

February 21, 2003

# Costs and Organizational Issues Challenge Integration Solutions Implementation

*Henry Peyret*

## Catalyst

Client conferences

## Question

What are the major challenges surrounding integration solution implementation?

## Answer

Giga's recent roundtable event in France revealed that beyond the difficulty of choosing the solution itself (due to the complexity and diversity of integration requirements and the unstable integration solutions market), two points continue to cause pain for most companies implementing integration solutions: costs and organization. This Giga event, held in October 2002 in France, was attended by technical personnel and IT buyers from six of the biggest companies in France. Even if they do not represent a statistically accurate, worldwide view of integration issues, these testimonials do reflect Giga's previous positions concerning the most problematic areas of integration projects.

Costs related to integration solution implementation cause problems in the following instances:

- Adapter license costs can represent up to 60 percent of integration project costs in some large companies. These costs are often underestimated during the selection stage. One of the challenges for IT is predicting the eventual deployment costs for this technology, particularly when the IT shop owns a lot of packaged applications disseminated along a number of independent entities or subsidiaries. This also depends a great deal on the outcome of other strategies, for example, server consolidation. To negotiate effectively, buyers should be aware of the technical constraints of the deployment. For example, understand the future possible deployment capability, including how many instances and versions of a packaged application will be connected through this adapter, and associated costs.
- Justifying the project's return on investment (ROI), particularly for the first project, remains difficult in these budget-constrained times. In the past, major projects such as customer relationship management (CRM) paid for themselves on the first deployment. In this economy, it is difficult to justify the initial cost to assemble the infrastructure needed to complete projects. Giga recommends using its Total Economic Impact™ (TEI) methodology to justify using an integration product for a series of interfaces and contrasting this to the cost of a series of point-to-point solutions for each individual interface (see IdeaByte, [Using TEI to Justify Enterprise Application Integration](#), Henry Peyret, and IdeaByte, [Factors Increasing Costs Savings of EAI Implementation](#), Henry Peyret).
- IT is often perceived to be imposing its preferred integration solution and preventing projects from obtaining their rapid time-to-market objectives. Sometimes the business units are correct in this perception, but if the enterprise application integration (EAI) team (or "integration team") is pragmatic, meaning it accepts that project-specific integration solutions could complete the existing and already standardized solutions for some not well covered integration requirements, it will be seen instead as a positive force by the business units. And finally, if this tactical choice is really solving issues not previously solved by already standardized solutions, this can become

standardized.

- Due to concern about costs, some customers are asking for new types of contracts that emphasize partnerships (which account for competency transfers, use of methodology, and ROI calculation (which requires caution)) with vendors. Customers should look for the most flexible and inventive vendors in this arena. To ease financial justification, customers are also increasingly looking for open source solutions. However, due to the lack of maturity of these solutions, this approach requires investment — the company must participate in development or testing phases and find the right integrator (see IdeaByte, [Open Source Software Integration Solutions Are on the Rise](#), Henry Peyret).

Organizational issues related to integration solution implementation cause problems in the following instances:

- Probably the most efficient way to rapidly capitalize on internal knowledge about integration solutions would be to create a dedicated integration team. The members of the team would help projects to develop, deploy, maintain and in some cases operate interfaces. However, decentralized IT organizations (based on IT organizations separated by business unit, or in companies that are geographically split) often preclude the creation of this integration team covering several integration solutions and not only EAI (see IdeaByte, [How Enterprise Application Integration Impacts IT](#), Henry Peyret). Despite efforts by several vendors to enhance operation capabilities in their products (single management console, performance measurement, etc.), the cost of operating integration solutions remains high. Consequently, some customers will also use an integration team as an operational team for two to three years, giving the team time to learn how to operate integration solutions.
- Finding the right people and skills to build the integration team remains difficult. The staff must be able to evangelize to project teams and at the same time be willing to accept that standardized technologies will not fit in every instance. Another difficulty when building the integration team is to find functional or business analysts able to have a horizontal view of processes, and operational people able to inject good operational integration practices in projects.
- Finding business owner(s) remains a challenge for EAI deployment. In some cases, business units continue to keep IT out of their projects — but the integration part of projects does not belong to business units. Be careful that if politics forces the use of non-intrusive technologies (data intermediary files, for example), this prevents companies from obtaining a single view of end-to-end processes and data (see IdeaByte, [Improving CRM: Move From Line-of-Business Data Silos to a Customer-Centric Data Organization](#), Richard Peynot). When a business owner is identified, most of them do not see the need — or for political reasons lack the courage — to apply a change management program affecting all organizational silos crossed by horizontal end-to-end processes. If you are changing processes, change management is essential to make integration successful, whatever technology supports those changes.
- Integration projects often reveal other IT issues, such as single ownership of enterprise data storage (ODS) for customers, products, etc. (see IdeaByte, [Finding Leadership for Customer Data Integration](#), Richard Peynot) or the lack of a single enterprisewide view on metadata definitions (canonical forms of some central data).

Those beginning an integration solution implementation should be aware that ROI can be achieved if organizational issues are attended to. Using change management techniques to accompany integration solutions projects is, without doubt, a good practice. And, more generally, remember to refer to Giga's the best practices for integration implementation in the following research:

Planning Assumption, [Overcoming the Challenges of Business Process Integration](#), Ken Vollmer

IdeaByte, [Best Practices for Business Process Integration Projects](#), Ken Vollmer

IdeaByte, [Integration Decisions: Dealing With the Non-Technical Complexity of B2B Integration](#), Ken Vollmer

IdeaByte, [Top 10 Best Practices for EAI Implementation](#), Henry Peyret

IdeaByte, [Justifying the 2003 IT Budget: Integration Solutions](#), Ken Vollmer