

Leveraging Integration to Weather the Economic Storm

A White Paper

by Jake Freivald and Vincent Lam

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Introduction

Even the toughest of times comes with a silver lining. Economic slowdowns and other business challenges force us to refocus our efforts on our core business practices. They shift our attention to the things we tend to ignore during periods of growth – like improving efficiency, cutting costs, and enhancing strategies.

But, fear and pessimism are not the answer. Planning and decision-making based on reason, rather than dread and apprehension, are the keys to weathering the storm.

Remember, tough times don't last forever. A little advance planning now could pay off when the economy begins its inevitable upswing. That's where integration comes in.

While corporations are implementing rigid cost-cutting measures across the board, many are actually increasing their spending on integration projects and related technologies. And, with good reason.

This white paper highlights four primary ways to use integration to make your business better during a down economy. You'll discover how, with the right integration plan and supporting software in place, your company can increase efficiency, minimize expenses, and streamline and accelerate core processes. You'll also learn about iWay Software, and what makes it the ideal suite of solutions for any integration project. And, as a bonus, we'll tell you about two innovative ways to leverage your results to put yourself in the best possible position when the expansion begins.

Minimizing the Impact of the Economic Downturn With Integration Solutions

The economy is bad. Your cash flow is slim, and your profits are declining. Believe it or not, there is no better time to invest your resources into finding – and implementing – ways to enhance your key business operations. This will not only reduce the negative effects of the recession, it will also position you to come out a leader once the dust settles and things begin to look up.

During the last economic downturn, a study by leading analyst firm Yankee Group cited that corporations continued to place a huge emphasis on integration. In spite of the declining financial conditions we experienced just five or six years ago, larger budgets were allocated for projects such as facilitating information-sharing among partners, customers, and suppliers, and automating sophisticated, high-value transactions, both inside and outside the organization.

And, the same holds true today.

What can integration do for your organization during these challenging times?

Boost Workforce Efficiency

Enterprise-scale integration projects are often complex and time-consuming. They require a tremendous amount of infrastructure, as well as the dedication of numerous different types of programmers and executive sponsors.

But, many important activities can be streamlined in small ways by merely tying a few disparate systems together. When implemented using business-level interfaces and service-oriented techniques, these simple projects can deliver significant business impact in the short-term, while laying the foundation for larger, more comprehensive integration projects in the future.

Coty, Inc., one of the world's largest and most successful beauty companies, turned to integration software to address immediate integration needs, while laying the foundation for the effective execution of their planned SOA strategy. The acquisition of Unilever required the organization to quickly integrate various disjointed, geographically dispersed systems for ordering, logistics, distribution, and other mission-critical supply chain operations.

Through the use of innovative integration software, Coty was able to achieve end-to-end integration of its worldwide logistics and warehouse operations in just seven short months – without the need for any hand coding. An added benefit is that Coty is now fully SOA-ready and has the infrastructure and reusable components it needs to quickly and easily move to a true enterprise-wide SOA environment in the future.

And, telecommunications giant BT dramatically enhanced its cross-border trade settlements through the deployment and use of integration software. By creating a secure messaging gateway that facilitates straight-through-processing (STP) over standard business protocols, BT was able to eliminate inefficiencies and reduce costs – while guaranteeing optimum security and reliability.

There are a variety of other ways in which integration software can be used to achieve tremendous productivity gains. For example, find one valuable transaction within your ERP system, such as “insert purchase order”, and publish an event that contains the business data that becomes available when the transaction completes (customer ID, line items, quantities, etc.). Then, have one data warehouse or CRM application subscribe to this event stream for real-time updates. This will minimize manual data re-entry and make a noticeable difference in your staff’s productivity.

Or, you can provide users with the ability to retrieve real-time information from a data source that was previously difficult to tap into. This can be accomplished using an event similar to the one in the example above, or by providing direct access to an operational system. The result will be enhanced productivity through improved “on the fly” decision-making across your entire business.

In fact, according to the International Society for Automation (ISA), simply automating a process will increase efficiency by 1 to 2 percent annually. But, automating that process, then enhancing it with real-time information can yield an additional 3 to 5 percent improvement in productivity.

You can even take one “orphaned” form on your Web site – one that requires an extensive amount of re-keying – and connect it directly to the application that stores the information obtained from it. Or, publish the completed form as an information event, for consumption by at least one other application. This will improve worker efficiency by eliminating manual data entry work, while enhancing information accuracy by minimizing human errors.

