

## REPORT REPRINT

# Liaison seeks to replace legacy middleware with ALLOY integration and data management

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Liaison Technologies operates at the point where integration and data management are converging. Its ALLOY offering is an integration and data management platform that is delivered as a managed service and is positioned as delivering the benefits of a PaaS at the data layer. Liaison believes that legacy integration methods like the enterprise service bus (ESB) can't keep up with enterprise requirements to integrate, harmonize and mine multiple data sources in real time to deliver the insight necessary to compete in the digital economy.

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## THE 451 TAKE

Digital transformation requires enterprises to transform the way they collect, integrate and analyze data in order to compete in today's digital economy. This means ERP, supply chain, big data, mobile apps, IoT, cloud services, SaaS and social media must be harnessed together to drive innovation. Liaison's belief is that traditional integration infrastructures, particularly older middleware environments, cannot support the complexity, volume or speed that today's businesses require. Its offering, the Liaison ALLOY Platform, is positioned as a unified integration and data management platform, and as an alternative to iPaaS do-it-yourself developer productivity tools. ALLOY is built on microservices and architected to support big-data requirements as a data platform as a service (dPaaS). The success of ALLOY in the market will be largely dependent on the speed at which enterprises are prepared to swap out existing middleware for more modern approaches, and the extent to which Liaison's systems integration and IT services partners bring it into their data and digital transformation engagements.

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## CONTEXT

Liaison, forged through 11 strategic acquisitions, has invested some \$50m in developing ALLOY. Since 2016, all new customer deployments have been on ALLOY, and Liaison will have moved many of its key customers and its acquired legacy applications to ALLOY by the end of 2018. Ninety percent (90%) of customers are using Liaison's managed services, and the remaining 10% are licensing Liaison's on-premises offerings for integration and tokenization.

Liaison believes the key drivers of its business to be: enabling customers' digital transformation strategies by eliminating the manual efforts associated with application and data integration, serving to unlock siloed data; the cost and time savings this brings; regulatory compliance; and the fact that using ALLOY brings a new and expanded technology stack for customers, enabling them to accelerate their application integration and data management projects by eliminating the need for in-house manual efforts.

## TECHNOLOGY

ALLOY provides a single unified way to solve the complexities of application integration and data management. It is hosted and managed from the cloud via Liaison's dPaaS approach, and is positioned as a single platform for data-centric enterprises. ALLOY facilitates B2B integration, A2A integration, hybrid integration, managed file transfer, and cloud service integration coupled with data management capabilities to cleanse, transform and harmonize data. It also provides a data pipeline workflow with a Crucible API; ALLOY Mixture and Automator for form and template creation and reuse; orchestration and microservices based on Apache Mesos, Marathon and Zookeeper; and monitoring and alerting with Zabbix, Cisco AppDynamics, Slack and ServiceNow. Visibility of transactional activity is provided through a LENS visibility tool, or data can be brought into third-party tools such as Tableau and other BI tools.

Microservices underpin ALLOY and deliver a Kappa architecture – instead of using a relational database or a key-value store, a Kappa system's (canonical) data store is described as an append-only immutable log. From the log, data is streamed through the compute system and served to applications. It's likened to a Lambda architecture system with the batch processing system removed – data is fed directly via the streaming system. The claim is that this delivers faster and

less complex database migrations. In a Kappa model, the database that serves data is deleted, and a new copy is populated from the canonical store. MapR Streams is used as the immutable log and audit log in ALLOY – inputs to the platform can be key value, search engines, graphs (ArangoDB) or a relational database.

An on-premises cloud connector agent called ALLOY Edge is used for onboarding data to the cloud or for integration between on-premises applications. ALLOY allows for custom blending of data, harmonization of cloud and traditional applications, tokenization of sensitive data, data tracking and profiling, and distributed data integration.

