

Recession-Proof the Business

*The Top Five Ways IT Organizations Can Help Companies
Survive a Tough Economy*

WHITE PAPER



This document contains Confidential, Proprietary, and Trade Secret Information (“Confidential Information”) of Informatica Corporation and may not be copied, distributed, duplicated, or otherwise reproduced in any manner without the prior written consent of Informatica.

While every attempt has been made to ensure that the information in this document is accurate and complete, some typographical errors or technical inaccuracies may exist. Informatica does not accept responsibility for any kind of loss resulting from the use of information contained in this document. The information contained in this document is subject to change without notice.

The incorporation of the product attributes discussed in these materials into any release or upgrade of any Informatica software product—as well as the timing of any such release or upgrade—is at the sole discretion of Informatica.

Protected by one or more of the following U.S. Patents: 6,032,158; 5,794,246; 6,014,670; 6,339,775; 6,044,374; 6,208,990; 6,208,990; 6,850,947; 6,895,471; or by the following pending U.S. Patents: 09/644,280; 10/966,046; 10/727,700.

This edition published February 2009.

Table of Contents

Executive Summary	2
The Business To-Do List	3
Manage Compliance	3
Mitigate Risk	3
Consolidate to Grow	4
Know Thy Customer	4
Modernize the Business	4
Evaluating the Alternatives	5
Hand Coding	5
Point Solutions	5
The Power of the Platform.	6
The Informatica Platform	6
Tapping Into the Power of the Platform	7
Reducing the Cost of Compliance	7
Mitigating and Managing Risk	7
Facilitating Successful Mergers & Acquisitions	9
Delivering a Single View.	10
Investing Wisely in New Technologies That Modernize the Business	11
Developing a Sound Strategy	12
Conclusion	13

“With all eyes on the economy, smart enterprises will have to make the most of technology to outmaneuver the competition and navigate the shoals of a challenging marketplace. The competition will be fierce, and it’s more important than ever for companies to make the most of information and deliver timely insight, to quickly adapt applications and processes to changing conditions, and to maximize financial and operational performance.”

— Doug Henschen

*Intelligent Enterprise 2009 10th Annual
Editors’ Choice Awards*

Executive Summary

There’s a basic formula for business success: Invest strategically in initiatives that grow the business and reduce or contain costs. In a solid economy, this formula helps businesses thrive. In a difficult economy, it’s a means of survival.

We’ve all seen the headlines and read the analyst reports. It’s unanimous: IT budgets are shrinking. But the needs of the business are not. In fact, some may argue that in difficult times, the needs of the business actually grow.

When times are tough, companies need to home in on activities that will ensure that they can quickly adapt and respond to competitive threats and fluctuating market conditions. They need to seize the opportunities that will help them survive the down cycle and emerge stronger than before.

Most companies are looking for ways to be smarter about how they run their business. They want to streamline operations, lower costs, mitigate risk, and outpace the competition. There are a variety of business initiatives out there. They all require one thing: data.

With timely, accurate information, companies can respond and adapt quickly and make better decisions faster. They can operate more efficiently and do more with less. Data is the key to market leadership and, ultimately, financial success. With complete, consistent, and current information, companies can turn crisis to advantage.

So what does all this mean for IT? Two things. First, IT needs to do more (even more) with less (even less). And second, IT needs to scrutinize every single technology investment—current and future—and ask the following questions—Will the investment make the IT organization, as well as the business, operate more efficiently? Will it help reduce costs? Will it deliver value and do so quickly? Will it help our business succeed?

In the next 12 to 24 months, many companies will focus on the following five key business initiatives:

1. Better managing compliance with a growing number of complex industry and financial regulations
2. Finding ways to reduce risk and improve overall risk management
3. Getting the most value out of mergers, acquisitions, and divestitures
4. Finding new customers, retaining current customers, and keeping all customers from the competition
5. Investing strategically in technologies that yield quicker returns on investment and lower total costs of ownership

This white paper examines these initiatives and discusses the strategies that IT organizations should employ to ensure the success of these initiatives.

