

# InterSystems Adds DSM Product Line

Two big M Technology players, **InterSystems Corporation** (Cambridge, MA) and **Digital Equipment Corporation** (Marlboro, MA), announced on January 4 that they entered a strategic partnership to expand the worldwide use of M Technology, particularly in the enterprise client-server arena. The firms jointly announced that InterSystems acquired the DSM software product line, Digital's implementations of M Technology for Open VMS, DEC OSF/1, and Windows operating systems. InterSystems will market and sell DSM worldwide, enhance DSM, and work with Digital to continue support for DSM customers.

The two companies will carry out joint activities aimed at expanding the worldwide use of M. InterSystems has formed a DSM Council of executives from Digital and key DSM customers to provide feedback on transition issues and product directions. The DSM Council met for the first time February 3 at InterSystems's headquarters.

"This partnership and acquisition give InterSystems the critical mass needed to extend our lead in enterprise client-server technology and to compete more effectively in the worldwide database market," said InterSystems CEO Terry Ragon. "Acquiring DSM makes it possible to extend M to new market segments, focus and optimize our investments in R&D, and more effectively respond to emerging needs in massive client/server systems, GUI technologies, and object orientation."

Bill Demmer, Digital's vice president of software business, said, "The DSM

partnership reflects a current key Digital strategy of focusing on core competencies in distributed computing, integration, and networked software. The company determined that a strategic partnership with InterSystems will best serve existing and future DSM customers. As a result of the move, Digital can strengthen its strategic focus with the assurance that world-class M products will continue to be offered for Digital platforms."

An InterSystems official white paper released December 30, 1994, "DSM Questions and Answers for the M Community," stated that "InterSystems will make Digital platforms 'tier one' systems, ensuring early availability of new InterSystems software releases for Digital hardware and operating systems. Digital and InterSystems will work together to optimize DSM for the latest Digital environments. To facilitate this, InterSystems will make extensive use of Digital Alpha technology in its development efforts."

The InterSystems-Digital strategic partnership raises many development, marketing, sales, and support questions. In addition to making Digital Alpha platforms "tier one" systems, the following specifics were announced:

- InterSystems will sell DSM worldwide and will work with Digital to coordinate customer-specific issues. Digital will continue to sell DSM in Japan, where it represents a substantial Kanji-based application development and systems-integration business. Digital also will con-

tinue to sell DSM to certain customers under existing multiyear agreements.

- Digital and InterSystems will carry out several joint marketing activities. For instance, the companies worked together on the Healthcare Information and Management Systems Society (HIMSS) conference in San Antonio.
- InterSystems will "... enhance DSM well beyond the two-year period required under the agreement with Digital," according to the white paper, which also indicated that there are no plans to change DSM's name.
- Digital and InterSystems will work together to support DSM customers. For the remainder of their current Digital DSM support contracts, customers can continue to call Digital for telephone support; thereafter, customers can receive DSM support through Digital or directly from InterSystems. The white paper announced that InterSystems will honor outstanding price quotes and will freeze DSM license and maintenance prices at Digital's current price list for at least six months. "This will provide a smooth transition for customers and give InterSystems an opportunity to consult with the DSM Council on this and other topics," said InterSystems in the white paper.
- InterSystems will consult on and train in DSM worldwide.

InterSystems addressed M community concerns that this acquisition re-

duces choice of vendors for customers by stating: "Competition, and the choice it yields for customers, plays a vital role in promoting technology evolution and in keeping prices in line with value. For many years, this worked extremely well in the M community, as InterSystems, Digital, and other M technology vendors competed intensely, viewing each other as their main competitors."

Citing the changing market and intense competition, InterSystems said, "Customers and prospects no longer ask 'why should I use your M implementation, instead of someone else's?' Rather, they ask 'why should I use M instead of Sybase or Oracle or Informix or Microsoft's SQL Server or any of the other available solutions?' As they answer this question, M customers face a wider, not narrower, range of choices. To com-

pete effectively in this broader market, we need to accelerate our marketing and R&D efforts."

Further, InterSystems stated that Digital is not abandoning M Technology and that the two companies "have crafted a relationship that ensures the continued availability of the highest quality M software for Digital's platforms."

Digital, however, will not maintain its membership in the MUMPS Development Committee (MDC) and that means one fewer MDC voting member. InterSystems explained that its own staff and Digital's former staff members who have been participating in the MDC will continue to do so.

The white paper also addressed what effect, if any, this partnership has on other InterSystems's partnerships: "One reality of the open systems

world is that organizations such as InterSystems have close relationships with a number of computer vendors, even though those vendors compete with each other. This acquisition will result in a strategic relationship between Digital and InterSystems without in any way interfering with InterSystems's links with IBM, HP, Dell, or other hardware vendors." CEO Ragon said, "Our business is based on long-term partnerships and we will work closely with customers and with Digital to make the transition as smooth as possible."

This acquisition is expected to boost InterSystems's 1995 software revenues to the \$30 million to \$40 million range. According to a ranking published in July 1994 by *Software Magazine*, InterSystems is among the top one hundred independent software vendors. ■

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## CALENDAR

### April 2-5, 1995

7th Annual National Managed Health Care Congress (with MIS sessions), Sheraton Washington/Omni Sheraton Hotels, Washington, D.C. To register, call 617-487-6700.

### April 3-6, 1995

Application Development Conference & Exposition, Sheraton New York, New York City; Call CMP Trade Show Services at 1-800-808-EXPO.

### April 5-7, 1995

3rd Annual Health Info, Sheraton Washington Hotel, Washington, D.C. to register, call 617-270-6000.

### June 1-4, 1995

MUMPS Development Committee meeting, Hyatt Regency O'Hare, Chicago, Illinois. Call 301-431-4070 for details.

### June 5-9, 1995

M Technology Association, 24th Annual Meeting, Hyatt Regency O'Hare, Chicago, Illinois. Registration packets shipping early March. Call 301-431-4070 for details.

### July 23-27, 1995

International Medical Informatics Association Medinfo '95. Vancouver Trade and Convention Centre, Vancouver, British Columbia, Canada. For information, write Medinfo '95 Administration Office, Suite 216, 10458 Mayfield Road, Edmonton, Alberta, Canada. Phone: 403-489-8100; fax: 403-489-1122.

### October 15-19, 1995

ACM's 10th OOPSLA (Object-Oriented Programming, Systems, Languages, and Applications), Austin, Texas. Details to follow.