ALLOY has been certified with the federal privacy standard for identifiable health data (HIPAA), the control standard for service organizations (SOC 2 Type 2) and the security standard for payment card information (PCI DSS v3.2). It is included in the Visa Global Registry of Service Providers as an early adopter. It has packaged an industry offering as the Liaison ALLOY Platform for Healthcare.

Liaison offers its ALLOY dPaaS from tier one datacenter providers in the US, UK, Finland and the Netherlands, with disaster recovery between the US and the Netherlands. Additionally, Liaison is releasing an active-active capability in ALLOY that will provide 99.999% availability. Its four primary R&D centers are in the US (three) and Finland (one). ALLOY is also expected to be deployed in the EU by Q1 2018. It has managed services teams in the US and Finland, and support centers in the US, Finland and Singapore.

Liaison's IP is in the service delivery of integration and data management, and has used a range of homegrown tools (e.g., automated mapping and tokenization) and best-of-breed third-party technologies (it chose MapR over Cloudera and Hortonworks to build its platform).

## BUSINESS MODEL

Liaison Technologies was founded in 2000, providing a B2B network for the paper and forestry industries that expanded over time to many industries. It has completed a total of 11 strategic acquisitions in its history. Several years ago, the Merck Global Health Innovation Fund and Accenture made significant investments in Liaison in at least four rounds, although actual amounts have not been disclosed. Liaison claims to be profitable on some \$100m in revenue, with fewer than 500 employees. It claims 95% of its business comes from cloud platform integration, and to have 7,400 customers (up by 400 since we last visited the firm). Key markets include healthcare, life sciences, retail, manufacturing, transportation and logistics, and financial services. Liaison sells directly in the US and in Europe, and has 150 employees in Finland (from an acquisition) that are part of an R&D team. It says it's most often part of deals that are for tens of millions of dollars and are specific to the customer problem or use case. ALLOY is being used by HCL Technologies, and Liaison has also partnered with cloudBuy.

It offers ALLOY in Core (standard integrations), Premium (complex integrations and data management) and Elite (custom integrations) platform subscriptions. Premium and Elite levels include a monthly service contract. Each tier includes a set of platform services and ALLOY LENS (there are additional platform features in Premium and Elite levels, as well as ALLOY Crucible tools). Additional services include application onboarding, outsourcing, legacy systems migration, custom solutions setup, training consulting, and design and development. Core starts at \$5,000 per month and Premium at \$15,000 a month.

## COMPETITION

Liaison argues that its dPaaS model provides a full-service approach versus traditional enterprise service bus, iPaaS, B2B integration and master data management offerings. ALLOY includes a unified data management and integration platform, tailored offerings and multi-tenancy, an automated mapping engine, a microservices architecture, API management for data access and federation, and fully managed operations. Its competition consists of the traditional vendors in this space, including TIBCO, Informatica, IBM Sterling, Microsoft, Oracle and SAP. In its view, these approaches are hitting a wall – whether point-to-point (TIBCO), ESB/EAI (Software AG) or silo-based (IBM WebSphere).

## SWOT ANALYSIS

### STRENGTHS

All of Liaison's new customers are currently being deployed on ALLOY, and its installed base (and major customers) is moving to it over time. The firm believes it offers significant differentiation on simplified pricing versus other vendors, starting at \$5,000 a month for an 'all you can consume' model - Liaison doesn't measure or monitor use or integration points.

### WEAKNESSES

Liaison's challenge is to be seen as a destination and a viable, strategic swap-out for existing middleware as part of the evolution of data integration and management in digital transformation strategies.

### OPPORTUNITIES

With ALLOY, data integration is handled in a cloud-based platform so the user doesn't have to manage it. DPaaS also takes care of different data types - batch, streaming, persistent, log, metadata - and the delivery of those at the application layer via a microservices approach.

### THREATS

Liaison's belief is that the complexity of today's environments means traditional approaches to integration don't work. However, the middleware vendors it is seeking to displace are well entrenched and also evolving.