The Business To-Do List

The next 12-24 months will require tough choices. Companies need to focus on those essential activities that will enable them to weather the economic storm and position themselves for future success. These items should be on every business “to do” list:

1. Manage compliance
2. Mitigate risk
3. Consolidate to grow
4. Know thy customer
5. Modernize the business

Manage Compliance

One certain fallout of the economic crisis is new, more, and more rigorous regulatory oversight. New regulations have the potential to increase costs, as many U.S. companies discovered in the wake of the Sarbanes-Oxley act of 2002. According to a survey by New York-based Deloitte & Touche’s Deloitte Center for Banking Solutions, between 2002 and 2006 compliance spending grew faster than respondents’ net income—from 2.83 percent to 3.69 percent—as a result of regulation. The survey found that one of the primary reasons for the cost increase was that companies responded to regulations by applying human resources to monitor compliance, rather than investing in scalable technology resources to manage compliance.¹

Companies need access to timely, trusted data to satisfy the reporting requirements of the growing number of complex government and industry regulations. The business will expect IT to identify and implement cost-effective technology solutions that deliver accurate and consistent information to satisfy tomorrow’s regulatory compliance requirements.

Mitigate Risk

In these volatile economic times, it’s increasingly important for companies to proactively measure, monitor, and manage their risk exposures—financial risk, market risk, credit risk, operational risk—in a timely manner. And they need to be able to uncover and manage potential threats and fraudulent activity by individuals and groups attempting to mask, hide, or misrepresent their identities.

Effective risk management demands timely, accurate, complete information. Companies can’t afford latencies in information retrieval or operate on data that is out of date. They must be able to respond quickly to both opportunities and threats.

In support of risk management initiatives, the business will be looking to IT to deliver complete, consistent, accurate, and current information in real time. The ability to search and match the identities of individuals and companies, across multiple systems and languages, will be critical.

“A congressional panel overseeing the [U.S.] government’s financial bailout has concluded that the economic crisis could have been prevented with better regulation and called for a raft of proposals to overhaul government oversight of the financial sector. ‘The current crisis should come as no surprise,’ the panel wrote in a draft of the report. ‘The present regulatory system has failed to effectively manage risk, require sufficient transparency, and ensure fair dealings.’ ”

— Amit Paley

“Bailout Oversight Panel Calls for More Regulation,” *The Washington Post*

January 28, 2009

¹The Deloitte Center for Banking Solutions, “Navigating the Compliance Labyrinth: The Challenge for Banks,” 2007.

Consolidate to Grow

As companies adapt to the new economic environment, consolidation is inevitable. Some companies will be acquired. Some will divest themselves from under-performing or noncore holdings or operations. And some will merge operations with other companies to build economies of scale and prepare for the next wave of growth.

Companies are seeking rapid return on investment from their mergers and acquisitions (M&A). Their IT organizations play a vital role in these activities. IT will be tasked with developing tactical plans to migrate, consolidate, and synchronize data and applications so that the combined business operations and information of both companies can be fully and quickly leveraged.

Know Thy Customer

In a good economy, customers can leave as quickly as they come. During tough times, they are even more selective about who they do business with. For companies to survive in a highly competitive market, they need to know who their customers are and what they want.

This is easier said than done. Customer data lives in multiple systems that were built at different times, by different developers, using different approaches. Companies will be looking to IT to link disparate customer or household data into a single view to reduce support costs, drive effective up-sell and cross-sell campaigns, and improve customer retention rates.

Modernize the Business

To support changing business requirements and processes, companies often need to modernize their business applications. Strategic investments in the right technology can help companies execute all their business initiatives—now and into the future. Companies are looking to adopt new and better technologies that yield a quicker return on investment (ROI) and lower total cost of ownership (TCO).

According to recent IDC research, spending for software as a service (SaaS) applications, also known as “IT cloud services,” is growing at over five times the rate of traditional, on-premise IT applications and systems². This rapid growth is understandable. These technologies are easy to install and use, which means they’re adopted quickly. Their monthly or annual subscription fee pricing model is particularly attractive in an economic downturn. And, compared to traditional on-premise installations, these technologies have a significantly lower TCO, which means companies can reallocate limited resources to other, more strategic areas.

Yet many companies overlook a key success factor when it comes to cloud computing: data. Companies need access to data that is housed both internally and externally with service providers. They will look to their IT organizations to migrate, replicate, and synchronize data from applications that exist beyond company firewalls to ensure they are integrated with enterprise systems.

Evaluating the Alternatives

In a PricewaterhouseCoopers study, more than 70 percent of executives interviewed said data was one of their most valuable assets. But less than half said they were using data effectively.³ As IT considers which technologies to invest in, it should remember this rule of thumb: Technologies that help your company better leverage its data are investments worth pursuing.

How can IT harness data's power so the business can use it to operate more efficiently, comply with regulations, mitigate risk, facilitate mergers and acquisitions, and retain and win customers? Which technologies enable IT organizations to access, discover, cleanse, integrate, and deliver timely, trusted data to the enterprise?

