

Five Principles for Integrating Software as a Service Applications



Table of Contents

- 4 | Integrate Quickly
- 5 | Ensure Real-Time Data
- 5 | Control Costs
- 6 | Integrate More and Faster
- 7 | Build Mature Integration Capabilities
- 7 | Summary

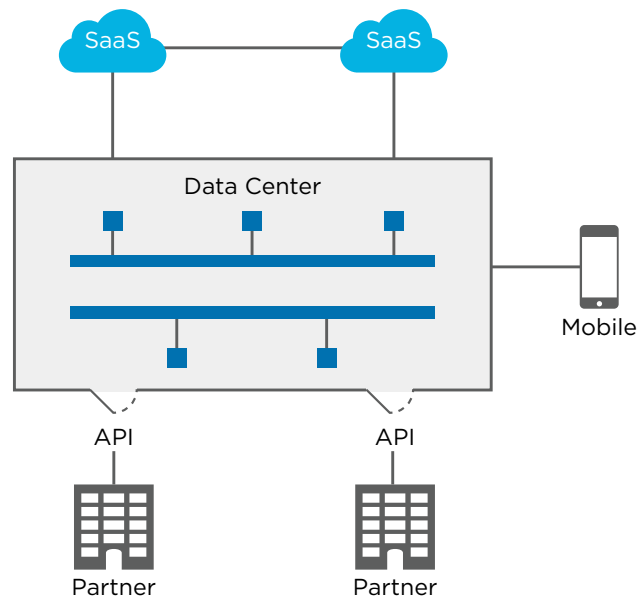
Five Principles for Integrating Software as a Service Applications

New Integration Use Cases: Get Ready to Grow Up and Out

- Business leaders are driving the adoption of SaaS applications to provide new capabilities or replace existing ones.
- IT teams are hosting custom and standard applications via platform as a service (PaaS) to minimize overhead expenses.
- Suppliers and partners increasingly use standard application programming interface (APIs) to expose the information they manage, making it easier to engage and do business with them.
- Customers, employees, and partners are using mobile devices to connect with your business through multiple channels.

According to Forrester, businesses will use an average 9.6 software-as-a-service applications by the end of 2013. Clearly your integration needs are changing. SaaS applications, as well as mobile traffic, social networks, suppliers, partners, and customer channels are new integration points that will need to be captured in your business processes.

This paper presents five principles for successful hybrid integrations.



Hybrid integrations can involve on-premise, cloud, and mobile applications, channel services, and others.

Principle #1: Integrate Quickly

Business leaders are adopting SaaS applications because the functionalities provided are immediately available, and the learning curve is usually quite short. However, users need relevant data before they can get full value from the software, and any event captured in the application has to be reflected in other systems.

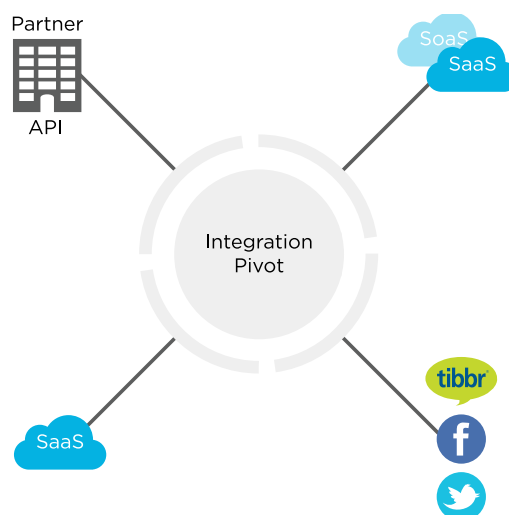
Integrate SaaS applications with your processes or risk poor adoption by business users. Or possibly worse than poor adoption, users making slap-dash attempts at productivity by, for example, exporting data from other systems, storing it in spreadsheets, and importing it to the SaaS application. These actions create a security concern, may inject duplicate data, or may inject data that does not reflect the current business context, resulting in diminished process efficiency.

The value of SaaS applications depends on a very short time to results. With SaaS, not only is the investment smaller than for traditional ERP implementations, the time it takes to get a return on investment can be measured in days. But to get good value from a SaaS application, your IT teams must ensure a quick integration. One very effective way to do this is with an integration platform.

An integration platform that provides packaged integrations for the standard interfaces exposed by SaaS applications makes for fast deployments. Instead of just simple connectivity, packaged integrations let you map your data to a common data model that applies throughout your entire business ecosystem. For example, a packaged integration can expose your customer and order data to a customer relationship management application. The information can be used by other applications as well. That cuts the effort spent on the next integration in half; you only need to integrate the application or configure the integration template.

In addition to time and cost savings, an integration platform becomes a pivot point that allows information to be provided to applications quickly. This information accessibility would be the case when new SaaS applications are deployed, and even when on-premise applications are retired.

Without an integration platform, you would need to complete each individual packaged integration or integrate the common data model with each existing on-premise application. These projects are more time-consuming and provide only incremental value.



Mature integration platforms can use templates for integrations. Templates provide faster, easier integrations and heightened flexibility, allowing applications to be swapped without affecting other integrations, data, or business processes.

Integration is...

...an Enabler, making it possible to:

- Share data among applications
- Streamline processes
- Increase organizational awareness
- Support decision-making

...a Differentiator, making it possible to:

- Deliver a better customer experience
- Commit to more aggressive service-level agreements (SLAs)
- Optimize supply chain or manufacturing processes
- And much more

Traditionally, the integration of on-premise applications supported these capabilities. The cloud broke the data center box – and now integrating SaaS, suppliers, partners, and customer channels is as important as ever.