Reduce Consulting Costs

During a recession, many companies assume that “cutting costs” equates to slashing headcount – and consultants are usually among the first to go, since their high fees are tough to sustain when budgets are shrinking. Integration software can help ease the burden and make your IT staff more self-sufficient when it comes to integration projects.

According to Rick Sherman of Massachusetts-based consulting firm Athena IT Solutions, integration software automates many common, repeatable functions, eliminating the need for companies to start from scratch with each new initiative. This minimizes dependence on third-party consulting resources, which in turn, offsets the initial cost of the software. Over time, you’ll actually save money because your team will be able to accomplish smaller integration projects without the expenses associated with hiring outside help.

Delay ERP Projects

The benefits of ERP are clear, and companies like yours rely on them to automate and streamline core activities, consolidate data, and enhance visibility into key operations through improved reporting. But, when funds are tight, the time may not be right to accrue the exorbitant licensing, consulting, and maintenance fees associated with implementing new ERP modules, or upgrading existing ones. In fact, a study by AMR Research cites that the average cost of an ERP expansion can total as much as \$1.5 million. Additionally, Meta Group estimates that failure rates for ERP projects

typically hover around 70 percent. Like most businesses, you just can't afford that kind of risk and expense during a financial crisis.

But, many of the advantages of an ERP system can be accomplished incrementally through the completion of small-scope integration projects. With economical integration software, and a well thought-out plan with a phased set of deliverables, your company can achieve the same increases in process efficiency, data management and access, and reporting and analysis – without the high price tag and the potential threat of project failure.

Corus, one of the world's largest steel producers, reaped the benefits of integration software when they consolidated information about customer order and production processes from SAP applications, as well as mainframe systems and other disparate sources, and made it easily accessible to end users. By putting this type of timely and comprehensive information right at users' fingertips, Corus was able to achieve higher manufacturing yields and shorten response times for customer inquiries.

VP Buildings, another global leader in steel systems construction, needed to achieve more accurate visibility into its PeopleSoft-managed inventory. Instead of devoting its human and financial resources to the complex, cumbersome task of expanding its PeopleSoft environment, the company used integration software to easily establish a service-based integration architecture that seamlessly bridged the gap between the PeopleSoft systems and custom .NET applications. This provided the company with real-time control over all inventory, while streamlining purchasing processes, improving cash flow, and increasing accuracy and quality.

Avoid Complex BPM Deployments

The implementation and management of business process management (BPM) tools can drain an extensive human and financial resources – which are scarce during a recession. Additionally, BPM strategies often call for a set of business-level services as a foundation.

A current article in *CIO* magazine, authored by Mark Cooper and Paul Patterson of The Athens Group, places the average cost of a BPM project between \$250,000 and \$500,000. The authors also call attention to a variety of hidden costs including licensing fees for development/test environments, the purchase of application and database servers, internal staffing costs, and training expenses.

However, your company can choose to implement only the business-level services, rather than the entire BPM system, as a temporary measure. These services can then be used by your existing integration software, as well as your current applications (homegrown or packaged), portals and dashboards, business intelligence and reporting environments, and other technologies, without a substantial investment in BPM suites. This approach will not only provide dramatic efficiency and agility gains today, it will also accelerate your BPM implementation down the road, when the economy is better and the funds needed to support a BPM initiative are more readily available.

iWay Software: Today's Most Robust, Cost-Effective Integration Solutions

iWay Software offers a complete suite of state-of-the-art integration solutions that are designed to empower your company with the tools it needs to reduce costs and improve operational efficiency by linking together disparate information sources and streamlining and enhancing mission-critical business activities.

iWay Solutions are ideal for companies of all types and sizes, as well as projects of virtually any scope, because they allow for fast, simple integration, while laying the foundation for the successful and economical completion of larger, enterprise-scale initiatives in the future.

iWay's suite of integration solutions includes:

Comprehensive, End-to-End Business Process Automation

The iWay business process automation (BPA) suite is a robust platform that delivers end-to-end automation of key processes and workflows across your enterprise, improving both operational efficiency and profitability by streamlining, coordinating, and accelerating core business activities. At the same time, it eliminates the risks associated with piecing together BPA solutions using multiple tools from different vendors.

