

BOON OR BOONDOGGLE? IT INTEGRATION SOFTWARE SITS IN THE CROSSHAIRS OF THE ECONOMIC SLOWDOWN

JD EDWARDS WORLD AND ENTERPRISEONE USERS CAN FIND WELCOME RELIEF FROM RECESSIONARY PRESSURES IF THEY IMPLEMENT SOUND APPROACHES TO ACHIEVING INTEGRATED BUSINESS PROCESSES

By Regev Yativ, President and CEO, Magic Software Enterprises Americas

IT Departments Face Unprecedented Challenges

As businesses struggle to respond to increased demands brought on by the recession, they are being asked to do more with less. Nowhere do we see the impact of this more acutely than in the demands being placed on IT departments by business leaders scrambling to adjust business strategies, organizations, infrastructures and approaches.

Those responsible for administering applications inside of these businesses will be asked to report more frequently so that business leaders can adjust business strategy and rules. These adjustments in turn cause IT departments to make changes. Unfortunately, extensive customization and multiple overlapping dependencies between ERP systems and other applications can make the task of adjusting business processes complex. Quite often, these business rules are hard-coded in legacy programming languages like RPG that are difficult to change. And even when the business rules and application interface workflows are managed by a packaged middleware application, the middleware itself can be heavy, difficult and complex.

Traditional solutions from large vendors have proven to be too expensive, difficult to maintain and slow to respond to changing business requirements. For example, many trendy integration solutions of the past are highly dependent on Java programming. Unfortunately, Java programming projects require large teams of expensive programmers and are notoriously prone to failure. These failures are usually due to the fact that the business leaders who requested the changes to the middleware-managed business rules introduce completely new business requirements before even the first set of changes have been adopted. Trying to build a responsive and agile business infrastructure on such integration tools is nearly impossible.

New Solutions Open a Doorway to IT Responsiveness

For more than 20 years, Magic Software has been a leader in rapid development technologies. About seven years ago we began a massive research and development project to bring the power of rapid development techniques to the problem of application integration, business process management and human workflow systems. Fortunately, our long experience in rapid application techniques and our highly

developed cross-platform broker and server engine gave us a strong head start on the foundational technologies needed for such an effort. After more than a hundred years of combined research and development effort, we introduced the iBOLT Integration Suite in 2003. We then utilized the technologies within the iBOLT Integration Suite to bring forward the uniPaaS application platform.

With these new lower cost and highly responsive enterprise IT application platforms and integration middleware infrastructures, responding to the demands to "do more with less" is now possible. Budgets that had once been dedicated to paying the massive maintenance and support fees required for large vendor middleware and application servers, can now be utilized to both purchase, implement and maintain new application integration infrastructures. More importantly, second year savings go directly to the bottom line. In addition, the highly responsive nature of the iBOLT Integration Suite will contribute greatly to making the meetings in your organization between the CIO and the CFO fun again. Instead of excuses and negotiating, our customers report an atmosphere of collaboration and constant business improvement.

2009 Budgets Must Be Adjusted

Smart budget planning for 2009 will adjust to the current realities by acquiring what is needed by IT departments for more responsive delivery of IT services. Cautious approaches to implementing new technologies such as the uniPaaS application platform and iBOLT integration Suite have been proven to provide immediate ROI and lower TCO. Our technology is backed by highly experienced IT consultants familiar with how it can be applied to critical business needs. These consultants can quickly demonstrate how it is possible to dramatically reduce costs and significantly increase IT performance within the scope of one year.

Applying iBOLT to Real-World Business Problems

Some of you will be reading this and thinking, all of this is fine, but what exactly does an iBOLT Integration Suite do for a company using JD Edwards? To what sorts of business problems can it be applied? Typical business process integration scenarios that can be managed by iBOLT Special Edition for JD Edwards include:

- Transferring information between a third-party CRM system, such as SalesForce.com, and JD Edwards while orchestrating the flow of that information as part of an overall higher-level business process;
- Interfacing third-party billing systems with JD Edwards AP and GL modules;
- Provisioning for new JD Edwards and CRM users with automated integration to HR systems;
- Automating business processes and information exchange between JD Edwards and your company's eCommerce website;
- Managing JD Edwards business processes as they relate to third-party warehouse management systems (WMS);
- Providing JD Edwards visibility and interfaces to small package delivery, freight management and other logistics and shipping systems;
- Facilitating processes involving catalog management systems and third-party product configuration or custom quoting systems;
- Building processes that automate needed connections between JD Edwards and manufacturing or MRP systems;
- Integrating various payment processing scenarios including credit card processing systems;
- Extending the information reach between JD Edwards and third-party retail or point-of-sale systems;
- Connecting existing third-party call center management software with JD Edwards;
- Processing email and managing alerts, alarms and escalations connected to your custom business processes;
- Incorporating mobile, SMS, IM and various Web 2.0 related contact, activity and profile data in an automated fashion;
- Handling unanticipated new and changed business processes that span multiple business systems both in the Internet "cloud" and within the on-premise systems managed directly by your IT department.

