Business Process Integration,
One Piece at a Time

Capitalizing on ability to narrow project scope and sharpen business focus,
BPI vendors finally may have found an integration sweet spot

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Nearly every company needs integration technology but many do not know where to start. Faced with specific and pressing business problems, organizations worry that a typical EAI solution from one of the more well-known vendors will require too much time putting infrastructure in place before business issues can be addressed. Concerns about project cost, implementation time and resources cause key decision-makers to question whether the risk is too great, especially since breaking EAI projects into smaller pieces is often impossible.

This dilemma may be a thorny one for organizations trying to formulate an integration strategy, but it has given business process integration (BPI) vendors new life and the opportunity to carve a permanent niche in the integration market. BPI software does not provide the type of standardized infrastructure that organizations will get from an EAI vendor, but it also does not come with the multi-million dollar price tag associated with traditional integration solutions. Realizing that building infrastructure will not win customers or appease the board of directors, organizations are far more interested in automating specific business processes that provide a competitive edge and rapid ROI.

No matter what type of integration technology the company ultimately selects, it will be on the hook early and often to provide evidence of ROI and tangible business benefits, and it is difficult to do this by pointing to a partially constructed EAI platform. With this in mind, let's examine some of the reasons that BPI (after an undeniably sluggish start) has emerged as a viable and attractive integration alternative, especially for small and mid-market organizations with relatively tight budgets.

Narrowing Project Scope

When setting out to build an integration infrastructure to support EAI solutions, there is very little if any business context. If the customer has 10 different business applications in its I/T suite, the EAI approach will be to methodically expose the functionality from each system until a standardized layer has been created that the customer can use as a starting point for future business development.

But most business processes do not require interaction with every system in the enterprise. Further, business processes generally do not need to deal with a business application in its entirety. In most cases, the business process is concerned with specific system capabilities; rarely does it need access to every business function to meet integration objectives. A manufacturing company might wish to expose its inventory levels so its suppliers can automatically replenish stock, but the vast majority of the manufacturing system's additional capabilities will be of little interest to external suppliers. And, while EAI vendors will argue that exposing all the system functionality is beneficial in the long run, the customer will have a hard time justifying the expense if it is trying to solve specific business problems.

The ability to help organizations narrow the scope of integration projects and focus on specific business objectives has become a sweet spot for BPI vendors. With the help of a graphical modeling interface (the most distinguishable feature of BPI software) that allows users to create visual representations of the processes they are automating—complete with business rules— companies are changing the way they tackle integration projects. BPI fosters a top-down approach to integration; in other words, an organization can *start* with the most important

business needs by using the graphical interface to articulate exactly how each process must work. Once it is satisfied that the processes will meet business objectives, the project team gradually drills down to the specific implementation details: connecting to the various business systems that will execute the functionality in each step of the process, and finally, identifying the specific data elements that must be passed from system to system at runtime.

The organization that uses BPI does not need to consider any business applications or system functions that do not contribute directly to the desired process; these are beyond the scope of the project. Likewise, the only relevant data is that which is required to support the processes being automated. The bottom line is that BPI promotes incremental ROI by allowing an organization to break up large problems into smaller, more manageable projects that can be pieced together over time.

By contrast, EAI solutions have long required companies to take a data-centric or bottom-up approach to integration, which makes it difficult to achieve incremental ROI. Before companies can turn their attention to solving business problems, they must grapple with the low-level details required to ensure that large amounts of data can be passed and transformed among incompatible systems, regardless of how much of this data will be required to support the rollout of new business processes.

Demonstrating Rapid and Incremental Results

For the organization that needs to demonstrate progress in the short term, BPI affords great flexibility. If it chooses, the organization can automate simpler processes first. Logical candidates might include processes that require interaction with just two systems, or those that literally combine functions from existing systems with very few additional business rules. In practice organizations generally implement several new processes at once (perhaps corresponding to a new menu of functions on the company Web site), but it literally is possible for an organization to implement one business procedure at a time.

Rolling out new processes quickly and reliably has a snowballing effect. If buy-in issues exist they quickly fade as each process is put into production. More important, however, is the ability to reuse BPI graphical models and build upon the capabilities that already have been rolled out. The result is more productivity and even faster time to market.

