

Inovis Launches New Data Center

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Current Perspective:

Very Positive

Vendor Importance:

Very High

Market Impact:

High

Summary

Event Summary

August 6, 2007 — Inovis announced that it has migrated its entire customer base to its new Multienterprise Expert Services Hub (MESH) platform. Built on a newly architected infrastructure and hosted in an enterprise-class data center, the Inovis MESH platform marks the completion of a two-year initiative to systematically upgrade all architectural and physical elements of its network and consolidate all customers onto a single, modern platform. Nearly 315,000 trading relationships are benefiting from significant improvements in reliability delivered by the Inovis MESH Platform.

Analytical Summary

- **Current Perspective:** Very positive on Inovis' rollout of a new network platform called the Multienterprise Expert Services Hub (MESH). The complete architectural and physical upgrade is the realization of a two-year effort to modernize and centralize all value added network (VAN) infrastructure components (application, hardware infrastructure, and network). Out of the gate, Inovis has moved its entire 20,000 customer installed base to this new data center and unified software environment (running on Inovisworks), giving the company some marketing muscle compared with its main rivals that are in the midst of revamping their VAN offerings.
- **Vendor Importance:** Very high to Inovis, which needed to modernize its data center network and hardware systems, which previously had spanned three generations of software solutions. In order to differentiate itself from rival VAN providers, Inovis has rolled out this solution transparently, granting its customer base 90% improvement for availability SLAs (now reaching 99.995% availability) and adding a new disaster recovery (DR) data center -- both at no extra cost.
- **Market Impact:** High on the integration software and services market, in which vendors depend heavily upon differentiated data center capabilities for hosted integration offerings.



Current Analysis

Outsmart your competitors

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Inovis' new DR facility and completely rebuilt primary data center help the company more aggressively compete with larger rivals GXS and Sterling Commerce, particularly state side.

Current Perspective:

Very Positive

Target Markets

B2B Communities, Dot.Coms, Global 2000, IT Implementers, Large Enterprises, Resellers/Channels, Small to Medium Enterprises, Systems Integrators, Third Party Implementers

Vendor Importance:

Very High

Perspective

Market Impact:

High

Current Perspective: Very Positive

We are taking a very positive stance on Inovis' formal rollout of a new network platform called the Multienterprise Expert Services Hub (MESH). Capable of operating at 99.995% availability, Inovis' new DR facility and completely rebuilt primary data center will help the company more aggressively compete with larger rivals GXS and Sterling Commerce, particularly state side.

MESH represents a full architectural and physical upgrade to Inovis' data center and is the realization of a two-year effort to modernize and centralize all value added network (VAN) infrastructure components (application, hardware infrastructure and network). This echoes work done early this year by GXS to upgrade its international data center infrastructure and harkens to work planned by Sterling Commerce that will focus on software innovation. For all three primary players in this space, such consolidation and modernization efforts have become a necessity as they compete with a continuing move to XML-based, Internet-borne communications. These rivals are also aggressively pursuing SOA-capable software architectures that can both externalize VAN capabilities as Web services and make use of customer-based services equally.

Inovis' formal rollout of its MESH platform translates into a number of immediate benefits for existing Inovis customers. For starters, with MESH, Inovis has improved its availability by an incremental increase of 90%, moving from 99.95 to 99.995 – all with no cost increase for Inovis customers. And the company has improved its failover and automation speeds and bolstered its overall redundancy, adding a duplicate and geographically removed DR facility (in St. Louis) that is constantly synchronized with the primary data center (in Atlanta). As with MESH itself, this DR facility has been tested on live customer rollouts, giving Inovis a proven track record. Long term, MESH will give Inovis a more nimble foundation capable of supporting the company's planned data management and event-based BAM/BPM. Coupled with the company's move (completed within the past 15 months) to consolidate all customers upon its J2EE-based Inovisworks software platform, MESH gives Inovis a single, coherent platform and hardware environment upon which it can innovate. Also, the company's announced acquisition of UK-based Freeway Commerce will help the company add an international footprint to its MESH environment.

