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Executive Views on  
Interoperability

*Commercial View*

# Panel

## Discussion

- Look at interoperability as a business problem. The panel will focus on current Fortune 500 understanding and its implications. The discussion will include return on investment (ROI) of interoperability, business process implications on interoperability, and business driver implications for wanting interoperability.

## Panelists

- William Loftus
  - CEO, Gestalt
- Mike Flaa
  - CEO, Government Enterprise Management Systems
- John Larrabee
  - EVP, Agari Mediaware



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# Shift of Priorities

In 1998, Forrester estimated that 30% of an enterprise's IT budget is spent on building and maintaining integration between applications

In 2002, IBM estimates that currently and into the future 70% of all software development will consist of interfaces, protocols, and other procedures to establish links between systems.

In 2003, AMR reports expectations ranging from a sluggish growth rate of 2% to a potential 20% reduction, and a shift away "from new application deployment, hardware, headcount and training, and towards integration and other application-supporting technologies."

Morgan Stanley reported in its September 2002 CIO Survey Series that, of the 51 spending areas surveyed, application integration was at the top of the spending list.

More money is being spent on  
integration than on the purchase of new systems

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# Falling Sales of One-size-fits-all

SAP, Peoplesoft, Siebel projecting 25-45 percent decrease in licensing

Revenue in software sector has slowed

- 35% YoY in 1995
- 20% YoY in 1998
- 20% YoY in 1999
- Almost zero in 2001

Source: Morgan Stanley, Lehman Brothers



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# Usefulness Paradox – Driver for Interoperability



