

**Oracle to Acquire Skywire Software: Move Adds Dynamic Enterprise Publishing Capabilities to Oracle Enterprise Content Management**

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Comment by [Melissa Webster](#)

On June 23, 2008, [Oracle announced](#) it has entered into an agreement to acquire Skywire Software's application business – everything but Skywire Software's BPO operation and the iWave Integrator solution that Skywire Software spun off in March 2008. The acquisition is expected to close in the second half of calendar year 2008. Terms of the deal have not been disclosed.

Skywire Software, which was founded in 2000 and has approximately 630 employees, is a subsidiary of Hall Financial Group, a \$2 billion private, diversified financial firm. Skywire Software has grown quickly over the last few years through a series of acquisitions into a vertical software supplier of document management and dynamic enterprise publishing (DEP) solutions to the insurance, financial services, and professional services/legal industries (it also has a substantial customer base in utilities). These acquisitions include: Attenza and iWave Integrator in 2003; Insbridge in 2005; Integrated Insurance Technologies in 2007; Docucorp International, a leading DEP vendor, for approximately \$127 million in February 2007; and Canadian-based DEP vendor Whitehill Technologies in September 2007 (Whitehill itself acquired DEP vendor InSystems in June 2006).

Oracle's acquisition of Skywire – along with its pending acquisition of AdminServer, another insurance software provider – significantly strengthens its insurance industry customer base and solution footprint. But Skywire Software's solution portfolio also adds an important new dimension to Oracle Enterprise Content Management, and that's the subject of this IDC Link.

IDC believes that DEP solutions are a critical component of an enterprise content management (ECM) portfolio. As we predicted, the large ECM vendors have begun to make acquisitions to pursue the rapidly growing market DEP market. DEP plays to the three key drivers for software spend within large organizations today: the need to generate revenue; the need to reduce costs by improving operational efficiencies; and the need to manage risk. On the revenue generation side, DEP solutions help organizations accelerate time to market for new products and services, promote related offerings to increase their share of wallet from existing customers, and enhance customer loyalty and brand affinity. On the cost reduction side, DEP solutions facilitate multi-channel publishing and help organizations shift customer communications from (more costly) print-centric to electronic delivery; improve efficiencies around document generation by providing an enterprise platform that can replace diverse siloed systems; and reduce the number of customer communications required by consolidating/rationalizing them. On the risk management side, these systems help to ensure compliance by providing a fully electronic and auditable workflow that also integrates with other enterprise applications and content management/records management systems (including call centers, Intranets, self-service kiosks, and so forth). IDC has published a market sizing and forecast for the DEP market in the past that predicted a market size of more than \$600 million in software revenue by 2007 and a compound annual growth rate (CAGR) in the mid-twenties. An updated market sizing and forecast will be published later this summer.

DEP solutions provide the outbound complement to the content management vendors' inbound (capture/image management) solutions, giving them end-to-end transactional content management capabilities. (Oracle augmented its inbound capture/image management solution, Oracle Imaging and Process Management [I/PM], with its acquisition of Captovation earlier this year.) We expect to see continued merger and acquisition activity over the next year or two as other large vendors in the content management, information management, and potentially enterprise applications markets enter the DEP arena. Oracle's acquisition of Skywire Software comes on the heels of DEP acquisitions by EMC, [which acquired publicly](#)

traded Document Sciences for \$85 million in March 2008, and HP, which announced on January 22, 2008 that it will acquire privately held Exstream Software (a portfolio company of American Capital) for an undisclosed amount. We expect to see IBM make a play here – it is already actively partnering in this space with Thunderhead, and IBM Global Services has implemented StreamServe in several SAP engagements. Other potential acquirers include Microsoft, Open Text, and SAP.

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