The Future Of Business Interoperability

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Major source of business pain: IT responsiveness

- Business is facing:
  - Global business models and competition
  - Rapid innovation and fast-changing industries
  - Regulatory compliance challenges
  - Increasing cost pressure

- IT’s response:
  - Slow delivery times
  - High maintenance costs
  - Brittle solutions

But SOA is the answer, right?

<table>
<thead>
<tr>
<th>Company size</th>
<th>Not using SOA</th>
<th>Not planning to use SOA</th>
<th>Will pursue within 12 months</th>
<th>Use selectively, without a clear strategy</th>
<th>Have an enterprise-level strategy and commitment for SOA</th>
</tr>
</thead>
<tbody>
<tr>
<td>0,000 to 1,999</td>
<td>50%</td>
<td>12%</td>
<td>12%</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>2,000 to 9,999</td>
<td>16%</td>
<td>12%</td>
<td>10%</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>10,000 or more</td>
<td>38%</td>
<td>16%</td>
<td>21%</td>
<td>25%</td>
<td>14%</td>
</tr>
</tbody>
</table>

The majority are using SOA

They are quite happy and doing more SOA

They look for it to have a big impact
Shift to digital: How much IT is in your toothpaste?

Physical world

100% physical world stuff

RFID
Data warehouses
Supply chain mgt
Scanners
Inventory systems
Accounting systems

Digital world

Total economic value

1950s
2000s

Digital technology covers the business landscape

Business depends on technology

President & CEO

Business is embodied in technology

Marketing
Sales
R&D
People
Production
Legal

Americas
EMEA
Rest of world
Onshore
Offshore
Outsourced
Future structure of IT: Digital Business Architecture

10 stories, built 1884–85, Chicago Home Insurance Company Building
Source: Encyclopædia Britannica
http://www.britannica.com/eb/article-9043525

16 stories, built 1889–91, Chicago Monadnock Building (north half)
http://en.wikipedia.org/wiki/Monadnock_Building
Traditional solution delivery = frozen processes

1. Business specs a system
2. IT hardcodes
3. Process gets frozen
4. Company becomes unadaptable

Digital business delivery = flexibility for change

1. Business & IT design a process
2. Business design encoded as metadata
3. Metadata drives technology
4. Making company adaptable

Actively embody your business in your technology
Business Metadata Core: Architectural center

Standards play: Policy, business models, metadata integration

BUSINESS METADATA CORE

- Process definitions
- Security policy
- Metadata repositories
- SOA
  - Service policy, monitoring, etc.
- Data privacy & security
- Organizational structure

Business Services = your business in the digital world

Standards play: SOA, policy, packaging, versioning

Digital world
SOA

Service delivery network

- Product inquiry
- Reserve inventory
- Schedule shipment
- Create customer order
- Schedule production
- Create supplier order

Services can initiate digital processes

Composite services and data

ERP
Custom apps
Rules engines
CRM
Vertical apps
SCM
Data grids
Pervasive Interactions connect digital to physical

Standards play: UI specs, full process, interaction integration

Pervasive Interactions

- Digital home
  - Movie night process
    - Interactive TV
    - Home content mgmt.
    - Calendar
    - Pizza
- Complex sales
  - RFP process
    - Collaboration
    - Word processing
    - Content mgmt.
    - Mobile devices
- Medical delivery
  - Proactive care process
    - Medical device
    - Voice interface
    - Content mgmt.
    - Online charts
- Distribution
  - End-to-end SCM process
    - Point of sale
    - Web services
    - RFID
    - Robots

Unified Communications

Business Services

Unified Communications as “just another application”

Standards play: Policy, collab services, channel integration

Pervasive Interactions

- Voice + app collaboration
- Presence-based notification
- Critical event capture
- Video sensor event
- Security
- Enterprise content
- Core apps
- Collaboration
- VoIP

Presence Location Context Policy
Organic IT: Raise management to the business level

Standards play: Policy-process-resource ties, config mgt

Order entry process
Supply chain process
Firewall
Digital business processes
Digital business services
Application server
Linux
Windows
Storage
Server alarm sets off business alarm
Automated management performs auto-recovery
Smart resources for auto-config
Virtualized resources are flexible and configurable

The virtual firm: True business interoperability

Interconnected collaboration networks
Unified cross-boundary processes
Unified Communications
Pervasive Interactions
Business Metadata Core
Business Services
IT Infrastructure
Integrated business services
Standards agenda for business interoperability

*Standards for business embodied in the digital world*

- Business metamodels and metadata integration
- Comprehensive, cross-boundary process specifications
- Specific policy types
- Deep configuration management and packaging
- Interaction specification and integration
- Collaboration and unified communications

Related Forrester reports

- “Survey Data Says: The Time For SOA Is Now” April 14, 2006, Trends
- “How Composite Apps Will Change Enterprise Application Development” July 20, 2005 Trends
- “Market Update: SLM/BSM Technologies” November 9, 2004, Market Overview
- “Unified Synchronized Communications Arrives” February 24, 2004,
Thank you

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Supplementary material
The mental model shifts of Digital Business Architecture

<table>
<thead>
<tr>
<th>Overall</th>
<th>From: First design your business, then design systems to support it</th>
<th>To: Concurrently design your business and the systems that embody it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business applications</td>
<td>From: Write application code to serve dedicated business functions</td>
<td>To: Create digital business capabilities ready to deliver in a digital world</td>
</tr>
<tr>
<td>User interfaces &amp; sensors</td>
<td>From: Design a user interface for a business function</td>
<td>To: Optimize physical world process endpoints as you connect your digital business to users &amp; devices</td>
</tr>
<tr>
<td>Communications &amp; collaboration</td>
<td>From: Find the right network on which to deliver a message</td>
<td>To: Do multi-channel, cross-channel collaboration on a unified network</td>
</tr>
<tr>
<td>IT infrastructure</td>
<td>From: Install my application on a server</td>
<td>To: Allocate resources to my business process</td>
</tr>
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What do you do about Digital Business Architecture?

<table>
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<tr>
<th>STOP</th>
<th>START</th>
</tr>
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<tr>
<td>STOP writing requirements documents for IT.</td>
<td>START joint business-IT analysis of business problems.</td>
</tr>
<tr>
<td>STOP delivering applications for targeted functions.</td>
<td>START building process-ready digital business capabilities.</td>
</tr>
<tr>
<td>STOP designing user interface screens.</td>
<td>START optimizing business process endpoints.</td>
</tr>
<tr>
<td>STOP using architecture merely for cost-saving standardization.</td>
<td>START using architecture for strategic business flexibility.</td>
</tr>
<tr>
<td>STOP treating business and IT as two different worlds.</td>
<td>START cross-boundary process governance, including IT.</td>
</tr>
</tbody>
</table>