
Rockwell Buys Incuity; Wonderware Nashes Teeth.

Posted by roger - 2008/06/05 19:54

Rockwell helps Wonderware Create Their Own Worst Nightmare PDF Print E-mail

Today marks a new milestone for one of Wonderware's biggest mistakes. Rockwell Automation, Inc. inked a pact to acquire Incuity Software, Inc. Incuity Software used to develop for Wonderware in this space, and has a built in need to put the screws to their old partner. Hold on to your hats, folks, it's about to get UGLY!

Incuity used to be called DataWorks, and developed Active Factory for Wonderware, a highly successful EMI product that Wonderware brand labeled for years. A couple years ago, Wonderware decided the business situation favored developing their own code versus purchasing DataWorks, and they cut DataWorks out of the picture to fend for themselves. Wonderware's replacement product, still called Active Factory, was then rolled out as a replacement to less the rave reviews.

Alas, poor DataWorks was left to fend for themselves without even a goodbye kiss. Does one suppose that having your entire sales channel and revenue stream removed would leave some bitterness behind? Hint: One does.

Fast forward almost two years to today, and you just HAVE to admire Rockwell! They have just helped their position immensely, and have acquired a software company that needs NOTHING except marketing and an infusion of money. Congrats, Rockwell, you've actually impressed me on this one.

As for you, Wonderware, isn't this what they call penny wise, pound foolish; ie, don't you wish you'd paid the premium for DataWorks?

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Re:Rockwell Buys Incuity; Wonderware Nashes Teeth.

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My old buddy Scott Koffman asked if he could post this commentary over at MrPLC.com, and it generated a very insightful commentary from one of the members. You can check it out [HERE](#) , or look below for a summary.

From Nathan at mrplc.com: Very interesting commentary - thanks for sharing it. I'd be curious to get more details from the author on how Rockwell helped it's position immensely. I believe that "compatibility" with their existing projects is significant to the usefulness of the authors implications of such a move. Keep in mind that in this focused nitch industry, a company of Rockwell's size might buy out a much smaller company with a dangerous project just to get rid of them. That said, my opinion is that the reuse of "good" code will benefit all. It's too common that that the big players in this industry invent their own half-baked implementation of existing projects.

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My response: I agree with your point that compatibility, and more importantly, the ability to seamlessly exchange information is one of the most critical aspects to the end user. What you'll find, if you take a time slice from 1990 to the present day, is Rockwell has never been held back by a lack of integration or compatibility. In fact, Rockwell has been able to increase market share despite the very clear fact they orphan users with old code and no upgrade path to the new product. There are many examples of this, but let's just take one and examine it for brevity's sake. Since 1990, Rockwell has had no less then five automation change management products (systems that allow users to manage changes in PLCs and other devices). They include Highway Patrol, RS Guardian, Control Guardian, RSMACC, and most recently RS Asset Center. Each code base was entirely different, typically purchased from another company, and in Asset Center's case the code was developed in Germany, and purchased from a company called GEPA Soft.

Change Management systems, regardless of vendor, are characterized by fairly in-depth installations, a bit of culture change in day to day operations, and frequent updates to keep up with changing PLC editing packages and capabilities. Systems range in installed price from \$10K to \$400k or more depending on the size of the facility, and implementation can be a significant portion of the investment. In not one case has Rockwell provided a migration path for current users that was anything but starting from scratch. Despite this glaring gotcha for end users, they still manage to sell product. Remember the old saying, "Nobody gets fired for buying Rockwell."

It's safe to assume that Rockwell's purchase of a very well written package like Incuity will result in some customers of Rockwell's Plant Metrics, RS View SE, and other products finding themselves dead ended in the near future. However, it

ain't time to get in the cellar, loyal Rockwell stockholders! The spin doctors at Rockwell have a proven and enviable ability to position each dead-end as a wonderful new opportunity to make significant gains in operations.

On the Wonderware side, they had the opportunity to purchase Incuity/DataWorks, and chose not to do it. Rockwell's current product has a history of losing out to Wonderware and other vendors. Now Rockwell has a product that even some portion of the Wonderware customer base believe is better than Wonderware's replacement product. So Wonderware not only bore the cost of redevelopment, they also gave Rockwell a jump start, and most of the folks at Incuity know Wonderware inside and out. If you were to have a candid conversation with the business folks at either company you would find agreement that in the US, they are each other's biggest competitors. This purchase just can't be a good thing if your logo has teal in it.

Rockwell's amazing, and I mean AMAZING US market share in PLCs and other automation layer devices allows them to continue to push siloed software that lacks integration across the MES / EMI layer, and still post big wins.

The conclusion is simple. Until customers start pushing for proof behind the Marketing baloney PRIOR to making a purchasing decision, Rockwell is going to make significant sales, just because they have a product in the category.

On the positive side, unlike the hard core automation layer devices, today's information exchange standards allow customers the choice of just about any MES/EMI type package, and they can realistically choose based on the package's capabilities, versus worrying about whether or not it can communicate.

Let's hope customers do choose based on capability, and not on brand, because otherwise new features and game changing technologies aren't going to be profitable, and neither are we.

Love getting insight from other folks!

Keep it coming!

Roger

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