# Trends F500 Interoperability

Cost Savings and Rationalization of Business

Adoption of Packaged Applications

Base of Critical Legacy Systems

Need for Collaboration

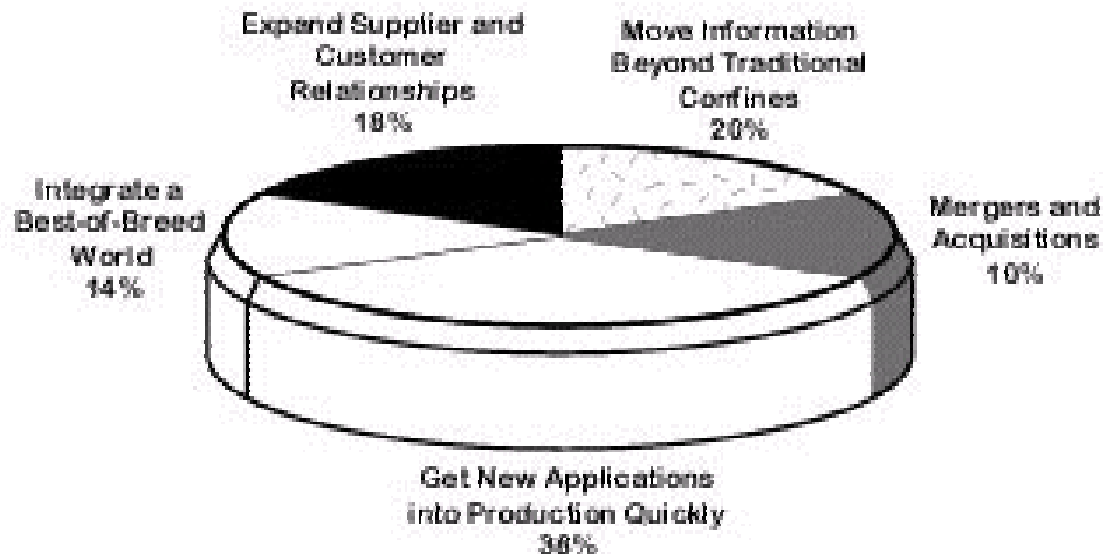
Complexity of Changing Processes

How to adapt your business process  
without making changes to your applications



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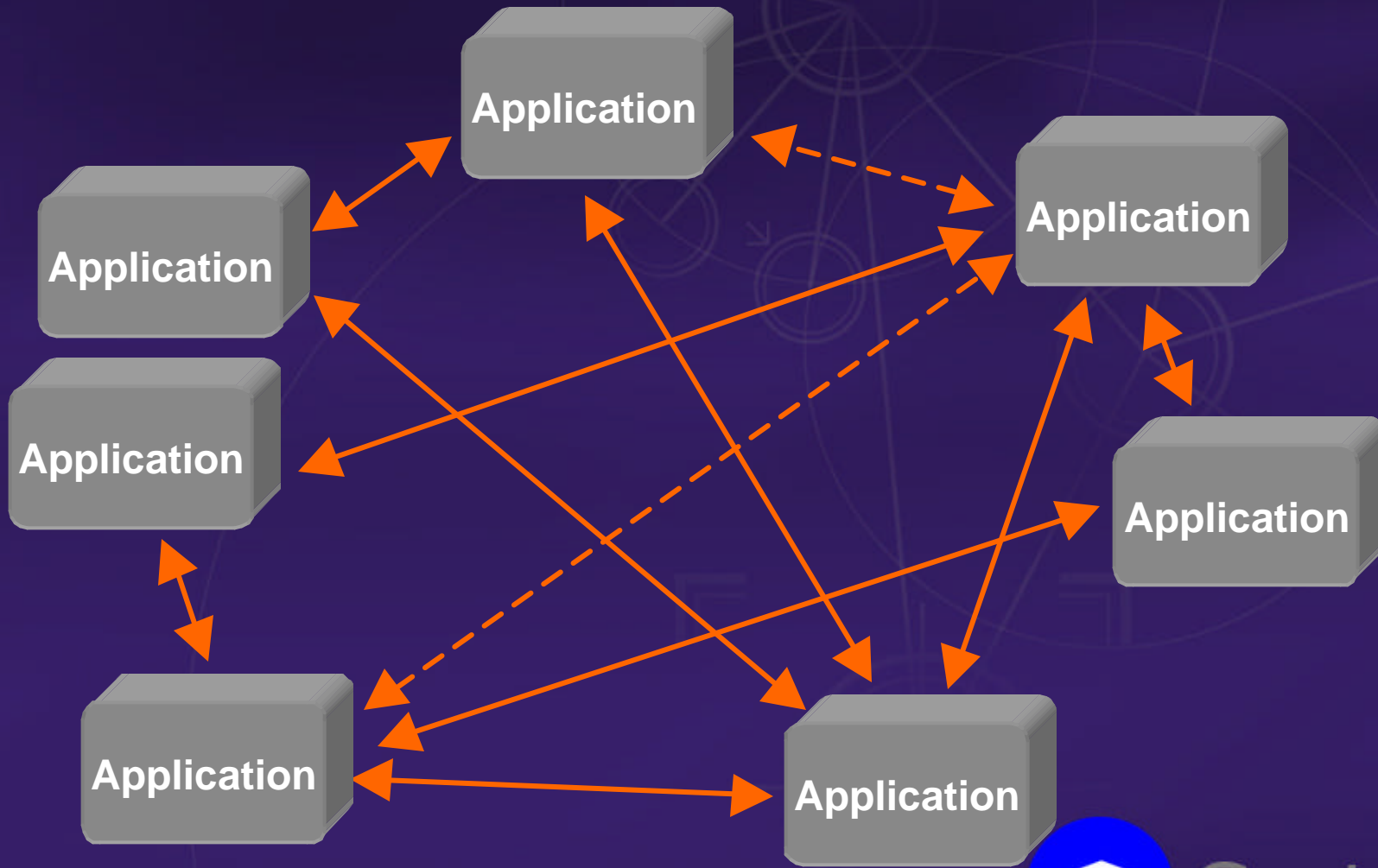
# Need for App Interoperability



