

After the Spending Spree: Putting Integration to Work

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Matching Promise with Reality

Economists say that corporate investments in information technology (IT) drove the giddy bull market of the past ten years. If so, it may be time for a case of buyer's remorse—and time for a hard-headed look at what new investments can cure the spending spree hangover.

At the heart of the problem is the tangle known as the corporate IT department. For lack of a more precise term, “corporate IT department” is the label of choice for the mishmash of systems, applications, and hardware infrastructure that features under the hood of the typical enterprise. Little wonder, then, that analysts groups from Gartner¹ to Morgan Stanley² view integration, both within and beyond a company, as one of the top priorities for CIOs today.

More than just a top priority, integration is a prerequisite for realizing the value of each individual IT investment. Accurate business decisions and competitive advantage rely on gaining a single view of the data that comprises the lifeblood of an enterprise.

Federalizing the Enterprise

Committing to an integration project is just the beginning. Without proper planning and dedicated resources, an integration project can quickly turn into a spending quagmire. After all, an integration project by definition touches on several different departments, affects multitudes of human administrators, and fundamentally changes the nature of corporate IT. Done correctly, integration advances corporate IT from localized pockets of functionality to, ideally, a federated amalgam of robust, interlocking, and flexible systems.

¹ David McCoy writes in a July 6, 2001 Gartner Research Note, “Based on survey results from Gartner application integration theme conferences and our worldwide Symposiums, application integration is one of the top three challenges facing enterprises today.”

² According to the *Morgan Stanley CIO Survey* in May 2001, application integration ranks at the top of strategic software project priorities, above e-business, CRM, and SCM among others.

As a result, integration managers are beginning to realize the importance of approaching integration as an *enterprise-wide* initiative.³

“Enterprise-wide” in this context need not mean that all systems will standardize on a set buy-list of technology tools and platforms. After all, history has clearly shown the futility of imposing homogeneity. But if there is no consensus on hardware platforms, on operating systems, on network protocols, on programming languages, on document exchange formats, what’s a company to do?

As an important start, companies must shift their perception of integration from a discrete project-based task to one holistic, on-going responsibility. The best way to do this is to create a specific function designed to oversee integration across departments, akin to a “war room” with broad powers of coordination.

Rather than specifying particular hardware or software products to replace existing ones, this group would resolve the redundancies in code, data, and functions existing between those disparate systems. As new applications are added, this group ensures that the individual application project groups can properly plug into the integration infrastructure.

Dubbed an “integration competency center,” by Roy Schulte of Gartner Group⁴, this approach has several advantages:

First, an integration competency center **maintains the usefulness and integrity of existing systems**. Replacing every single system is a financially unfeasible option. And oftentimes, maverick systems in little-known departments own business-critical tasks. A deliberate and communicable integration design center makes it easier to fold in existing systems without an all-out IT overhaul.

Second, it **scales**. An integration competency center can normalize integration interfaces through the use of standards. So when one change is made, it flows through to all affected interfaces without the need for manual re-coding.

Third, it is **agile and extensible**. When a new system or trading partner comes online, it can immediately “plug in,” given a set of common and consistent standards from the integration competency center.

Making it Happen

According to Gartner Research, only 20 percent of companies have something resembling an in-house integration competency center. The reason behind the low percentage is not a lack of utility; rather, building an integration competency center is largely uncharted territory. What kind of

³ “Rather than doing one-off integrations project by project, smart firms will coordinate integration efforts across their enterprises—and save millions in the process.” Laura Koetzle, *Reducing Integration’s Cost*, Forrester Research, December 2001, p. 9.

⁴ Roy Schulte, *Juggling Multiple Integration Brokers: Get Used to It*, Gartner Research Note, August 7, 2001.

people are involved? What tools does it need? What's the framework for thinking about it?

Would-be builders can categorize the components of an integration competency center into two primary groups: people and tools.

The most important component is the people involved, divided into a core team and an auxiliary team. Core team members form the backbone of an integration competency center and include:

- A champion or sponsor
- An IT architect
- A team of mappers

Auxiliary team members, whose contributions are required as needed, include:

- Application managers
- An information architect
- Business analysts
- Developers and programmers

Having the right tools is critical as well. These tools include:

- A methodology
- Templates
- Canonical models
- Auto-modeling and auto-mapping
- Data formats and standards
- Repositories for an enterprise vocabulary, modeled concepts, and rules

Truly leveraging technology to achieve business goals remains a fast-moving target. Integration software available today provides the necessary communications between various systems in an enterprise, eliminating the point-to-point headache of years past. To reach the next stage of productivity, an integration competency center is essential to orchestrating how well an integration system runs—and how much value IT adds to the bottom line.

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