

Application Integration Becomes More Strategic for SMBs

Data in one application can be key to understanding the impact of data in another. Sharing information between various systems, including partners' systems, can improve small to midsize business processes.

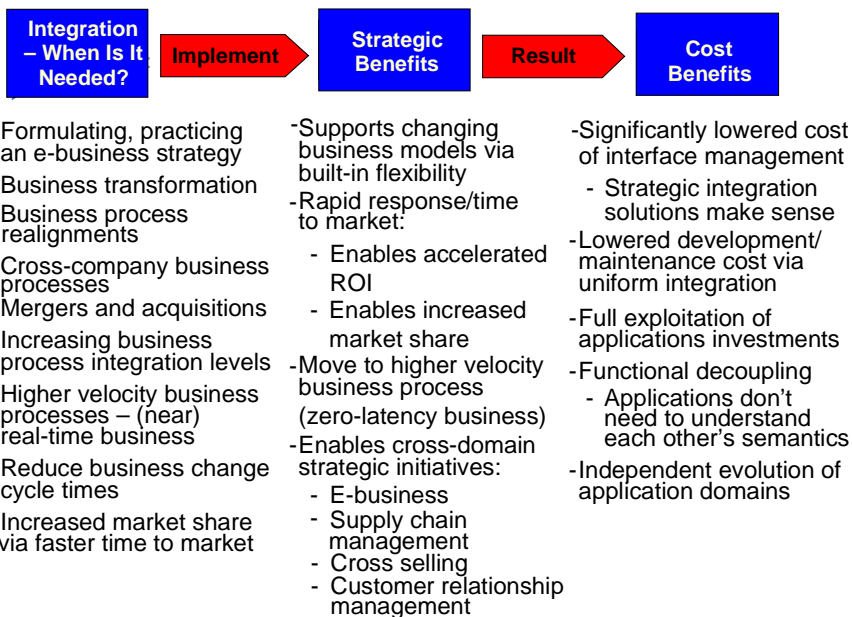
The focus on enhancing business processes to lower costs of operation and improve time to market has pushed many enterprises to seek new ways to share information between systems, internally and externally. For some small and midsize businesses (SMBs) this is a proactive exercise; for others it is a reaction to demands being put forth by channel masters and key customers. In both cases, the major stumbling block for SMBs has been the high cost of entry and complexity in the application integration and middleware (AIM) market. However, a market change is occurring, resulting in affordable AIM products and services for SMBs (see "AIM Vendors Start Their Attack on the SMB Market").

Integration Solutions Now Available for SMBs

Faced with new customer demands for information and the need for agility in automating business processes that extend across functional areas both within and outside the enterprise. SMBs have begun to evaluate integration solutions that address end-to-end business process automation rather than point-to-point, system-level interconnectivity. Properly selected and implemented integration solutions can deliver benefits that go beyond operational effectiveness to help sustain strategic advantage by eliminating unnecessary personnel costs, reducing errors because of manual activity, and continually refining the processes critical to maintaining a competitive edge (see Figure 1).

Figure 1

The Benefits of Strategic Integration



Source: Gartner Research

Integration solutions, once too complex and expensive to be within the reach of most SMBs, have recently become available, helping SMBs focus on integrating business processes. For example, multiple, affordable solutions for business-to-business (B2B) integration are now available for SMBs (see “How SMBs Should Approach B2B Integration “). SMBs can even consider the use of basic technologies, such as FTP, which has evolved into an acceptable solution for handling some B2B transactions — and, for SMBs, can offer an inexpensive, easily deployed entry-level alternative to more-expensive B2B implementations (see “FTP: A Business-to-Business Gateway for SMBs”).

Application Servers Front and Center

Application servers will become a key component in delivering on this objective. SMBs will be forced by their application vendors to explicitly purchase or implicitly adopt a recommended application server. By 2005, more than 70 percent of midsize businesses will have acquired application server technology, either stand-alone or embedded in operating systems, development tools, portals, packaged applications or other products (0.8 probability). Most application server vendors are expanding into application integration, which is driving application server products to adopt more integration capabilities. SMBs will need to manage this technology effectively and determine what is right for them (see “Can Application Servers Serve SMBs?”).

An Integration Byproduct: IT and Business Fusion

For SMBs, solutions that begin with the business process context, for example, that integrate, automate and manage processes, typically offer the greatest strategic benefits. This is because beyond the integration benefit, these solutions become the critical bridge between an enterprise’s business processes and the IT department. When using traditional, technology-oriented integration solutions, business analysts re-engineer and streamline business processes using their own modeling tools, before turning them into process specifications that go to IT to carry out required integration in a separate environment. This disconnect can — and often does — lead to miscommunication and frustration at the discrepancies between what a business says it needs and what IT ultimately delivers. Ideally, business analysts should do process modeling using the same software that IT uses to actually reconfigure or integrate a process. By enabling direct collaboration in IT planning, process development and integration,

and ultimately deployment, shared objectives are more easily met using minimal resources. Because the focus is on the process rather than technology level, modification and addition of new business processes and the integration required are more easily modeled and justified.