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Source: Aberdeen Group

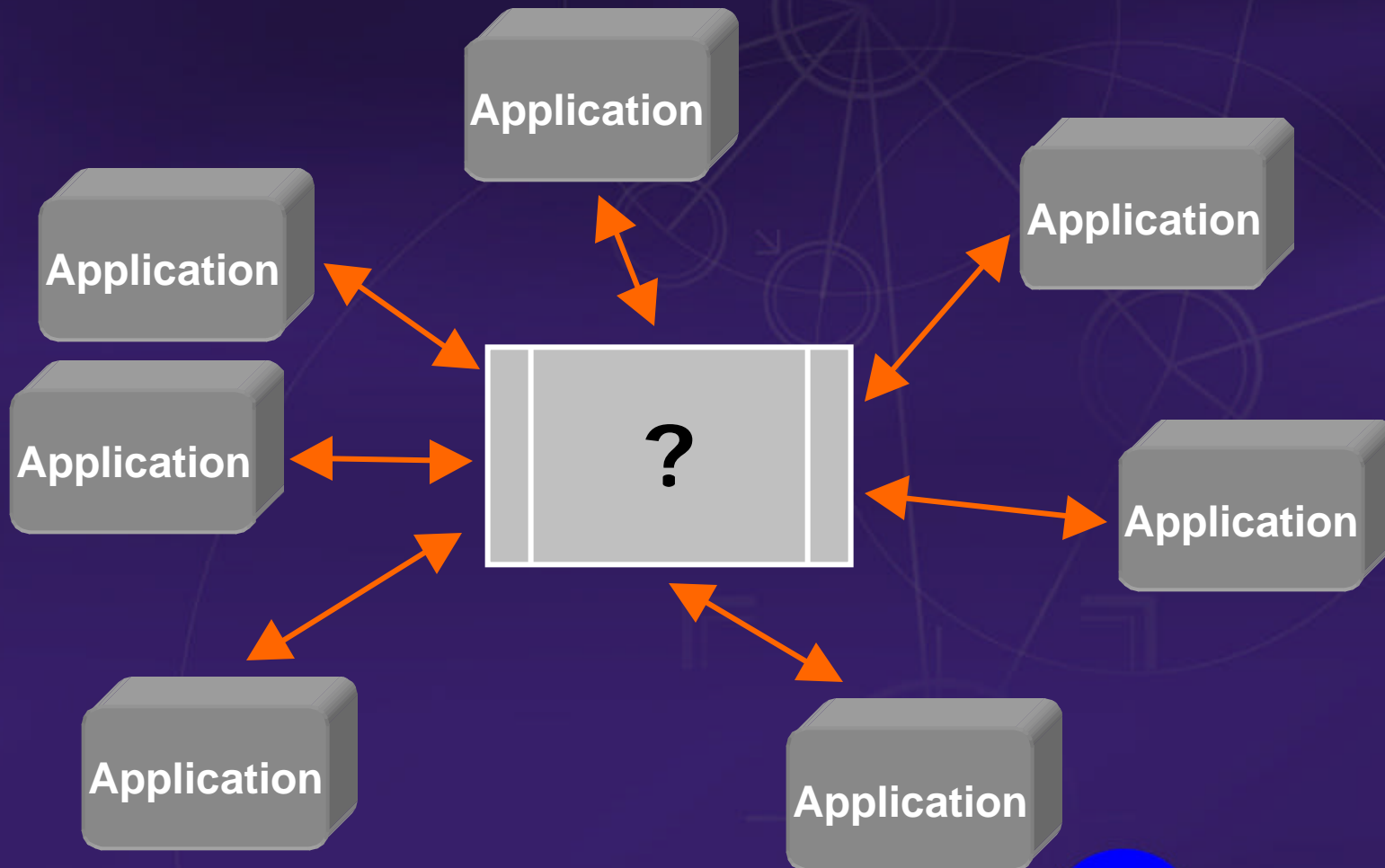
# Disorder



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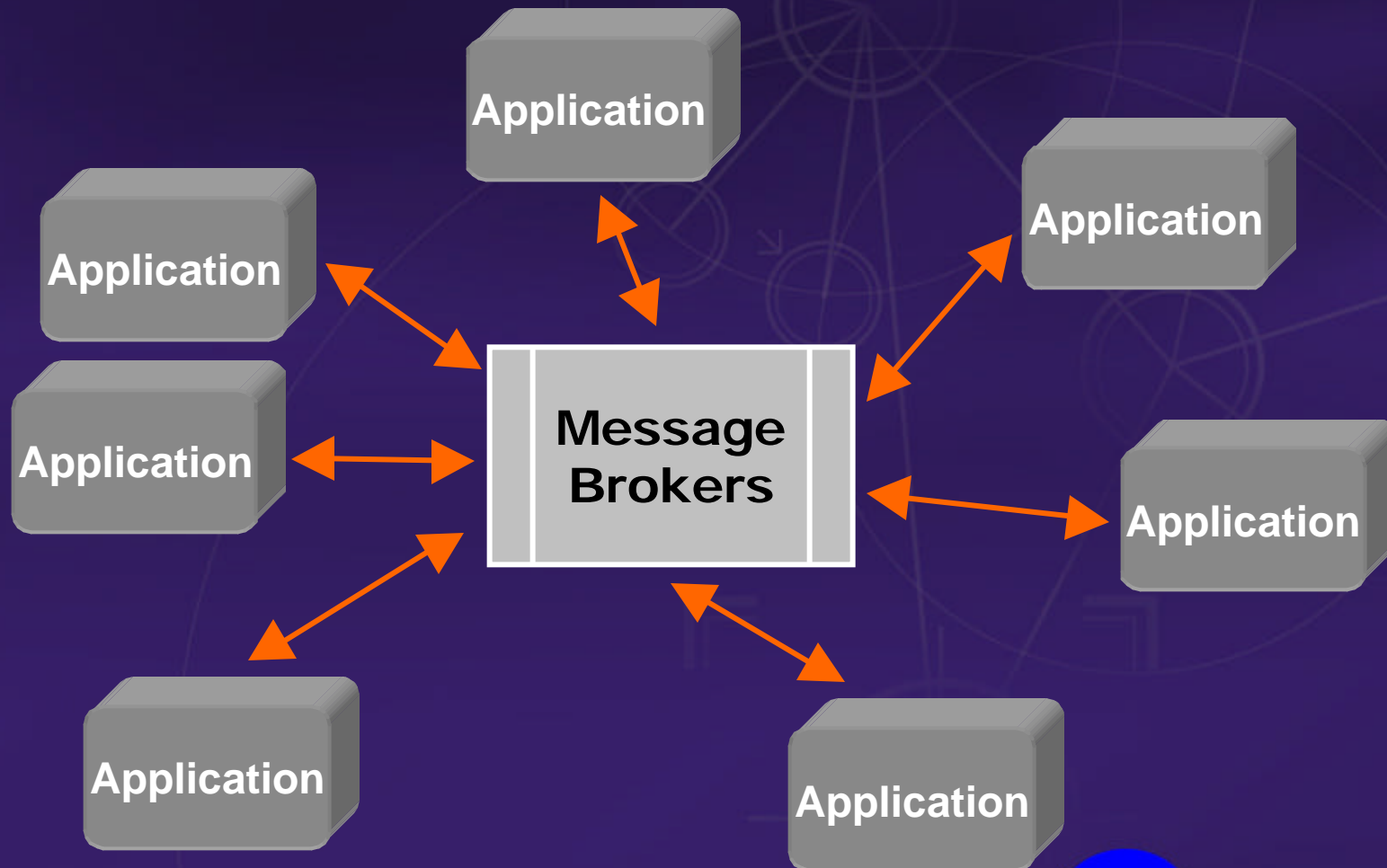


