to their efforts is a refined way to get them all to share data and talk together. Informatica's approach to support any integration pattern is shared by many of its rivals. However, Informatica seems to be better positioned to deliver on the promise than most. Its iPaaS is mature, its technology is capable across many IT ecosystems, and its enterprise architecture and cloud strategies are likely to help Informatica expand market share. The new Informatica Cloud capabilities should expose the vendor to more use cases within Salesforce customers, and for the most part, are repeatable in other IT ecosystems. We expect announcements similar to this Salesforce-focused release to follow that supports Microsoft ecosystems.

CONTEXT

In an earlier report on Informatica we discussed how the data integration vendor was executing on its product strategy and explained why the firm was taken private. Then CEO (now chairman) Sohaib Abbasi noted that cloud computing affects business models and revenue streams. The shift from on-premises software licenses and maintenance fees to a cloud subscription model can be disruptive. Making such a shift requires new investments that pay off in the future and perhaps beyond the horizon of many investors. Complex and emerging product portfolios need to be restructured and sold differently. This requires experimentation to get the product mix and market offerings correct. These are all reasons why it is easier to do when organized as a private firm.

In August, the \$5.3bn deal closed and Informatica officially became private. It was also announced that the new investors, Permira Funds and the Canada Pension Plan Investment Board (CPPIB), would be joined by Microsoft and Salesforce. They invested an undisclosed amount in Informatica because integration capabilities of all kinds are strategic to their respective cloud growth plans. It's no secret that every software-as-a-service (SaaS) application, business intelligence (BI) service and platform as a service (PaaS) needs integration infrastructure for cloud, on-premises and hybrid data sources. Informatica says that it offers capabilities that address nearly all data use cases for Salesforce Clouds and for Microsoft Azure services.

STRATEGY

Informatica is wasting no time taking advantage of its newfound freedom. Soon after going private, it embarked upon a plan to become more deeply involved in the strategic initiatives of its customers and prospects by entering the enterprise architecture management market. It bought the enterprise architecture firm Proact in 2014 and used Proact's methodology and tools to launch a new Business Transformation Service in August. The new service is designed for enterprise architects to help them support business and IT planners in identifying strategic opportunities for business transformation. This helps expose Informatica to the broader strategic initiatives engaged within its current customers and opens doors to new customers – both helping drive pull-through sales for its current product and service offerings.

Informatica is also executing upon an invigorated multi-year cloud growth strategy. It calls for the firm to penetrate deeper into top-tier ecosystems (e.g., Salesforce, Microsoft, Amazon Web Services, Tableau, Workday, NetSuite), support more use cases in each ecosystem (e.g., cloud operational data integration, cloud application integration, cloud data management) and simplify data integrations to better enable cloud analytics. Informatica plans to use its EA and cloud strategies to enhance relationships with the customers of top-tier ecosystem vendors and expand its global partnership programs to create higher-value enterprise opportunities.

PRODUCTS

This release of Informatica Cloud is intended to strengthen Informatica's offerings for Salesforce customers. Salesforce has embarked on a strategy to offer specialty cloud services for certain horizontal and vertical markets. Among them are Sales Cloud, Service Cloud, Marketing Cloud, Analytics Cloud and App Cloud. The new Informatica Cloud capabilities for Salesforce customers are designed to accelerate the time to value for such clouds by enabling a uniform integration platform that feeds and exchanges quality data for reliable cross-cloud and cloud-to-ground (on-premises) integrations.

Informatica Cloud now includes support for Salesforce's IoT Cloud, enabling users to stream and upload billions of events from applications, logs, devices and sensors into Salesforce. The capabilities were developed as part of 'Project Atlantic' that crafted ways to automate the discovery of machine data structure. It uses genetic algorithms to infer the structure and semantics of machine interaction data, and integrate that data with structured transaction data. A new pre-built native connector enables Salesforce and IT administrators to move external data into Salesforce Analytics Cloud and access Salesforce Wave Analytics – a role-based analytics application. Prebuilt integrations were also added to better support other analytics tools (e.g., AWS, Tableau, Azure and Birst) that span hybrid infrastructure.

Informatica Cloud Test Data Management (TDM) enables new security capabilities for SaaS production and sandbox data via Informatica inline data's masking technology – preventing live data (e.g., credit cards, IP

addresses, phone numbers, Social Security numbers, and address details) from being exposed during testing. New Cloud Sub Setting capabilities simplify the creation and use of sandboxes helping to ensure effective testing on masked data.

