

**HP Shores Up Its eDiscovery and Compliance Capabilities; Acquires Tower Software**

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Comment by [Vivian Tero](#)

HP recently announced its intent to acquire [Tower Software](#), an Australia-based document and records management application vendor. Financial terms were not disclosed. Tower Software's [TRIM Context 6](#) offers a comprehensive content management suite, including electronic document and records management, business process automation, Web content management, document capture and assembly, and collaboration. Tower Software has more than 1,000 customers in the international regulated and defense industries, as well as the government sector.

This acquisition makes sense for HP for a couple of reasons.

First, information management for compliance is expected to remain as a high investment priority among businesses in the near to medium term. The repercussions from the subprime market meltdown are expected to drive a new wave of regulatory investigations and legal actions from the plaintiff bar. Large enterprise customers would be the most likely buyers of end-to-end integrated solutions, and HP Software's Business Information Optimization (BIO) portfolio is positioned for this trend.

Records compliance and eDiscovery issues will underpin these investments. The results of IDC's *2007 Active Archiving Study: Preservation, Retention, and Reuse* survey show that electronic messages and file data in the endpoints, servers, and file shares continue to be the near-term content archiving target priorities. The study also suggests that the more litigious and regulated industries are also looking to address information governance issues in their uncontrolled SharePoint and Web 2.0 installations. HP's Integrated Archives Platform is well positioned to take advantage of the high-performance ingestion, search, and retrieval requirements in support of corporate records retention policies.

The successful integration of HP's archiving, printing, and imaging software assets with Tower Software's content management portfolio also positions HP to offer the unified and end-to-end retention management of physical, imaged, and electronic data. An integrated HP solution offering featuring the imaging/printing (IPG), archiving, data protection, Integrated Archives Platform, and records management assets could potentially enable corporations to embed records retention policies throughout their information life-cycle practices.

Second, the Tower Software acquisition will shore up HP's go-to-market capabilities and solution offerings for compliance and eDiscovery. Under an existing alliance between the two companies, Tower Software's TRIM Context has been integrated with the HP Integrated Archive Platform (formerly RISS for Messaging). The acquisition would enable HP to take this a step further. For example, integrating the records management, document management, imaging, output management, and archiving functions could potentially enable a customer to consistently enforce the retention and disposition of the data that typically exists in various formats and media within a corporation. Consistency in one's paper-based and electronic information management and retention practice is noted as critical to addressing the Rules 16, 26(F), 34 (a), 34 (b), and 37(f) requirements of the amended Federal Rules on Civil Procedure for Electronic Discovery.

HP's Integrated Archives Platform was previously associated with the HP Storgeworks business unit. This unit had a storage infrastructure orientation and therefore was not well equipped to speak to the complex buying dynamics for records compliance and eDiscovery, where the compliance, legal, and technology functions are deeply involved in the technology selection process. Tower Software's marketing

and sales organization will therefore provide the needed inside domain expertise in the records management, compliance, and legal discovery markets. This group will shore up HP's ability to reach out to the technical, compliance, records management, and legal stakeholders within each buying organization.

To date, content archiving and records management applications primarily support the earliest phase of the Electronic Discovery Reference Model (EDRM) — the information management phase. IDC studies also suggest that approximately one-third of litigant companies are using their content archives to preserve and collect potentially responsive data. HP Software's Business Information Optimization portfolio, which would include the IAP, IPG, and Tower Software assets, is poised to compete for these opportunities. HP's potential competitive differentiation would lie in its ability to leverage the BIO portfolio to automate key processes and document the workflows among data owners and system custodians in support of the legal hold process. HP could also use the intelligence and analytics from its BIO and BTO software assets to help its customers navigate the challenges from [Rule 34\(a\) forensic inspection requests](#).

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