Principle #2: Ensure Real-Time Data

Most SaaS applications today are systems of engagement that facilitate either customer interactions or employee interactions that show the state of the business. All interactions need to be propagated to other systems (on-premise or hosted) to achieve the expected goals: streamlining business processes, increasing organizational awareness, and providing information in support of decisions or compliance.

Synchronizing data irregularly will introduce a latency that could impact your customer relationships or decrease your efficiency. Without real-time data, your people and systems will not have the current business context. When process segments involve partners or suppliers, you especially need to integrate in real time because any delay on their side could have severe business impact, such as violating an important service-level agreement (SLA).

In addition to integrating SaaS applications for real-time data, social networks are a great source of information and customer interaction. They give you an opportunity to capture any good or bad feedback and react – but you need to react immediately, especially if you want to mitigate a negative remark.

For SaaS applications and social networks, just as with on-premise applications, you want systems to be able to publish business events and subscribe to events of interest. You want real-time data.

Principle #3: Control Costs

A major reason for adopting SaaS applications, as opposed to enhancing existing or building new ones, is cost. Instead of making a huge investment with a return expected in several years, SaaS applications allow a minimum upfront investment with costs determined by usage. This payment model greatly minimizes the risk of choosing SaaS applications. You can test them easily and terminate consumption immediately if they don't deliver. In case of success, your investment is incremental, determined by your needs.

When you integrate SaaS applications, which is necessary for them to deliver value, your teams must propose an integration method that preserves the SaaS cost advantage. If the integration involves new hardware and software, the expense and setup can wipe out the value you were hoping to attain.

Companies with mature integration capabilities can deploy integration infrastructure in the cloud at a cost aligned with SaaS adoption. Because the cloud lets you avoid infrastructure costs, it also makes sense to use it for your SaaS integration.

Principle #4: Integrate More and Faster

Should you plan to integrate a few applications that you won't expect to change or constantly integrate new ones? For the answer, look at the trends.

SaaS applications will offer broad palettes of functions that can be easily leveraged.

First, as mentioned at the beginning of this document, the trend is to use more SaaS applications; Forrester says the average number per company will be of 9.6 by the end of 2013. Second, SaaS suppliers tend to release new functionalities frequently, in some cases every few weeks. And third, SaaS offerings are getting broader, able to address different sized companies and specific business needs. Together, these trends indicate that SaaS applications will provide wide-ranging functionalities that will be easy to consume.

Because most SaaS functionalities are standard (not custom), differentiation will come from combining applications. Integration is certainly on the critical path here. If the trends hold, you will integrate more frequently to gain additional functionality for existing applications as well as to add new ones. Your team will support the evolution by switching functionalities from on-premise legacy applications to the cloud.

Integration becomes a matter of addressing hybrid systems. You need to work with standard APIs in the cloud, existing on-premise systems, and custom applications. The flexibility of your integration is critical because information must be shared in real time, whatever and wherever the source or destination. Common data models help. They let you add and retire systems easily with minimal impact on other integrations, data, and business processes.

Principle #5: Build Mature Integration Capabilities

SaaS adoption is not the only reason to reach for integration maturity. Your organization is probably made up of divisions or operations of various sizes and IT capabilities. Operations in emerging countries or new business territories, and highly distributed sites (retail networks, factories) have specific local needs, plus the need to comply with global business processes. These operations will want SaaS applications to enrich business functionalities, along with the ability to share information and participate in your corporate processes. But delivering these integrations cannot come at a cost that will negatively impact business performance. **Leveraging integration platform templates will help turn your entire organization into a flexible cloud where even small operations can easily and rapidly access your corporate business functionalities just as they would SaaS applications.**

Hosted Integrations as a Service

To prepare to support new integration use cases, TIBCO proposes TIBCO Cloud Bus™, an integration platform as a service. Cloud Bus provides subscription-based application integrations deployed with TIBCO speed and integration maturity. With Cloud Bus you can integrate SaaS applications with on-premise or other SaaS applications.

Cloud Bus' unique approach provides:

- Real-time connectivity so you can do business at the speed of your customers
- Ready-made integrations of your business data (customer, order) with popular applications (Salesforce.com, SAP) using a standard common data model
- Fast provisioning and deployment
- Freedom to locate your integration logic on-premise or in the cloud

To experience Cloud Bus, register for a 30-day evaluation at cloudbus.tibco.com.

Summary

Integration is becoming broader, encompassing hosted applications, new APIs, and new channels. By building integration maturity into your organization, you can secure the heightened flexibility and cost savings of pay-as-you-go integration as a service.

When you have the ability to integrate more, faster, and at a lower cost, integration becomes one of the major enablers for business innovation. It allows you to very rapidly assess any idea and determine if it will really provide value. If it will, you can scale it up and benefit from the jump on your competition. If it will not provide the value you seek, you'll have committed only a minimum budget and resources.

TIBCO Software Inc. (NASDAQ: TIBX) is a provider of infrastructure software for companies to use on-premise or as part of cloud computing environments. Whether it's efficient claims or trade processing, cross-selling products based on real-time customer behavior, or averting a crisis before it happens, TIBCO provides companies the two-second advantage® – the ability to capture the right information, at the right time and act on it preemptively for a competitive advantage. More than 4,000 customers worldwide rely on TIBCO to manage information, decisions, processes and applications in real time. Learn more at www.tibco.com.



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