# Order



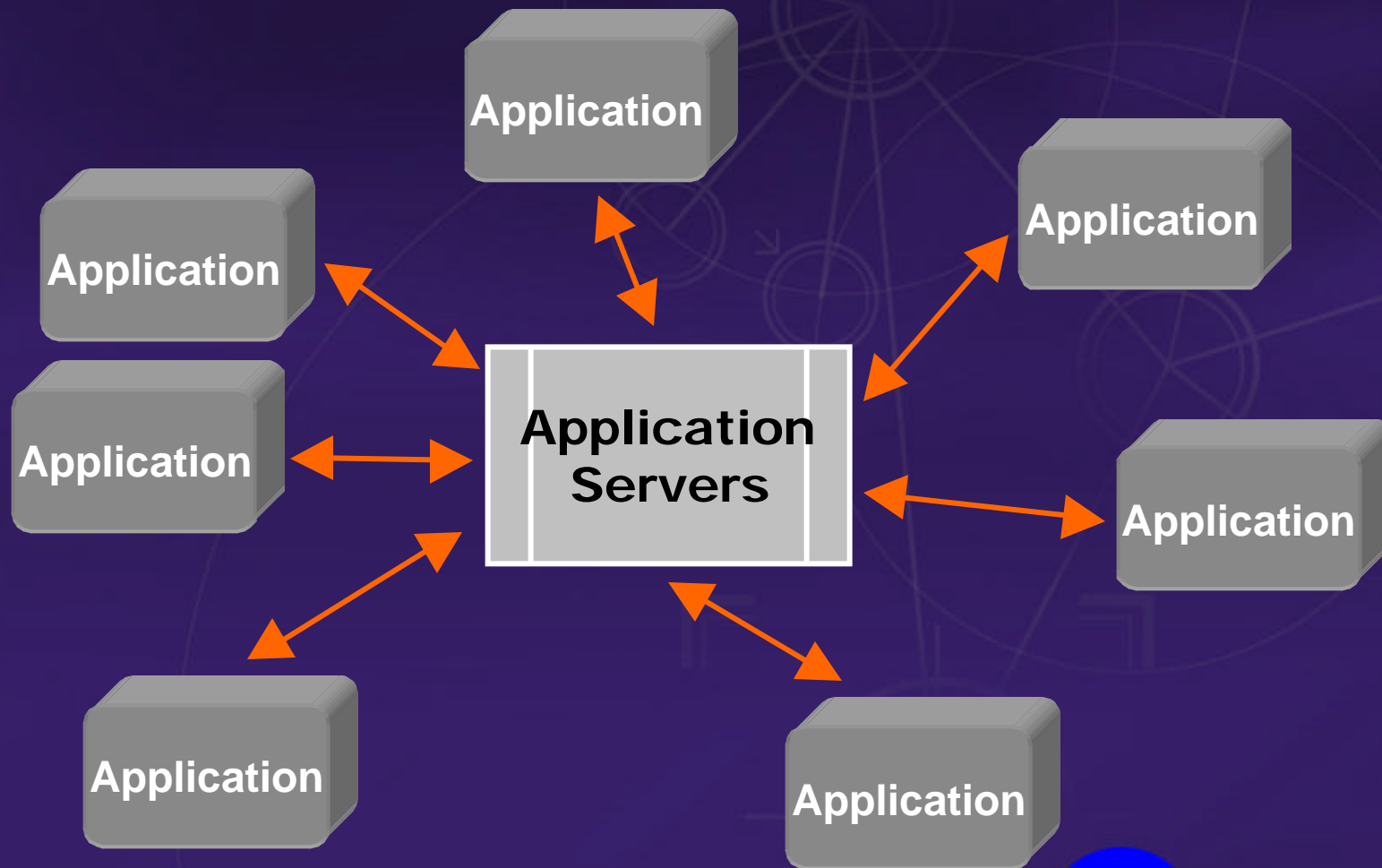
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# Integration Broker Vendors



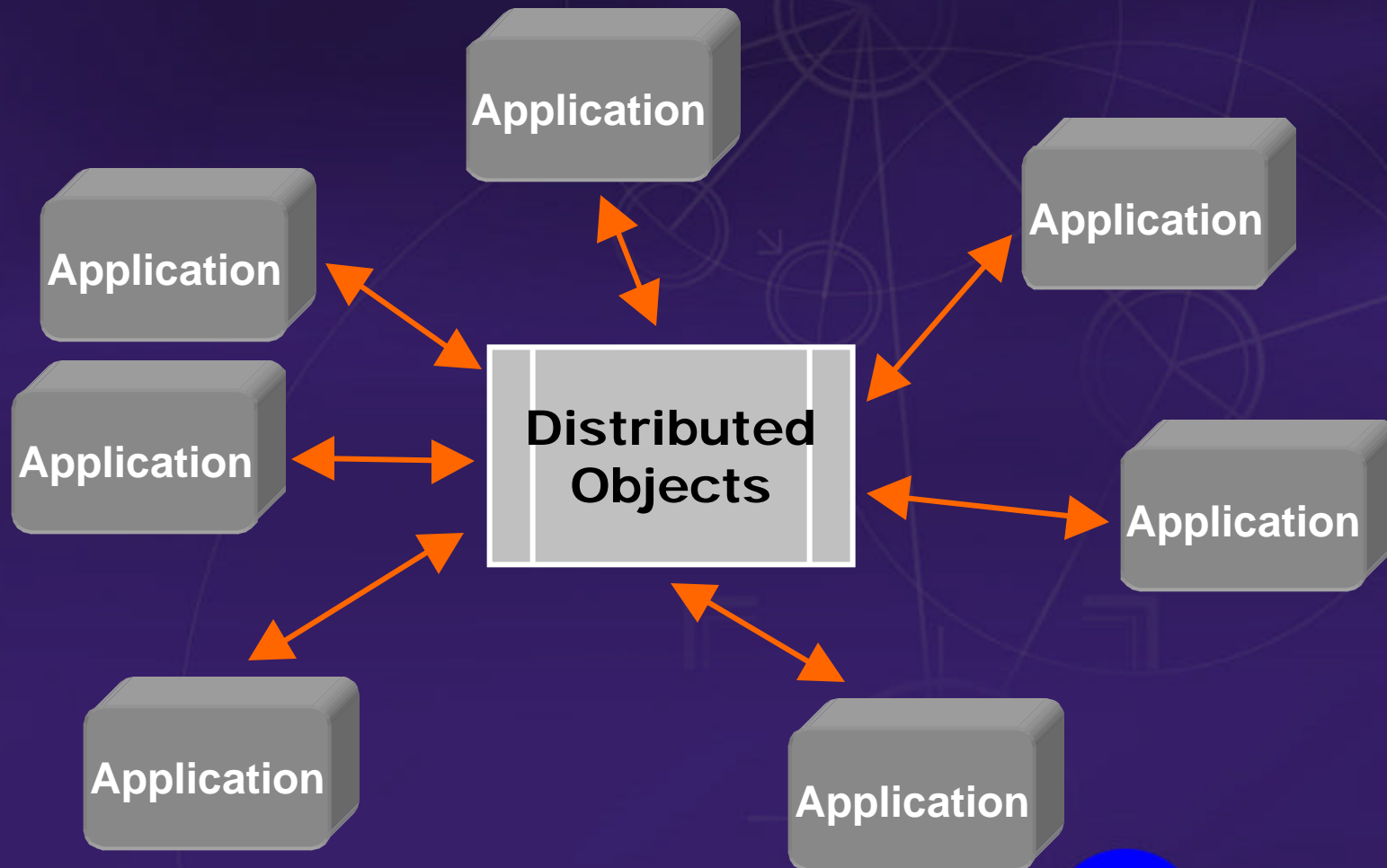
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# Application Server Vendors