As IT evaluates technology investment options, it's important to consider not just initial cost and functionality but also the technology's ability to deliver immediate and ongoing business value through greater productivity and TCO benefits.

Let's look at two traditional approaches to data integration: hand coding and point solutions.

Hand Coding

One of the most common approaches to integrating data is hand coding. It's a seemingly simple, fast, inexpensive way to get an IT project out the door. Or is it?

A report by Forrester Research addressed the shortcomings of hand coding. "Integration architects often view custom code as the quickest and cheapest way to deliver data integration capabilities, but unfortunately custom code's longer-term maintenance costs and inherent lack of reusability have led many to rethink this assumption. Today's complex data integration requirements demand higher-quality data and more-robust metadata and auditability, with SLAs requiring data delivery ranging from nightly batching to real-time services across heterogeneous IT ecosystems."⁴

Hand coding is inherently inflexible. If your IT organization is handling one integration project, this rigidity may not be a problem. But what happens in the more likely case, when new requirements need to be addressed? For example, let's say your company acquires another. How do you combine data from the new company with the data in your warehouse? Data from different systems. Data with questionable quality. It's a new, complex integration project that needs to be fully recoded.

To meet new business requirements, IT organizations need to invest in flexible approaches—those that leverage what's already been built, rather than "reinventing the wheel" with each new integration project.

Point Solutions

Some IT organizations use one-off tools from different software vendors to build data integration solutions that meet immediate, or departmental, needs. Although these solutions can help your IT organization get some degree of control over your data, the initial productivity gains of these point solutions are overshadowed by their long-term losses.

Point solutions don't allow assets or skills to be reused. And stitching together multiple products often creates a brittle, fragile system where a change at one point of integration can result in breakage in another.

³ PricewaterhouseCoopers' Management Barometer, 2006.

⁴ Forrester Research, "2009 Update: Evaluating Integration Alternatives for Enterprise Architecture Professionals," January 26, 2009.

“Organizations increasingly see the uncoordinated and reactive approaches they have used over the years as impediments to progress in addressing business pressures and the widespread info-glut that negatively impacts operational efficiency. The lack of integrated tools inhibits organizations’ ability to respond efficiently to changing business requirements, as well as preventing visibility of how, when, where and by whom information is produced and consumed, and governance of these processes.”

— Eric Thoo, Ted Friedman,
Donald Feinberg, and Mark A. Beyer,
“Gartner Predicts 2009: Technology Changes
Will Shape the Future of
Data Management and Integration”
December 12, 2008

The Power of the Platform

Traditional data integration approaches often result in:

- Redundant processes
- Underutilized resources
- Higher costs associated with infrastructure, development, support, maintenance, and change management

IT organizations need a better way to get more out of all existing systems and applications by harnessing the data locked within them while lowering integration maintenance costs.

They need a more managed approach to data integration. By standardizing on certain technologies, developing common processes and methodologies, and developing reusable skill sets for data integration, IT organizations can reduce costs, accelerate project delivery, and better meet the needs of the business.

The right data integration platform can facilitate this approach. It provides a comprehensive set of technologies for accessing, discovering, cleansing, integrating, and delivering timely, trusted data to the extended enterprise that can be reused to support multiple business initiatives.

Right from the first project, a data integration platform helps reduce costs by:

- Minimizing the complexity of development
- Increasing productivity
- Facilitating collaboration among IT teams and between IT and the business
- Accelerating time to delivery

Over time, the value of the platform increases. Because a platform provides a consistent approach to data integration, IT organizations benefit from reuse across multiple projects—reuse of processes, technology, and people and their skills.

By investing in a data integration platform, IT organizations can start small, realize immediate value, then scale quickly to meet more and different business demands—while continuing to reduce costs.

The Informatica Platform

Informatica, the industry’s leading independent data integration company, offers just such a platform. The Informatica Platform outlines enables IT organizations to access, discover, cleanse, integrate, and deliver any data, anywhere, at any time.

The Informatica Platform is:

- **Comprehensive.** The Informatica Platform integrates and delivers timely, trusted data to the extended enterprise—including the traditional enterprise within the organizational firewall; business-to-business partners such as customers, suppliers, and trading partners; and outsourced service providers, including business process outsourcers, SaaS vendors, and IT outsourcers.
- **Unified.** The Informatica Platform simplifies your life with a single platform that offers all the capabilities you need to support all the different roles involved in data integration—from analysts and stewards to architects and developers—plus all the different types of data integration and data quality projects you need to implement.
- **Open.** The Informatica Platform is open and designed to work with all systems and processes you have today or will have in the future.
- **Economical.** The Informatica Platform has been proven in thousands of real-world deployments to reduce TCO and help IT organizations do more with less.