On the down side, the company has not aggressively expanded its performance and availability vision beyond the data center to encompass performance issues lurking within the underlying network that lies between the data center and customer site. Also, running behind the current trend to empower SOA-based communications within and across VANs,

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Inovis has not yet embraced SOA for services beyond externalizing internal processes as Web services and providing XML messaging. And while the MESH announcement serves Inovis' needs in terms of updating its core data center platform, the company has not delivered any value-added services on top of Inovis Catalogue, BizManager, TrustedLink and Inovisworks, putting Inovis at a disadvantage marketing-wise compared with B2B integration firms such as GXS and Axway, which have been very active over the past six months.

Still, in a market where vendors depend heavily upon differentiated data center capabilities for hosted integration offerings, Inovis' new DR facility and completely rebuilt primary data center helps the company more aggressively compete with larger rivals GXS and Sterling Commerce, particularly state side and particularly concerning innate availability SLAs.

Positives and Concerns

Competitive Positives

- Inovis has formally announced a new network platform called the Multienterprise Expert Services Hub (MESH). Capable of operating at 99.995% availability with complete disaster recovery (DR) redundancy, MESH represents a full architectural and physical upgrade to Inovis' data center and is the realization of a two-year effort to modernize and centralize all value added network (VAN) infrastructure components (application, hardware infrastructure and network).
- By creating a strongly centralized and homogenized data center environment with MESH, Inovis has of course reaffirmed its position within the integration software and services market. But it has also created a more nimble foundation capable of supporting the company's planned data management and event-based BAM/BPM. Coupled with the company's move (completed within the past 15 months) to consolidate all customers upon its J2EE-based Inovisworks software platform, MESH gives Inovis a single, coherent platform and hardware environment.
- The MESH platform confirms and extends the current market trend toward providing improved availability and performance. With MESH, Inovis has improved its availability by an incremental increase of 90%, moving from 99.95 to 99.995 – with no cost increase for Inovis customers. The company has also improved its failover and automation speeds and bolstered its overall redundancy, adding a duplicate and geographically removed DR facility (in St. Louis) that is constantly synchronized with the primary data center (in Atlanta). As with MESH itself, this DR facility has been tested on live customer rollouts, giving Inovis a proven track record.
- Unlike most solution announcements that bring along the risk associated with moving the customer base from one platform to another, Inovis' launch of MESH comes after the fact. At the end of June, Inovis quietly completed the task of migrating its entire customer base to the MESH platform. This gives the company some substantial marketing clout compared with its immediate competitive set, GXS and Sterling Commerce, as these companies are in the midst of and planning an infrastructure rollout, respectively. Already, Inovis can claim to support 315,000 trading relationships and 20,000 customers on MESH.
- In the long term, the company's announced acquisition of UK-based Freeway Commerce

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will help the company provide an international footprint to its MESH environment. The data center employed by Freeway Commerce in support of its EDI trading system will be updated to match Inovis' MESH requirements. This will give Inovis an immediate presence in Europe and an eventual extension of its Inovisworks solution set. This will only serve to improve the company's already rapidly growing managed services customer base in Europe, which grew approximately 75% over the past six months.

Competitive Concerns

- Inovis has smartly chosen to bolster its core network systems with this announcement. Yet the company has not aggressively expanded this vision beyond the data center to encompass performance issues lurking within the underlying network that lies between the data center and customer site. With global supply chains, for example, performance bottlenecks often occur outside of the data center, owing to geographically localized points of congestion. Note that Inovis can mitigate localized latency issues by working with telco providers to create a more effective route, but this is a manual, reactionary process.
- The MESH announcement serves Inovis' needs in terms of updating its core data center platform. However, the company has not delivered any value-added services on top of Inovis Catalogue, BizManager, TrustedLink, and Inovisworks with this release, putting Inovis at a disadvantage marketing-wise compared with B2B integration firms such as GXs and Axway, which have been very active over the past six months.
- Though both Inovisworks and BizManager can be considered SOA platforms, Inovis' has not yet embraced SOA for services beyond externalizing internal processes as Web services and providing XML messaging. The company is missing hosted services such as an enterprise service bus (ESB), XML-based messaging servers, or registry/repository software. While Inovis plans on embracing these notions, in the short term this will put the company in a footrace with its competitive set, which is actively pursuing SOA-savvy technologies and standards as they apply to business process management (BPM) and B2B integration.
- Inovis' acquisition of Freeway Commerce gives the company a foothold internationally, but its overall data center footprint as of this announcement is limited to the United States (with the primary facility in Atlanta and the DR facility in St. Louis). While the benefits of providing cross-continent data mirroring and DR are debatable, Inovis' relatively close-set data center and DR facility (which are separated by 800 miles) don't allow the company to market its services as truly global.

