



White Paper

Cordys Process Factory and the Systems Integrator

By Jon Pyke,
Chief Strategy Officer,
Cordys

Introduction

Cordys, via the Cordys Process Factory recently joined the Google Enterprise Partner™ program to deliver structured workflow capabilities to the Google Apps™ suite of communication and collaboration tools. This enables Cordys Process Factory to support organizations of any size using Google Apps as part of their core business processes and projects.

The combination of the Cordys Process Factory with Google Apps Premier Edition, delivered in the Cloud, increases the speed of deployment of workflow and Situational Applications for less than the price of a mobile phone with no capital expenditure required.

Google Apps brings simple, powerful communication and collaboration tools to organizations. With Google Apps, users can use applications such as Gmail™ webmail service, Google Talk™ instant messaging service, Google Calendar™ calendaring service, Google Docs™ program, Google Sites™ web application, and Google Video™ for business on their own domain to work together more effectively. Best of all, it's all hosted by Google, so there's no hardware or software to download, install or maintain.

Why this solution is required in today's market

The advent of the Cloud and Web 2.0 technologies is having a significant impact on the way we buy and build applications. The entire field of application development is changing and it is changing beyond all recognition – and it's happening very quickly.

Consider Apple and the iPhone. The success of the App Store for the iPhone is nothing short of phenomenal. At the time of writing Apple had just reported more than 1 billion downloads in less than a year's operation – there are over 35,000 applications ready and waiting for iPhone users to access. Is this the way forward for enterprise applications as well?

You need to ask yourself "Who will ever write a Windows application from scratch again?"

In addition, many user organizations (from the very largest fortune 500 companies to small "mom & pop" businesses) are using the current economic conditions to rethink their IT strategies. Many are now moving away from building and deploying Windows based productivity tools, to more Cloud based, browser based options, which are cheaper to manage and cheaper to deploy. You need only look at the uptake of Windows Vista operating system to see that frenzied need to adopt the latest and greatest from Redmond has been replaced with a muted response to new stuff. According to figures from [Net Applications](#), some 70% of Windows installations are still XP, with just 27.5% on Vista, even though that has been out for more than two years.

But what is the impact on the Systems Integration business and is this a real opportunity to expand into new markets and directions?

The combination of (1) the Cloud (no deployment issues), (2) the tools (better than before), (3) the standardized integration methods (much easier to mashup), (4) pricing models which are based around "pay as you go" operational expenditure and (5) the Millennials (better understanding of system building) – taken together, enables us to reach the tipping point where everyday business users will want, and demand, access to technology that will enable them to assemble "applications" on demand. This will undoubtedly have a dramatic impact on the way applications are built and deployed.

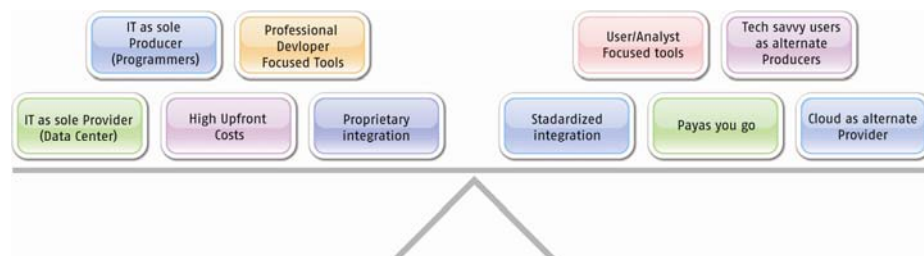


Diagram 1: The application on demand tipping point¹

One of the main, if not the most important, virtues of taking this approach is the speed at which the applications can be assembled and

the immediate business pay back they deliver when compared with conventional IT development and deployment cycles. The result is an improved ability to respond to or anticipate changing business demands. Also, the organization saves money whenever it changes computerized working methods – usually an expensive and protracted rigmarole. As a bonus, the organization becomes better fitted to exploit future business and computing opportunities, including Business Process Outsourcing (BPO) and Web services.

The downside is that the development is, more often than not, performed in isolation of the corporate needs and may run counter to corporate governance, standards and compliance issues. It therefore can be of limited value in the longer term.