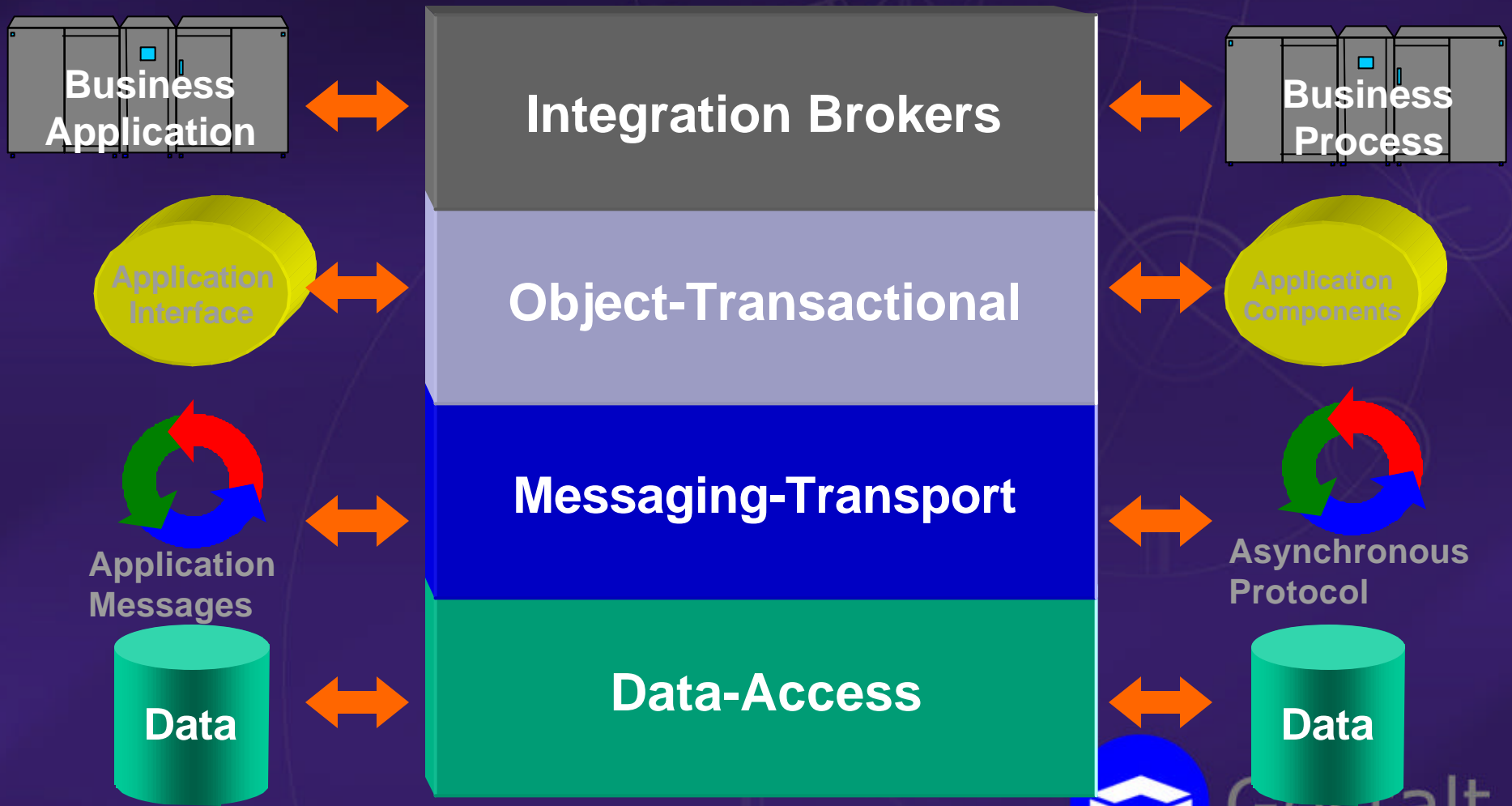
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# Distributed Objects



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# Commercial Interoperability Reference Model



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# Data Access Interoperability