Complete, High-Performance B2B Integration

Your company can dramatically improve the way it conducts transactions with its suppliers, customers, and other partners, as well as those that span external exchanges, with the iWay business-to-business (B2B) suite. This robust, flexible B2B and managed file transfer (MFT) gateway is open, flexible, and highly secure, providing full support for all types of B2B and MFT transactions, or any type of event (low- and medium-latency activities, full transactions, portions of transactions, event-driven batches, callable or scheduled events, etc.), with complete adherence to ebXML, AS1, AS2, AS3, SOAP, REST, and other important standards.

True, Enterprise-Wide Information Management

Real-time management of any information from anywhere across your entire enterprise is easy and cost-effective with the iWay enterprise information management (EIM) suite. Regardless of where your data resides, whether it's in structured or unstructured format, the iWay EIM suite can seamlessly integrate it, enrich and enhance its quality, and make it accessible – in real-time – to all users.

The iWay Integration Server

This secure, high-performance enterprise service bus (ESB) server provides a broad array of tools that enable the rapid assembly of both simple and sophisticated integrations, including A2A and B2B integrations, from pre-built components. No complex code to write, no custom solutions to maintain. Just powerful and seamless integration that effectively serves as the backbone of any

SOA or event driven architecture (EDA). So, your organization can leverage its technology assets to achieve its most important goals, while realizing accelerated return on investment, and the lowest possible total cost of ownership.

The iWay Universal Adapter Suite

Our universal adapter suite is a patented, market-leading portfolio of pre-packed adapters that quickly and seamlessly connect virtually any set of information assets. This comprehensive suite provides adapters to address virtually any data integration need, while eliminating the need for hand coding and shielding your developers from the underlying complexities that exist in both out-of-the-box solutions and proprietary systems.

iWay adapters can rapidly and economically bring together:

- Packaged applications such as ERP, CRM, help desk, sales force automation, and other systems
- Mainframe and legacy data, applications, and transactions
- Data warehouses, data marts, and operational data stores
- Unstructured content such as documents, files, and e-mail messages
- Messages and transactions, including EDI formats, HL7, SWIFT, FIX, and ACORD

Pre-Built Components to Maximize Integration Speed and Cost-Effectiveness

iWay Software empowers you to build B2B, B2A, and B2B2A integration scenarios in the fastest and most economical way possible by providing a wide array of pre-built integration components. These robust components enable rapid, intuitive integration assembly via a set of user-friendly graphical design tools, and allow for quick deployment to a run-time execution engine on any standalone environment supporting JVM, or any Web application server.

As a result, you can connect information assets from across and beyond your enterprise, and streamline and enhance critical processes and transactions both inside and outside your company, rapidly and inexpensively, with absolutely no complex, cumbersome, and costly code writing required.

Using Your New Integration Infrastructure to Prosper When the Economy Rebounds

Your new integration environment will not only keep you afloat while the economy is bad, it will also lay the foundation for growth and prosperity when things begin to improve. For example, integration software can help you:

Acquire Your Competitors

Tough times will separate the strong companies from the weak ones, leaving some businesses vulnerable to takeovers, while positioning others to become dominant market players. Through effective use of integration technologies, you can keep your organization sound and solid, setting yourself up to buy those competitors – at a bargain price – who didn't survive the recession. Once the acquisition is complete, you'll need to seamlessly tie together the disparate systems from both organizations – a task that can be accomplished swiftly and cost-efficiently with the integration software you've already implemented.

Turn Quick Fixes Into an Infrastructure for Growth

The integration scenarios highlighted in this paper may be considered by many to be quick fixes. However, the term "quick fix" does not necessarily apply here. Implementing an integration software package like iWay is far more than just "bandaging a wound." In fact, the majority of successful integration projects begin as finely-grained transactions, and evolve to become higher level processes.

Addressing smaller scale, immediate needs in ways that avoid proprietary technologies, and ensuring that interfaces are designed using simple terms that are easy for business users to understand will make it easy for you to incorporate your existing solutions – without the need to "rip and replace" – into new projects when budgets are back on the upswing.

Conclusion

Many companies view integration as a series of big, messy projects that require extensive resources and multiple tools from a variety of different vendors. However, through small, strategically planned, tightly-scoped projects, your business can achieve immediate benefits and create demonstrable short-term value – particularly during periods of financial crisis – while preparing for continued prosperity through growth and expansion in the future.

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