

The Benefits of Packaged Integration Applications

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Over the past decade, companies all over the world were busy implementing enterprise software applications to manage and automate business processes. These days, the very same corporations are hard at work to ensure they actually get value out of the massive investments they made in their software assets. Since many business processes tend to rely on data and logic that span multiple information systems, integration is essential to the success of critical corporate initiatives and a key to unlocking the value of the investment in enterprise software applications.

It is no wonder, then, that integration is consistently at the top of the CIO's priority list. Companies are investing huge sums of money into custom development projects that attempt to tie these disparate systems together. As "one off" projects carried out by internal IT departments or external consultants, they carry an inherent risk of budget and schedule overruns. Which begs the question: now that companies have standardized on a discrete set of enterprise software applications to run their businesses, could the integration of these systems also be "packaged?" Here is the view of the Gartner Group:

"Packaged processes will be most relevant for complex but commonplace processes where there are numerous interactions between multiple touch points of disparate applications, but no business advantage to having a differentiated business process. In such cases, custom development would be unnecessarily expensive and time-consuming. The "sweet spot" for packaged processes will be integrating packaged applications for widely used but routine processes, where many different enterprises use – and even link – the same commonly occurring processes." [Gartner, 10/14/03]

So what are packaged integration applications and how can they benefit your organization? Let's start with a definition: packaged integration applications consist of pre-configured, cross-system data mappings and business processes running on top of a commercial integration system.

Packaged Integration Applications vs. Custom Integration

The alternative to packaged integration applications is the traditional approach of custom integration. Custom integration has its advantages, because it enables companies to tune integration between systems to very industry- and company-specific requirements. However, custom integration development does not come cheaply.

The most concerning issue related to the cost of maintaining a custom-built integration is the difficulty in accurately predicting these costs. System design requirements are rarely captured accurately and completely up front. That leads to the inevitable feature creep during development and requests for ongoing enhancements. To compound the problem, the integrated applications each have their own upgrade schedules, which may require adjustments in integration code – especially when the integration is done as a one-off.

Packaged Integration Applications in an EPM Environment

Companies implement Enterprise Project Management (EPM) processes to maximize the value of their investments in large scale projects, such as construction, IT systems development or professional service engagements. Managing projects on an enterprise scale requires collaboration and visibility among different organizational disciplines with different user needs and drivers. Project managers use project management systems (MS Project, Primavera, etc.) to help them see the road ahead, and ask questions such as "are my resources in place?," "are we on time?," "are we on budget?" Controllers of the organization, on the other hand, use ERP systems (SAP, etc.) to ask rearview questions such as "how did we do on the budget?," "did we control our costs?," "why weren't we in control?"

Since project managers are often looking forward and planning needs, and controllers are looking backwards and assessing results, they look at data differently and they make decisions separate from each other, based on data locked within each system. By bridging the gaps that exists between the schedulers, controllers and their systems, more efficient and effective decisions can be made for the overall organization. Integrating the ERP and scheduling systems plays a central role in presenting all parties with "the same accurate and validated system-wide view" of data and provides decision makers with the confidence they need to ensure their actions are based on credible information. Timely credible information turns into actionable information.

Packaged integration applications can encapsulate these differences; bridge the system, data, and culture gaps between these diverse users into a composite packaged process that spans ERP and Project Management products. Such tight packaging of the application enables quick and cost-effective integration of project management systems to those backbone systems such as SAP. Whether it's the management of IT, construction, plan maintenance, or any other type of project, organizations are increasingly looking to improve project coordination, optimize the use of resources and availability of materials, and tighten financial controls.

Custom integration of business applications is a complex endeavor. Various reports indicate that only a small percentage of custom development projects ever end successfully, while most either fail entirely or never reach the goals they were out to achieve. With such disappointing returns, it is no wonder that customers and a nascent group of vendors are opting towards packaged integration applications over the do-it-yourself approach.

The key benefits that can be realized from utilizing packaged integration applications are as follows.

1. Speed deployment through the use of out-of-the-box best practices

Organizations are under intense pressure to deliver projects on time, within budget and in full regulatory and financial compliance. This is the same whether deploying enterprise applications or integrating these same applications.

Packaged integration applications allow organizations to leverage proven, repeatable integration best practices to quickly and cost-effectively integrate enterprise applications. These integration applications are not “one-system-fits-all,” but rather tailored to specific markets and the enterprise applications they use. By leveraging the pre-configured data mappings and business processes that integration applications provide out-of-the-box, organizations can more quickly and efficiently deliver an integration solution that meets their requirements.

2. Maximize productivity by keeping users in their natural environments

Organizations maintain a number of different enterprise applications because they each have their own core competencies. The applications’ users rely on these applications to meet their unique requirements. This is why organizations choose to maximize their investments in these applications through integration rather than trying to replace them with inferior, all-in-one applications.

Packaged integration applications bridge these systems, allowing for each stakeholder to work within their preferred environment. The resulting synchronized computing environment works from one version of information “truth” and allow each user to do their job without needing to learn new systems or skills.

3. Reduce costs and improve accuracy through data synchronization

In situations where different applications need to maintain redundant or overlapping data, it is not uncommon to find complicated manual processes to keep these systems in synch. This sort of duplicate data entry can be time consuming, costly and error prone. Packaged integration applications reduce the ongoing costs associated with these manual processes. And by synchronizing data across systems, organizations can be assured that their systems are in tune and producing:

- **Credible Information:** Delivering information on time enables all parties to trust the output both operationally and financially, in either system
- **Accurate Information:** Keeping mishaps under control in both financial and operational systems prevents reliability, regulatory, and other compliance issues
- **Actionable Information:** Receiving information in the proper format in a timely manner can enable companies to make smarter business decisions

4. Minimize TCO with a supported, commercially available software product

When determining the best alternative to application integration, organizations need to evaluate the projected Total Cost of Ownership (TCO). This is especially important when comparing custom integration with a packaged integration application.

Custom integration may offer a short term cost benefit if the project scope is minimized and the organization has the in-house skills to perform the work. However, if the resources don’t exist internally, then companies must rely on expensive consulting and professional services. Furthermore, whenever an organization wants to enhance the integration, or needs to tune the integration to accommodate the upgrade of one of the integrated

applications, they will need to turn to those same consultants or the in-house team for updates. This will increase costs significantly over time.

Packaged integration application vendors, on the other hand, offer a commercially available and supported software product. These products are enhanced over time to meet the evolving requirements of its customer base. Companies that invest in an integration application won't experience the same excessive ongoing development costs, resulting ultimately in a lower TCO.

Packaged Integration Applications - Summary

Packaged integration applications are a new solution to an old problem. Enabling the flexible, efficient data synchronization between enterprise applications can help organizations make the most of their existing IT assets while minimizing the reliance on expensive custom integration services. A packaged solution to a critical pain point requires less people, less time, less money and produces better credible, accurate, actionable information.