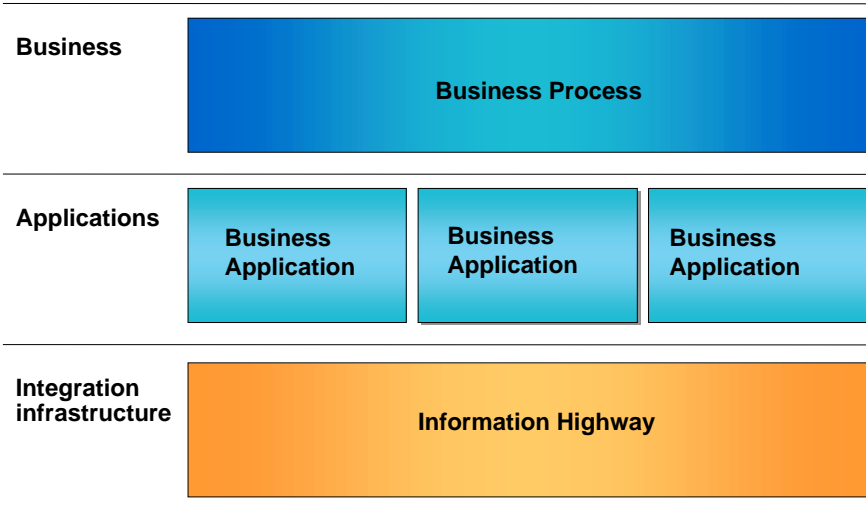
Business First

It is impossible for SMBs to predict what tomorrow’s new business integration requirements will be. Traditional point-to-point and technology-oriented approaches to integration, where deployed, have been expensive and complex to deploy and maintain.

Business process integration and management (BPI/M) is different from enterprise application integration (EAI) and other integration technologies. While most EAI solutions start with data integration, BPI/M starts with business rules. Business value is derived quickly because the focus is on automating business processes; the technology itself, while critical as an enabling function, is secondary to the objective (see Figure 2).

Figure 2

Business Process Integration



Source: Gartner Research

BPI/M solutions have traditionally been expensive and beyond the reach of SMBs. This is changing quickly, with large vendors such as IBM and smaller vendors such as Metaserver beginning to target midsize businesses with process-oriented integration solutions. These solutions, while not inexpensive, are finally within the reach of those businesses that need them the most. The ability to have a single comprehensive solution or suite of tools that enables integration to be described at the business process level not only makes the completed solutions more relevant and successful — it also ensures alignment with business strategy and easier justification of integration strategies (see “Guidelines for Evaluating Strategic Integration Solutions”).

Strategic Integration Will Require Some Help

Competitive pressures have raised the importance of integrating business processes and information systems. The speed of getting there can determine the overall success of the business. SMBs with a number of disparate systems needing to be integrated, continuously changing business requirements, and processes that need to communicate beyond the enterprise should be strategic in their integration approach.

However, SMBs don't have the luxury of putting other projects (that is, customer relationship management [CRM], external resource provider [ERP] and Internet security) on hold. SMBs have experienced numerous market opportunities in 2002 (that is, e-commerce and Web content management) to adopt core Web infrastructure at attractive and affordable prices. To take advantage of these opportunities, SMBs will need help managing the balance of new and old, internal and external, IT products and services needed to support the business processes required to keep the business running (see "Market Shifts Highlight a Need for SMB Strategic Sourcing").

Features

"AIM Vendors Start Their Attack on the SMB Market" — SMBs place unique demands on application AIM vendors. **By Joanne Correia**

"How SMBs Should Approach B2B Integration " — A range of options are open to businesses seeking the right B2B integration solution. **By Jess Thompson**

"FTP: A Business-to-Business Gateway for SMBs" — New technology has already resolved most of the concerns surrounding the use of FTP for B2B. **By Frank Kenney**

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"Guidelines for Evaluating Strategic Integration Solutions" — Business integration process and management solutions are now affordable to a growing number of midsize businesses. **By Robert Anderson and James Browning**

"Market Shifts Highlight a Need for SMB Strategic Sourcing" — SMBs need to rethink their approach to sourcing of IT services. **By Claudio Da Rold and Robert Anderson**