Recommended Actions

Recommended Vendor Actions

- Inovis should lead its marketing materials with its claimed 99.995% availability, as this industry leading service level agreement (SLA) may give Inovis an edge with organizations that require availability approaching five nines – though five nines is impossible in a Tier IV data center. More importantly, the company should point out that it provided its existing customer base a 90% increase in availability free of charge.
- Inovis should move quickly to transform the Freeway Commerce data center into a fully MESH-capable facility, as this will support a burgeoning customer base (for managed



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services) that's local to the UK. It will also help the company compete more directly with GXS' global Trading Grid infrastructure.

- To leverage MESH and to keep pace with competitors, Inovis should publish a concise roadmap for its software portfolio (particularly Inovisworks) surrounding its long-term objectives for what the company calls business community management. This plan includes the adoption of a hosted ESB offering and expanded data management capabilities for broader integration use cases. It also has more immediate plans to provide visibility products geared for the business manager, not just the IT manager.

- To build out its SOA story, Inovis should consider expanding its current partnership with BEA, which already partners with GXS and many other service vendors to provide hosted messaging, transformation, and mediation capabilities. With BEA's strong support for line-of-business applications from Oracle and SAP and overall A2A integration capabilities, the addition of a hosted BEA AquaLogic Service Bus would strengthen Inovis' reach outside of traditional B2B integration customers.

Recommended Competitor Actions

- Rival B2B integration providers (Sterling Commerce, Axway, and GXS) should position Inovis' launch of its MESH platform as primarily a typical infrastructure upgrade necessary to keep pace with industry demands for availability and performance. While the upgrade does pave the way for future innovation, Inovis has focused on the basics of its infrastructure with this release.

- Axway, though not a VAN provider, should call attention to the fact that for basic messaging and B2B integration workflows, the value of a VAN has been diminished thanks to XML-based technologies that allow for integration features such as auditing, non-repudiation, and delivery confirmation. The company should also highlight the fact that it is able to provide B2B integration customers with a more comprehensive suite of SOA-based integration services for BPM, supply chain visibility, and integration and automation.

- Sterling Commerce should hasten its continuing VAN upgrade efforts, which target availability and reliability. Already, the company has added a new mainframe, upgraded servers, and an improved storage area network (SAN) to its network. But further investment will be necessary to keep pace with GXS and Inovis on this front.

- GXS should call attention to its Trading Grid Ultra as a competitive differentiator relative to this announcement. Announced in February of this year, this solution also offers multi-continent mirroring, duplication, and failover as well as on-demand capacity to support traffic spikes and faster recovery from unplanned outages. However, GXS should carefully consider Inovis' claimed service level commitment of 99.995% availability that does not require additional fees for additional nines. For up-time sensitive organizations, this may prove to be a tipping point.

Recommended End User / Customer Actions

- Existing Inovis customers should ask the company for a specific roadmap concerning the company's planned upgrade innovations for its business community management initiative. Inovis intends a number of significant changes that will bring event-driven workflow to the forefront, focus on SOA interfaces, and will empower BPM savvy companies. Customers should ready their knowledge in these areas.

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- Potential customers for which availability, not latency, plays a primary role in selecting a hosted B2B integration provider, should strongly consider Inovis, owing to the company's commitment to providing SLAs reaching 99.995%. More importantly, potential customers should note that Inovis does not impose an incremental charge for additional nines.

Current Perspective:

Very Positive

- Potential and existing customers employing ITIL guidelines should bear in mind that Inovis has built its MESH data center utilizing ITIL from the ground up. The company has also completed the steps necessary to receive a Statement on Auditing Standards (SAS) No. 70, Service Organizations, Type II compliance audit, which should be seen as a requirement for public companies complying with Sarbanes Oxley.

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