WHITE PAPER

THE BENEFITS OF AN INTEGRATION STRATEGY

iCORE

Turning data into profit

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Summary

At iCore, we have more than 20 years of experience of designing integration solutions. We believe that most companies can benefit greatly from a **well-defined integration strategy** with the long term objective of realizing a **Service Oriented Architecture** (or SOA[1]). If done right, this approach lets you:

- Increase access to information.

- Streamline information flows.

- Improve business agility.

- Facilitate mergers and acquisitions.

- Increase collaboration with business partners.

- Reduce time-to-market.

- Optimize IT resources and reduce costs.

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[1] For more information, see *iCore Solutions, White Paper : SOA − The iCore Way*

The benefits of an integration strategy

A well-defined integration strategy, combined with SOA and the right integration tools can do many great things for your business.

Increase access to information

Integration promotes information sharing in an enterprise – between applications as well as between departments and subsidiaries. For enterprises that want to move fast and react quickly on new market demands, effective information sharing is essential.

Both small and large companies usually have a number of applications/systems that hold important data. For example, financial data could be kept in one system, while inventory data is stored in another. To be able to use data in an efficient way, you must have access to it right when you need it – you shouldn't have to ask a co-worker at another department to send it to you. With integrated applications, data is accessible directly. You can also implement real-time solutions, useful for example in customer service functions where information needs to be available instantly.

Streamline information flows

Creating well-defined information flows based on business processes between applications, systems and departments reduces the risk of errors and is more environmentally friendly than procedures built on passing around paper-based business documents.

Improve business agility

In today's business climate, flexibility and adaptability are key characteristics of a successful enterprise. An integrated IT environment, combined with the right tools and infrastructure, can help you reach those goals. Using SOA enables you to build and deploy IT systems that directly serve the goals of your business – the idea is to let the IT systems adapt to the business needs instead of the other way around.

Facilitate mergers and acquisitions

With mergers and acquisitions, enterprises often end up running several different systems for the same business process. A new affiliate may, for example, run a completely different ERP system than the parent company. One solution is to make everyone follow a company standard, but changing systems is a complex and expensive procedure.

In an integration scenario, affiliates keep using their old legacy systems, but still provide the parent company with the required data – with or without implementing company standard applications as the application integration can be done locally as well as centrally.

Increase collaboration with business partners

An integration strategy promotes collaboration with business partners. Today, however, B2B integration is not always a choice as many major customers demand automated business communication via EDIFACT or XML standard messages.

Integrated and automated business communication gives you access to tools that are easily adaptable to new demands, which lets you stay ahead of your competitors by quickly adapting to the needs of your business partners. The integration process for business partners is best done gradually. For example, start by automating the communication with one or a few partners (preferably only for a limited number of business processes, for example ordering and invoicing). When you're ready, you can add more partners and processes. This continued partner integration will usually come at a lower cost and be a much faster process since a lot of the work from the first partner integration can be re-used.

Integration can also make it easier to conform to industry standards, without changing your present mode of communication or IT infrastructure. Your business partners can decide which standards to follow; the translation to and from your in-house system will be done automatically.

Another way to promote collaboration, internal as well as external, is by providing web interfaces to legacy systems. This may be done by service-enabled access, for example via Web services.

Reduce time-to-market

Time-to-market describes the amount of time required to go from first idea, through design and development, to delivery to the market. Time-to-market is a central concept for most enterprises producing products and services.

A lean and efficient time-to-market process is cost-effective and provides a competitive edge. But how do you achieve this?

By automating and integrating your IT environment, lead times can be shortened significantly. If done in a structured way using a competent integration tool, integration not only means letting different systems communicate, but also joining business processes within the organization. For example, information obtained in After Sales and Customer Relationship Management processes can be directly linked to Planning and Design. This "joint venture" will enable you to move quickly to address changing market needs.

Optimize IT resources and reduce costs

A typical modern enterprise allocates most of its IT investments vertically in the organization. Every department, (for example economy/finance, sales & marketing, production, purchase, logistics, etc.) has its own IT budget. However, once an application has been installed, the IT department ends up being responsible for maintenance and administration. Consequently, the budget for application maintenance and administration falls on the IT department.

By adopting an integration perspective, you will optimize the resources and coordinate your IT projects in a better way – meaning horizontally and cross-vertically. This reduces the workload and unnecessary administration costs that usually land on the desks in the IT department. It will also result in faster, more cost-effective and more secure business processes – in-house as well as towards customers and partners.

A horizontal perspective leads to better profitability and an IT environment in line with the business processes of the organization. Integrating your IT systems is the natural step towards a horizontal approach. It is also the first step towards a Service Oriented Architecture!

Integrating your legacy applications lets you use them more effectively and also increases their life span. You will be able to "squeeze" even more out of a previous IT investment. Your applications are likely to have important and useful functionality, but to make the most of an application, you need to make it work together with other applications – seamlessly and automatically.

Another positive effect of a well-planned integration strategy is the possibility to reuse applications, functions or procedures which can reduce the total cost of ownership of your IT systems.