



Craig S. Mullins

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Two Interesting Acquisitions

By Craig S. Mullins

As I write this column in early December 1999, we witnessed a rare occurrence in the software industry as two DBMS vendors made very wise acquisition announcements. The acquisitions were not the rare part—it was the fact that the acquisitions were wise that was surprising. In our industry, acquisitions happen every day and, at times, many of them seem to make no sense at all.

The two acquisitions were made by the second-tier leaders in the DBMS market: Informix and Sybase. Informix agreed to acquire Ardent, one of the leading data warehouse extraction, transformation, and loading vendors; Sybase agreed to acquire the Home Financial Network,), a privately-held Internet financial services company. Both of these acquisitions make a lot of sense and may help to buoy the sagging fate of these struggling DBMS vendors..

Informix Buys Ardent

In recent years, Informix has fallen on hard times in the DBMS market. At one point, two or three years ago, Informix was viewed as a market and technology leader. But its vision was too far ahead of the market (with object/relational technology and Data Blades) and it encountered some financial hard times. The financial problems appear to be in the past for Informix, but it has been surpassed as a DBMS leader by the big three: Oracle, IBM with DB2, and Microsoft with SQL Server.

Understanding your situation is the first step to improving your lot in life. Informix seems to understand their situation and is branching out into complementary areas to bolster their company. The acquisition of Ardent should do nothing but help Informix. Ardent's portfolio includes DataStage, which provides the data integration infrastructure for information-intensive applications including e-business, business intelligence, and enterprise portals. Ardent also provides solutions for data quality assurance, metadata management, and integrating ERP data into data warehouses.

Ardent, coupled with Informix's current data warehousing products, such as Decision Frontier and Visionary, helps to makes Informix a

data warehousing powerhouse. Informix Decision Frontier is a high-end solution for delivering customized data warehouses and data marts from start to finish. It includes OLAP, management tools, and a model-driven development environment for warehouse applications. Informix Visionary is a graphical business intelligence solution for performing trend and situation analysis without having to develop an application program.

Additionally, Informix acquired Red Brick Systems in December 1998. Informix Red Brick Warehouse is a relational database engine designed specifically to meet the specialized requirements of data mart applications.

Informix has been making a financial comeback of sorts beating financial analyst earning estimates in four of the last five quarters. If Informix can continue to re-focus and shift its business away from being “just a database vendor,” its long-term future looks better than it has in a while.

In this case, Informix plus Ardent equals a coherent strategy. (At least for data warehousing; the DBMS strategy at Informix is still somewhat of a mess.)

Sybase Buys Home Financial Network

On December 1, 1999 Sybase announced it will acquire Home Financial Network (HFN), a privately-held Internet financial services company, and combine it with its Financial Server business unit to create a new company. The new company will be an independent subsidiary of Sybase.

Sybase's core customers are in the financial sector, particularly on Wall Street. The support of these customers has helped to keep Sybase afloat. By creating a new subsidiary to focus exclusively on financial services, Sybase is acknowledging their core strength and building on top of it. The customer base of Sybase and HFN is impressive including most of the world's elite financial services

organizations, including Bank of America, ABN Amro, Bank of Tokyo Mitsubishi, JP Morgan, and Citibank, to name but a few.

The acquisition of HFN by Sybase should help Sybase maintain its core customers in the financial sector, and might help it to enter new markets. Here is another case where Sybase plus HFN equals smart business!

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