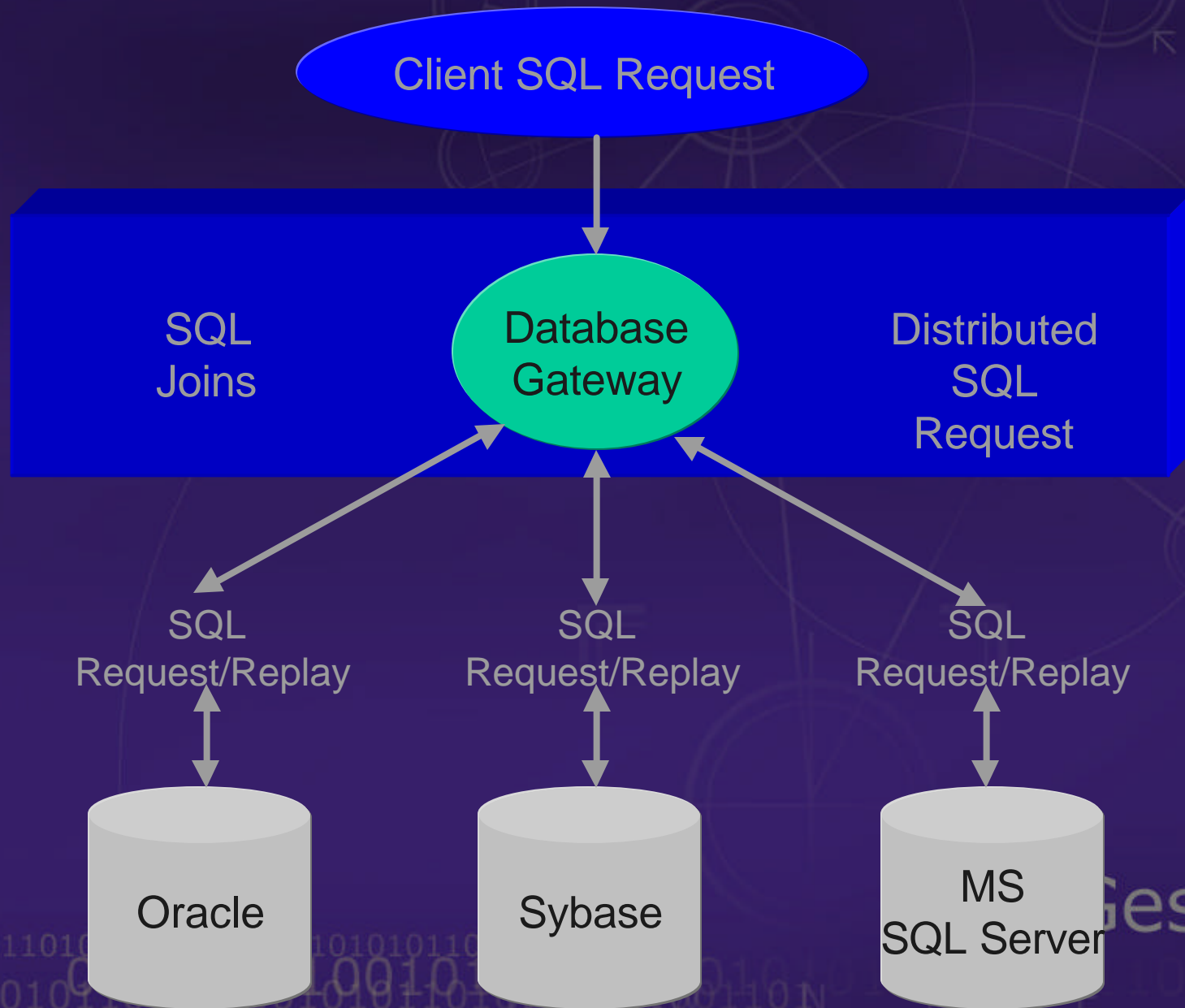
## Data Access Middleware

- Focused on client-server data access
- Synchronous Request/Reply model
- ODBC, Database Gateways
- Vendors: Merant/Data Direct, Information Builders EDA/SQL



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# Integration with Data Access Methods



# Messaging Interoperability

## Messaging Middleware

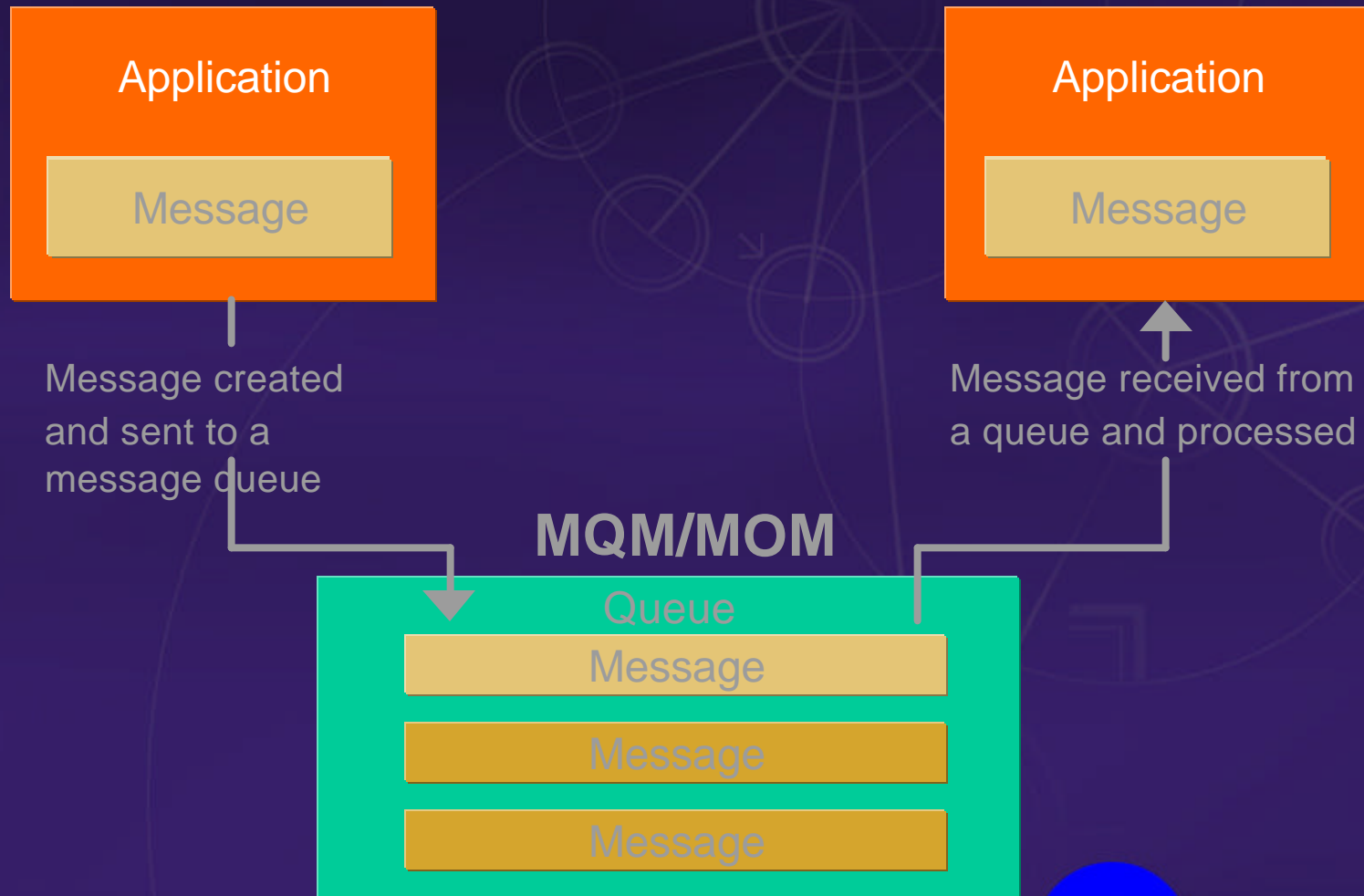
- AKA Message Queuing Middleware or Message Oriented Middleware (MOMs)
- Focused on transporting application data via asynchronous messaging protocols
- Vendor/Products: IBM MQ Series, Microsoft MSMQ, Java Messaging Service (JMS)