The Consequences of Inaction are Enormous

Failure to make serious adjustments to the business process integration capabilities of your IT department could undermine the effectiveness of

the business itself. In a normal economy, business change occurs at a rapid pace. But with upward trending economic data, inefficiency may simply lead to flat results despite the opportunity being harvested by other competitors with more nimble approaches to adjusting business models and rules.

In a downward spiraling economy, these same inefficiencies can mean the difference between business survival and business failure. Smart business leaders dedicated to the success of their companies will know that they must respond to the current economic realities by ensuring that a highly-responsive IT infrastructure for business process integration around their JD Edwards systems is installed within 60 to 90 days.

Only with an agile IT infrastructure can your IT department respond to the challenges typical during a recessionary spiral:

- Mergers and Acquisitions – IT departments faced with mergers and acquisitions activity must by definition find ways to integrate divergent systems;
- Business and Branch Closures – As business units and branch locations are closed, IT departments must react to the changes in physical infrastructure and systems used;
- New Regulations – As if business conditions were not bad enough, government regulators and overseers are increasingly putting new rules and procedures in place. IT systems must react to these changes in order to achieve compliance and avoid risks;
- New Competitive Business Models – Forward thinking business leaders see downward trends in the economy as both opportunities and challenges. As new business models are designed to make your company more competitive, business rules integrated within you integration and workflow will need to adapt;
- ROI Scrutiny – IT departments simply cannot ignore the insistence of the financial leaders in their businesses to convert IT investments into tangible value. Those IT investments that do not produce real value must be cut, and those new IT investments that can truly return value must be made;
- TCO Scrutiny – Cost cutting measures should be conducted based on TCO evaluations. Only with a realistic picture of all costs related to the "as is" IT approach versus the "future state" IT solutions can a business decision-maker be assured of improved business performance;
- Short Term Results – Vendor claims of long-term value and long-term results should be ignored in favor of internal assessments that short-term

value can be achieved through IT infrastructure adjustments;

- **Reduced Budgets** – IT budgets can not avoid the inevitable cost-cutting trends. Every manager understandably wants to preserve jobs within the organization. For this reason, business process integration tools like iBOLT take on added importance in making it possible for knowledgeable IT programmers, business analysts and architects to apply their skills to business process integration challenges brought on by the new and not-so-pleasant economic realities.

Magic Software Enterprises maintains a truly elite corps of professional IT consultants who can help your organization, evaluate, plan, build, test and implement new business processes using the iBOLT Integration Suite. Quest members are eligible for a free initial consultation on business process improvement as well as a free in-depth review of iBOLT Special Edition for JD Edwards.

The good news for stressed-out IT executives and their traditional line-of-business counterparts is that sometimes less truly is more, in other words, even though a full new implementation of the iBOLT Integration Suite probably costs less in the first year than the on-going maintenance fees of your tired systems or manual programming processes, iBOLT will be able to orchestrate business processes in impressive ways. Even though it seems counter-intuitive, a careful evaluation will show you that you can do more with less money.

Next Steps

For further information about iBOLT for JD Edwards, you may contact Magic Software Enterprises at 949.250.1718 or info@magicsoftware.com. Regular webinars and events for JD Edwards users are posted at www.magicsoftware.com.



About the Author: Regev Yativ

As of January 2008, Regev Yativ is responsible for the Magic Software Enterprises' business operations in the Americas (United States, Canada and Latin America), and is based in the US. Between 2002 and 2007, he served as Magic Software's Managing Director in Europe and APAC including Japan, significantly growing those regions. Prior to joining Magic Software, Regev held the position of COO at Agro Marches Group in Paris, CEO of G.E.D B.V investment group (Kardan Group) in the Netherlands, and VP Sales at Edusoft. Regev holds a B.A. from Israel's Tel Aviv University.