Preparing for a virtual future – the business opportunity

“Cloud computing is a broad and diverse phenomenon. Much of the growth represents a transfer of traditional IT services to the new Cloud model, but there is also scope for creation of substantial new businesses and revenue streams,” says Ben Pring at The Analyst Group.

Cloud application services, evolving from Software-as-a-Service (SaaS) offerings, were almost twice as large as the market for systems infrastructure, says Gartner, and will continue to show strong growth. Not all current SaaS offerings qualify as Cloud services based on scaling constraints and lack of true multi-tenancy capability.

According to [Information Age](#), over the next five years, an increasing array of application functionality will become available as Cloud services to supplement those from current Cloud application vendors. Today, business processes delivered as Cloud services are the largest segment of the overall Cloud services market, accounting for 83% of the overall market in 2008. The segment, consisting of Cloud-based advertising, e-commerce, human resources and payments processing, is forecast to grow 19.8% in 2009 to \$46.6 billion.

Gartner believes the overall market for Cloud services will surge to \$150.1 billion in 2013.

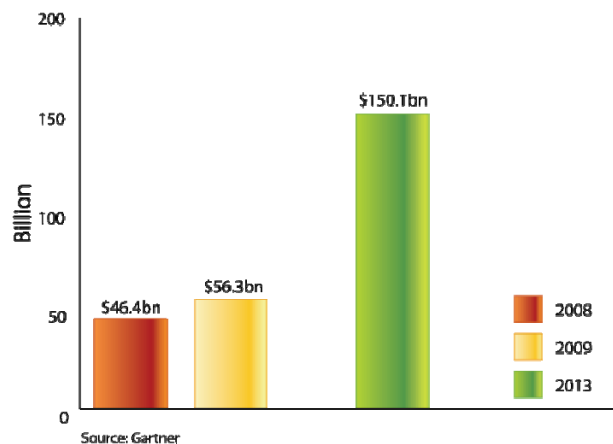


Diagram 2: Worldwide Cloud services revenue

What does the agreement mean to the SI?

So to answer the question – what does it mean? It means that it is all about business services delivered on demand to the right place, at the right time and at the right cost. There will be an ever diminishing requirement for business users to fund the purchase and deployment of large enterprise applications – they will use specific services to do specific tasks as and when required.

We are equipping our partners with a set of tools that enable them to do just that – deliver on demand to the right place, at the right time and at the right cost.

Given that the key mechanism for delivering these services is process management techniques, it is only a matter of time before, as Peter Fingar writes in *Dot Cloud: The 21st Century Business Platform*, "The forward-thinking CIO will no doubt put his or her head in the Clouds, and change his or her title to CPO, Chief Process Officer, for it is agile business processes that companies want to manage, not technology infrastructures."

The SI's high level messages become 'we break the sclerosis of legacy, so you can have more nimble systems in the face of major challenges that will require agility' and 'here is a route to taking out operational cost at a time when you know you need to get your cost base down.' Process management technology in the Cloud provides the key with which to unlock the status quo – and is the key to delivering.

Commodity services – the undercroft – en route to the Cloud

One set of the technology-enabled business services drawn on/required by this approach are data processing, data storage and network services.

Their standardization and commoditization does not, per se, make them creatures of the Cloud – but it does make them strong candidates for the Cloud. We already have a fairly rich world of both commodity and specialist infrastructure services platforms. BT's high capacity fiber network within the City of London is an example. The specialist platform supplied by Apple for the myriad of ventures innovating iApps to feed the iPhone is another – as is the Salesforce.com apps platform (force.com and AppExchange).

Let's not forget that there is also great nervousness in certain industries at the very idea of moving their 'highly secure data centre in the basement' out into the Cloud (assurance of business continuity, security, risk management, regulatory and legal compliance, etc.).

So the recognition at CXO level has to be that some of the benefits of commoditization and 'elasticity' can be harvested outside the Cloud, that much more can and will be in the Cloud, and that the journey into the Cloud can and will be made business-safe by the systems integrators. The ability to de-couple decisions about how a business sources its infrastructural 'undercroft' from decisions on how it manages its front end processes is key here.

New approach, new opportunities

The advent of the Cloud means that the focus has moved up from the infrastructure implementations to mechanisms that access the capabilities provided. This means that the ultimate measure of success will be how the services are consumed and whether that leads to new business opportunities.