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# Integration with Msg Middleware



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# Object Transaction Interoperability

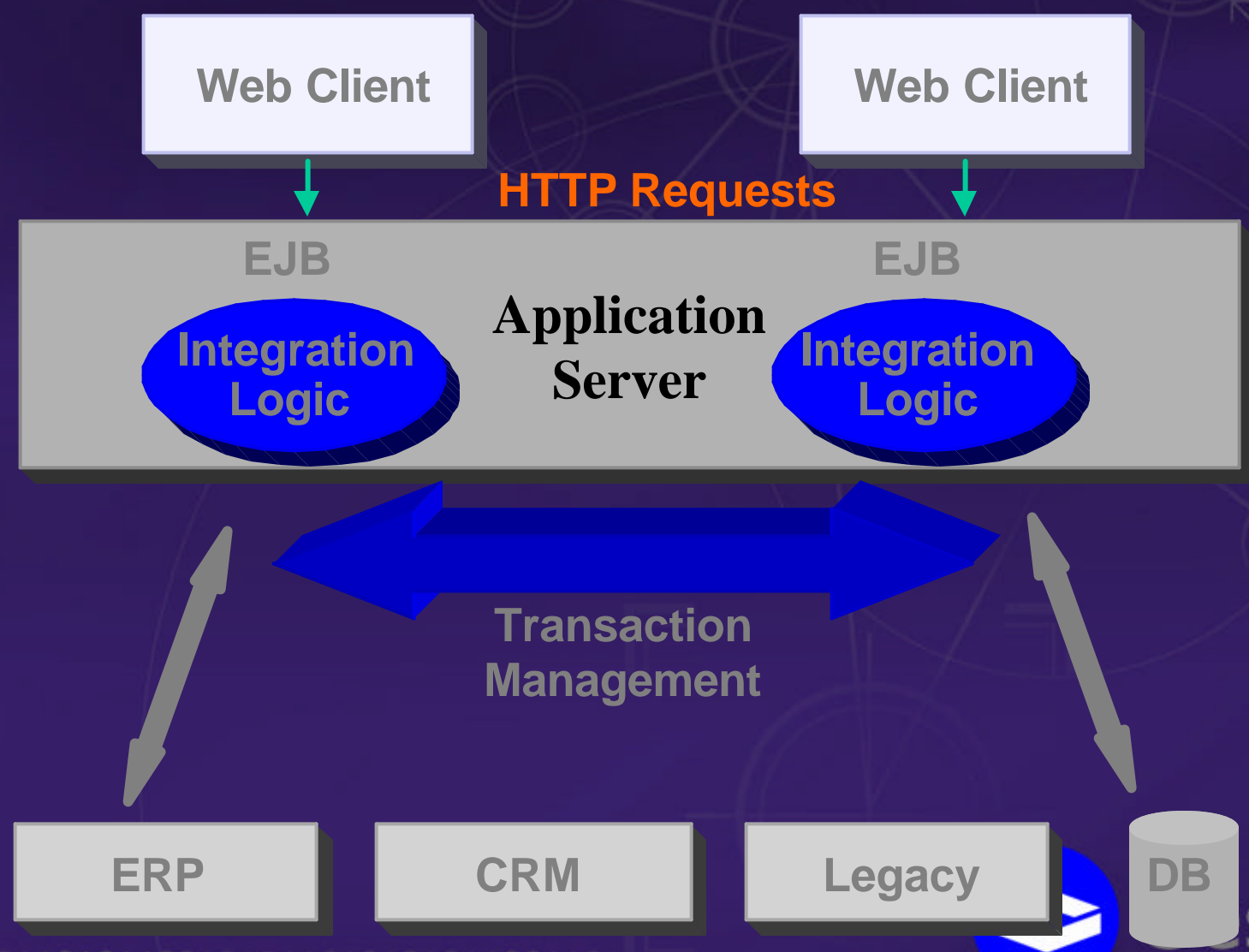
## Object-Transactional Middleware

- Focused on a distributed object, component or transactional model
- Most products support all three
- Requires custom component code to bind applications or data resources
- CORBA, TP Monitors, Application Servers
- Vendor/Products: BEA Weblogic, IBM Websphere, Microsoft MTS, BEA Tuxedo, IBM CICS



