Oracle acquires Apiary to offer a comprehensive API integration cloud
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Ovum view

Summary
Oracle announced last week that it has signed an agreement to acquire Apiary, an API design and governance solution provider. This acquisition augurs well for both parties, with Oracle gaining comprehensive API design and composition capabilities, and Apiary benefiting from Oracle’s extensive reach, sales prowess, and a strong footprint in the large enterprise segment. Ovum believes that with this acquisition Oracle has significantly strengthened the value proposition of its API platform cloud service, combining capabilities enabling the rapid composition of APIs and the subsequent management of their lifecycles and operations.

A timely acquisition with strategic benefits to Oracle

One of the key trends outlined in the Ovum report, 2017 Trends to Watch: API-led and Cloud-based Integration, is the emergence of API platform-as-a-service (apiPaaS) as a composite platform for API/service creation/composition and end-to-end API management. The integration of Apiary’s APIFlow solution with Oracle API Platform Cloud Service translates into a pure-play apiPaaS enabling users to develop, run, manage, analyze, monetize, and secure APIs. Clearly, the scope for apiPaaS extends well beyond API management solutions used for managing lifecycle of different types of APIs.

API-led tactical integration has a key role in digital business initiatives. APIs serve as the glue binding together different components of the digital supply chain. APIs should be designed keeping in mind the needs and expectations of developers/users. For example, what may look good from an internal perspective may not work well when exposed to the external developer ecosystem or partners. An API that is not well designed will invariably fail to deliver positive outcomes, and is likely to lead to longer development cycles and more iterations.

A simple interpretation of an API-first strategy translates into good practices that espouse development of an API in advance to definition/specification of channels that will use/consume this resource. Furthermore, the design-first principle espouses API definition and creation based on discussions with API users, subsequent identification of specific use case scenarios, and lastly mockup of the API with use cases of interest. This is arguably the most critical aspect determining the degree of alignment between ‘APIs in production’, user expectations, and requirements of use cases identified at the start of an enterprise API initiative. It is in this context that Apiary adds a critical component to Oracle’s API integration cloud.

Apiary’s APIFlow is a language-agnostic platform for creating APIs in the cloud. One of its key differentiators is support for distributed teams to participate in and contribute to the process of review of an API mockup/design. Developers can use server mockup for rapid prototyping of APIs, without any need to write code. This interactive documentation simplifies the consumption of an API.

Apiary’s APIFlow solution is a good case in point for API and design-first principles. It is not uncommon to see enterprise API initiative leaders struggling to enforce API standards and design specifications across distributed teams. In this context, Apiary’s APIFlow solution offers essential tools to foster effective collaboration between key stakeholders belonging to different functions, including developers, testers, architects, API product managers, and end users. Furthermore, it offers a single dashboard for the centralized management of API designs. The APIFlow solution fosters collaborative
design via a provision for transferring the ownership of an API design to ensure that all relevant stakeholders are interacting and contributing to the API design and review process.

**Apiary has proven credentials and a track record of successful engagements in partnership with Oracle**

Oracle and Apiary have worked together on several successful engagements and implementations in the past, and this acquisition is a natural step in the evolution of the partnership. Apiary has a tried and tested enterprise grade offering and a substantial customer base, including well-known organizations such as Bloomberg, BlueCross BlueShield, GoPro, and NBC Universal.

Integration with Apiary’s APIFlow solution bolsters the value proposition of Oracle’s cloud-based integration services (middleware-as-a-service) portfolio and forms a potent combination with Oracle API Platform Cloud Service and Oracle Integration Cloud Service (Oracle’s iPaaS offering). This is a rapidly growing business in Oracle’s PaaS portfolio, with a customer base of more than 1,000 enterprises.

Apiary shared some interesting insights and observations from key implementations, which indicate its strong credentials in fostering collaboration across cross-functional teams, and for diverse initiatives ranging from digital transformation and internal API initiatives to enterprise integration of an acquired company. Oracle’s existing customers will benefit from rich API design and composition capabilities delivered by Apiary, and are better placed to ensure that their API initiatives stay on track and deliver positive outcomes.

API aggregation is a core enabler to business models of several disruptive players in the API economy, and Oracle offers the capability to design/compose, combine, and manage access and consumption of APIs via a unified platform. While this acquisition enables Oracle to exploit a low-hanging opportunity via an “iPaaS + API management” combination, other use cases such as microservice orchestration and management and extension of B2B integration capabilities via APIs represent a significant opportunity to cross-sell/upsell to existing customers.

Microservices communicate with each other via HTTP resource APIs or REST APIs. Multiple cohesive microservices can be combined to form microservices groups or modules, each of which provides a high-level service. A microservices architecture can involve both internal and external APIs, with internal APIs invoked for inter-service communication and external API calls initiated by API consumers. In cases where geographically distributed and/or cross-functional teams are working to create APIs for a microservices architectural-style implementation, it is critical to ensure adherence to set API standards and design specifications.

Apiary’s APIFlow solution simplifies the complexity involved in these implementations by fostering collaborative API design and review. With Oracle working on offering a uniform user experience across different middleware platforms, developer productivity remains a key theme for Oracle’s middleware-as-a-service portfolio.

**Appendix**

**Further reading**

*2017 Trends to Watch: API-led and Cloud-based Integration*, IT0022-000839 (January 2017)
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Author
Saurabh Sharma, Senior Analyst, Infrastructure Solutions
saurabh.sharma@ovum.com

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