One such business opportunity might be what Cordys terms CloudSourcing². With CloudSourcing, business users can mix and match existing premises-based processes run on applications like SAP, Oracle, IBM Websphere, MS .Net or even early legacies with processes designed entirely on the Cloud. So no need for the translation of business needs into a complex requirement specification document.

In his paper on CloudSourcing, Mark de Simone says "As a business user, you can use CloudSourcing right away! No need to wait. If you have the administrative access to do it, then you can. You can now look at the Cloud as a "Self Service" for continuous productivity improvement. And there is no visible difference whether the process you are designing and using is consuming data and logic which is resident inside the enterprise Cloud or coming from an external Cloud with a dedicated enterprise tenancy."

Not only this, but capital expenditure is reduced down to negligible and operational expenditure only exists as a result of a revenue stream.

In an attempt to dramatize and focus thinking on the very substantial challenges (and thus opportunities) that CloudSourcing gives us, we need to consider the four game changing developments: Consumerization, Commoditization, Virtualization and Globalization³.

- *Consumerization* of the capabilities of IT has been led by the likes of Amazon and Google. From the start they have created service infrastructures (data processing, data storage, network integration) designed around the principle of 'one to many' and able to handle very high transactional loads reliably, securely and at very low unit cost
- In so doing they have extended *commoditization* of the capabilities of IT from its original home in telecoms – and given a lead to companies such as Salesforce.com who, capturing the key aspects of CRM in powerful software, delivers an on-demand CRM service 'offer' over the Net that is self-configurable and highly competitive cost wise
- *Virtualization*, the emergence of 'new generation' technical architectures (SOA, 'Over IP', Web 2.0, etc.) whose chief aspect is to enable delivery of 'loosely coupled IT' in the place of the tightly coupled architectures that have dominated the scene hitherto fore
- *Globalization* has taken on new meaning this decade, with the impact of the BRICs economies, their spawning of new globally competitive players and an increasingly global 'market for talent' – but perhaps even more importantly with the rapid development of the Web (enabled further by the broadband revolution) as a global services-delivery highway

Conclusion

Whether you are a global Professional Services firm with outsourcing, systems integration and consulting or a local Value Added Reseller, whether you are a Telecom Operator serving business customers or a software house reaching new channels and business models, the combination of Cordys and Google gives you an opportunity to:

- Reach out to your existing customer base with new incremental services which will take complexity and cost out of your clients and add a profitable revenue stream to your business
- Enable you to attract new customers with whom you have had challenges in terms of penetration and offer a simple alternative to try a new model, thus displacing your competitors
- Create new channels for software, reaching business targets which were too small to consider in a traditional way
- Make your business scale with technology and not throwing bodies at the problem, therefore making the profitability, scaling and competitiveness of your business significantly better
- Bring together the Outsourcing, Integration and Consulting business models into a CloudSourcing model which creates much greater intimacy and co-dependency with your customers

Whether you are going to take the first step or not, the world of professional services is changing very fast and you need to anticipate that your competitors are already experimenting with this model. Will you be ready in time?

References

1. Source: Jonathan Sapir – powerintheCloud.com
2. CloudSourcing, by Mark de Simone, Chief Sales and Business Development Officer, Cordys
http://community.cordys.com/cordysportalcpn_com/Cloudsourcing_benefits.php?year=2009&month=04
3. Dr. Richard Sykes, an independent strategic analyst, commentator & columnist

For further information about Cordys, visit www.cordys.com

Cordys is a global provider of software for business process innovation and Enterprise Cloud Orchestration. The industry-leading Cordys Business Operations Platform (BOP) consists of a complete suite for next generation Business Process Management (BPM), Business Activity Monitoring (BAM) and innovative SaaS Deployment Frameworks (SDF), delivering a complete Platform as a Service (PaaS) solution. It includes an open, integrated set of tools & technologies including Composite Application Framework (CAF), Master Data Management (MDM) and aSOA Grid. The Cordys platform and its cutting-edge Cloud technology empowers customers to dramatically improve the speed of change, fundamentally altering the way they innovate their Business Operations to achieve a true customer-centric philosophy. Global 2000 companies worldwide have selected Cordys to achieve business performance improvements such as increased productivity, reduced time to market, higher security and faster response to ever-changing market demands.

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solutions to
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