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# Integration with App Servers



# Integration Brokers

## Integration Brokers

- Focused specifically for application integration
- Integration Broker components include messaging middleware, transformation engine, rules engine, adapters, integration design tools, translation gateways, etc.
- Content based routing is a distinctive feature from the basic messaging middleware
- Parameterized data mapping approach rather than Code-driven approach
- Targeted solutions include Webmethods, Tibco, Agari



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# State of Company

- Most have completed infrastructure build outs
  - Adopted standards
  - Rolled out technology
- Adopting ROI techniques for tuning their environments
- Looking for business interoperability



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# ROI Dashboard

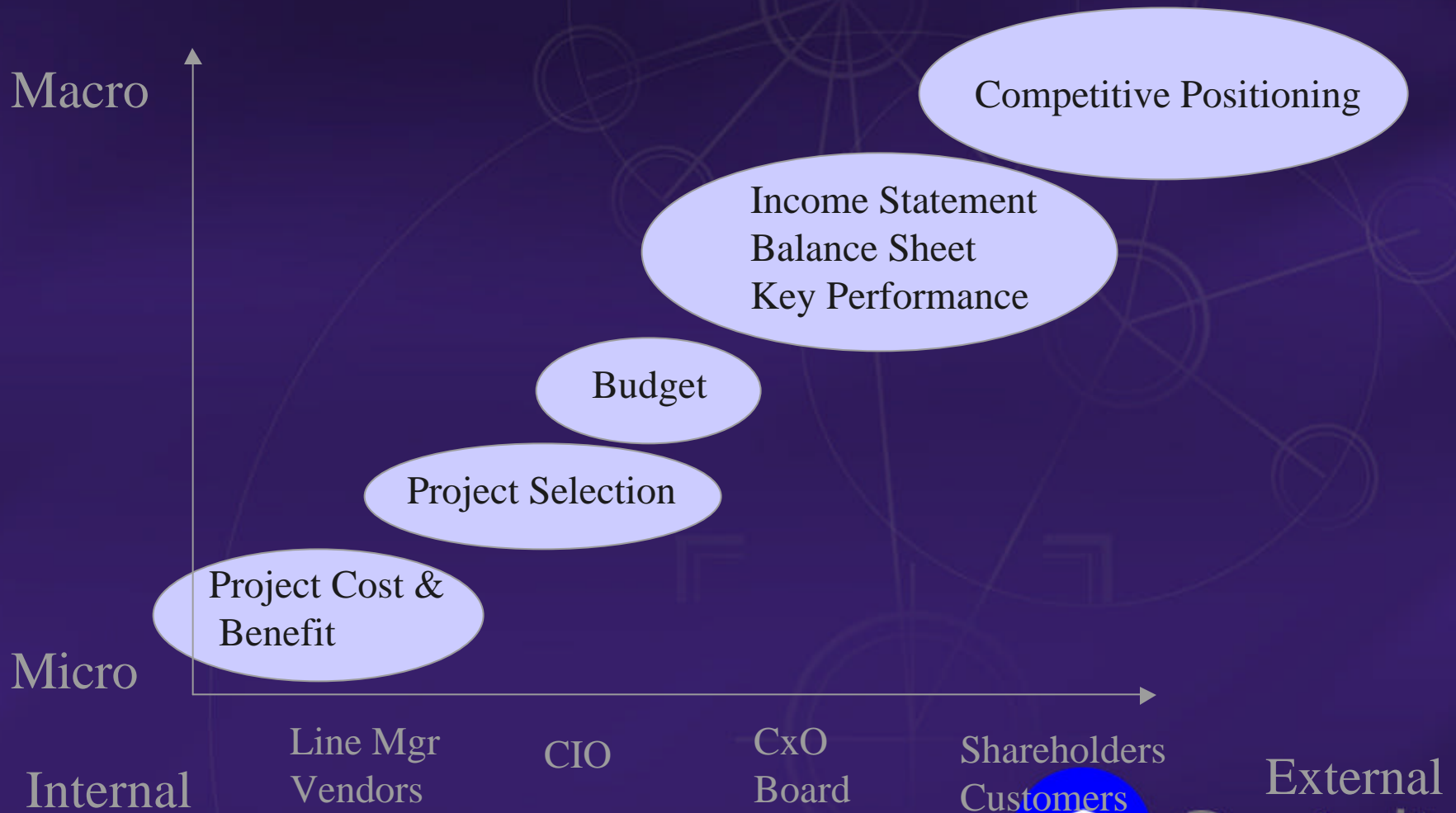


Source: Alinean



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# ROI Value Chain Management



Source: Alinean



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# What can we learn?

## F500 are microcosms of DoD

- Even after applying technology, Redefining processes, adopting standards and architecture...they have significant business problems they needed to address
- Business are looking for innovative interoperability solutions to solve these issues



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# Our presenters

## Agari Mediaware

- Composability within a rich media environment
- How does CNN do it?

## Government Enterprise Management Systems

- Using successfully applied commercial techniques for the Interoperability of Business Functions



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