Consider an organization that wants to offer Internet-based self-service initiatives instead of having customers come into the office. Assuming these services require payment, each automated process will include a step that performs credit card authorization. Once the organization has created a BPI process to handle customer payment, it can reuse the exact same process for every subsequent transaction it makes available on the Web site. As a result, the project will gain significant momentum after the release of the first transaction or transactions, keeping the organization on a highly successful integration path.

BPI Solutions: An Emerging Trend

Recently there has been significant customer testimony describing rapid and cost-effective BPI implementations with indisputable business benefits. Building on the ability to help organizations tackle specific business problems, BPI vendors have begun to take the next logical step: developing packaged, vertical business solutions based on core BPI capabilities.

These solutions are designed to help organizations tackle a specific and pervasive industry problem and generally include a *business framework*. At the heart of this framework are a series of ready-to-use graphical process models designed to give the organization an integration jumpstart. Some process models require no modification; others serve as templates and require the company to fill in the blanks by connecting each step in the process model to a specific back-end system. The idea behind the framework is to handle automatically the generic aspects of the

integration problem, so customers can focus almost exclusively on the aspects that are unique to its business. Providing this type of framework containing pre-built templates for vertical industry problems is yet another example of how BPI can make rapid ROI a reality.

Tackling Universal Problems

To get a better idea of why packaged BPI solutions are gaining momentum we can look at an example from the insurance industry. Almost every insurance carrier feels pressure to respond more quickly to requests from independent agents, who are free to work with any carrier they choose. The pricing and availability of different insurance policies do not vary a great degree, so independent agencies usually place business with the carrier that provides the best service. Naturally a prime component of service is speed. Without integration technology, carriers must re-key agency and third-party data and resort to other manual procedures that cripple the ability to provide timely service. If an agent sends a quote request to two carriers, and one responds in real time while the other takes 24 hours because it lacks integration capabilities, the carrier that responds immediately has an inarguable competitive advantage.

When developing a business framework to solve this problem, BPI vendors look for common variables in each carrier's integration equation. In this case there are two such variables: the need to integrate agency data into back-end systems, and the need to do the same with motor vehicle records, medical lab results, and other third-party information.

Many carriers enlist the help of agency interface vendors to handle the receipt of data over the Internet from multiple agencies, but there is no easy way to get the data into the back-end systems. This is because the agency interface vendors deliver the data in the insurance industry-standard ACORD XML format—a format that most insurance applications were not designed to handle. The same problem exists with third-party data required to make underwriting decisions; there is no easy way to retrieve this information and pass it to multiple business systems in real time.

To solve these problems, the BPI business framework includes pre-built processes that handle the receipt of agency messages that conform to the ACORD XML standard. The framework handles housekeeping issues such as security, encryption, and logging, which are considerations for every carrier; the framework also includes processes that send a response to the agency acknowledging the receipt of the transaction. And, because there are different ACORD messages for each type of request, the business framework examines the content of each agency transaction to determine the line of business and type of service being requested. The business framework also includes processes that handle the generic task of interacting with third-party data providers.

Using a framework like this, an insurance carrier can immediately set about the task of automating processes that pass the agency and third-party data to its back-end systems, thus rapidly eliminating roadblocks that stand in the way of real-time carrier-agency interaction. Further, the carrier can choose to tackle each line of business incrementally. So, the carrier may choose to automate personal auto transactions first before turning its attention to homeowners' requests, or vice versa. It may also decide to automate specific transactions incrementally. For example, the carrier might first automate inquiry capability (or similar read-only transactions) and tackle claims later (which may require updating back-end systems).

In this way, BPI promotes incremental ROI by providing a starting point (the framework); by allowing the carrier to break the problem into simpler components and tackle each incrementally; and by enabling the carrier to re-use the work that was done for an earlier component—for example, looking up credit history.

Offering More Than Enabling Technology

The trend towards packaged, vertical solutions is one that industry analysts, customers and vendors alike will be watching closely. An explosion of such solutions has the potential to change the integration landscape and provide customers—from large organizations to smaller ones—with practical, affordable approaches to realizing the benefits of integration. This trend toward solutions holds the promise for BPI and BPI vendors to finally realize the true potential of this key technology.

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