Other capabilities include support for OData access to internal data sources – defines best practices for building and consuming RESTful APIs; an enhanced data wizard provides a native data loader for Salesforce, helping accelerate the time to market for Salesforce implementations; and new API definition capabilities support SOAP and RESTful API automatic generation. Further improvements are forthcoming to support IoT APIs with the ability to format and expose (as APIs) complex machine data.

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Informatica consistently enhances its pre-built integrations and connectors with each Informatica Cloud release. Several new versions of connectors for popular cloud applications are also included: among them are connectors to Box, Hadoop, MailChimp, Concur, Eloqua, Salesforce Marketing Cloud and Azure SQL Data Warehouse.

FUTURES

The product roadmap for Informatica Cloud is designed to enable it to support any integration pattern. Notable futures may position Informatica as an enabler of hybrid cloud and hybrid IT architecture. Among them is to enable real-time replications, cross-cloud multi-domain master data management (MDM), cloud message-oriented middleware (MOM) integration, and cloud publish and subscribe messaging. The latter two represent asynchronous capabilities that are of hallmark importance in what 451 Research refers to as hybrid multi-cloud integration and management. Such capabilities also help position Informatica Cloud to support business-to-business (B2B) transaction processing management.

Informatica also has a bit of a surprise up its sleeve. Most integration designs are actually data process flows between source and target systems. They look a lot like workflow diagrams except they are limited to describing how data is exchanged between systems. Informatica's plan is to enable human task flow management as part of its iPaaS, enabling both data flow and human interactive process flows. This potentially positions the firm in a different light. With such capability, users can configure Informatica Cloud to execute fundamental human workflow patterns in support of data and application integration designs, and potentially more complex business processes. In essence, this positions Informatica Cloud as a potential substitute to traditional workflow tools. We don't expect them to rival the comprehensive capabilities of business process management (BPM) suites, but it's pointing in that general direction.

COMPETITION

While there is a growing list of iPaaS vendors to rival Informatica Cloud, it's MuleSoft and Dell Boomi that present the most common and frequent head-to-head rivalry. Indeed, the IT leviathans such as SAP, IBM and Oracle offer competing iPaaS clouds of their own; however, until now they seem to have been asleep at the wheel. IBM has done little to exploit its WebSphere Cast Iron Live iPaaS, Oracle is new to the game with its Integration Cloud Service and SAP has only recently made a commitment to the iPaaS market with its Cloud Integration platform.

Informatica's strategy is comprehensive and aggressive. As a private firm with financial commitment from both Salesforce and Microsoft, it can strengthen its competitive stance at the high end of the market against rivals such as IBM, SAP and Oracle; at the low end of the market against such Microsoft integration specialists Scribe and Jitterbit; and in the sweet spot of the market against rivals such as MuleSoft and Dell Boomi. However, realizing its goal of becoming the uniform integration platform for all ecosystems, and to remain competitive at each level, Informatica has to do a few key things. We believe it should rethink its API management strategy to cater to the emerging API Product Manager role in enterprises; it still needs to make its platform easier to use and consume (it's getting better but still a bit complex); and it may want to adapt its pricing strategy to be more flexible during pricing negotiations to accommodate more budget-conscious enterprises.

SWOT ANALYSIS

STRENGTHS

Informatica has a broad customer base across many vertical markets, is well positioned in many large enterprises, and has established and is growing relationships with nearly all the key IT vendor ecosystems.

WEAKNESSES

APIs are becoming the preferred integration technology for all integration internal and external to an enterprise. Informatica has the technology to support API design and integration to support APIs for many use cases, and OData IoT is a step in the right direction. However, strategic partnerships or better API gateway and management tools may be required to compete in the long term.

OPPORTUNITIES

Customers of various IT ecosystems for financial, marketing, sales and vertical markets (among others) are seeking ways to exploit them as integrated and holistic systems, making Informatica's strategy a timely one.

THREATS

One would assume that the IT giants IBM, Oracle and SAP would pose the most direct threat, but to date are still a bit lazy in the hybrid cloud integration market. Greater threats come from smaller firms with unique approaches to integration and process management, with intuitive interfaces and adaptable pricing models.