Tapping Into the Power of the Platform

Let's now look at how IT organizations can tap into the power of a comprehensive data integration platform to help the business succeed in its five key initiatives.

Reducing the Cost of Compliance

To comply with the reporting requirements of a growing number of complex government and industry regulations, IT needs to provide the business with real-time access to complete and completely accurate data. By providing a reliable audit trail to show where data comes from, what it means, and how it's changed over time, a data integration platform can help IT reduce the cost of regulatory compliance.



Rabobank

With 180 independent bank offices, a central organization supporting the bank cooperatives, and a separate business unit handling mortgage requests, Dutch financial services provider Rabobank struggled with a tangle of technology.

Different operating systems were unable to directly communicate with each other. A lot of time and money went to building and maintaining interfaces instead. The systems could only spend half of their time processing requests.

Generating management reports was a cumbersome, time-consuming process. Data had to be manually retrieved from multiple systems and checked for accuracy. With no complete picture of customized connections, or “data chains,” between the systems, it was unclear what impact a modification to one had on the others. Under increased regulatory scrutiny, the company was understandably concerned about the quality of data in its various systems.

The Informatica Platform not only enabled IT to provide the business with the quality and visibility it needed but it also brought significant cost and productivity advantages. Rabobank's IT organization used the data integration platform to create a central point for data management. With the Informatica Platform, IT was able to reuse data across many systems. Streamlining data chains and decreasing the number of required interfaces made development faster, easier, and consequently, less expensive. Fewer personnel per chain are required. For the 100 data chains it manages, Rabobank's IT organization was able to reduce development costs by 40 percent—more than €1 million annually.

Mitigating and Managing Risk

In its report “Demystifying Enterprise Risk Management,” Forrester Research describes an “iceberg of risk,” where the full risk exposure of the organization is “underwater” and cannot be seen.⁵ In some cases, risk is obscured because the data needed to identify risk is managed in silos that do not communicate with each other. Sometimes data is not completely accurate and is not being delivered to decision makers quickly enough to identify risk and take action. In other cases, the risk management solutions in place cannot handle the complexity of data sources, formats, and latencies to provide companies with a complete view of their risk.

By providing a complete and accurate picture of risk, a data integration platform can help IT organizations enable the business to mitigate and better manage risk. Let's look at some examples.

⁵ Forrester Research, “Demystifying Enterprise Risk Management,” November 8, 2007.



State Auto Insurance Companies sought to reduce its underwriting risk. The company needed to ensure the accuracy of the policyholder addresses provided to independent insurance agents and internal underwriters so that correct Public Protection Classification codes could be assigned.

State Auto's IT organization was able to rapidly deliver the real-time data the business needed to reduce its underwriting risk by using the Informatica Platform to build two Web-based data services, accessible by both agents and internal employees.

The first service validates customer address information based on standard U.S. postal codes. Incorporated into State Auto's agent portal, this service lets any of the firm's more than 22,000 independent agents enter policy information and provide a real-time quote for their customers.

The second service validates Public Protection Classification codes using an ISO data source. This service ensures that the correct address and protection class code is used in calculating the policy premium. As a result, policy premiums are accurate, and agents no longer waste time looking up and entering this information; it's done automatically when they enter the policyholder details.

The Informatica Platform provided a data services framework that allows State Auto's IT organization to reuse what it's already built and rapidly roll out other Web-based services. The standards-based data services can be used alone or like building blocks to create advanced applications. The IT organization has already built three data services and effectively reused them in critical applications.

"We're getting business out the door faster and more accurately with the improvements we have implemented," says Stephanie Hansen, Senior Programmer Analyst at State Auto. "Others within the organization have seen the success we've achieved and are asking us how they can apply the Web services we've developed. They're also coming to us with new ideas that we'll eventually execute."



For a large investment and insurance company, auditing was a complex process of examining billions of transactions to verify their accuracy and dollar value. The company's auditing department used one flat file that kept information on past payees. Weekly information saved names and addresses, but this data was kept in unformatted fields and could only be tracked by expensive and time-consuming methods. In fact, one search that analyzed activities of just 25 names cost \$100,000 over five years.

Then the call came: A client was suspected of fraudulently making out checks to himself. A subsequent report showed that this individual possessed nearly \$106,000 in illegal checks. No one had been aware of this person's multiple illegal transactions. The company needed a better way to identify people involved in fraud.

The company's IT organization found that part of the Informatica Platform allowed it to handle high-volume, highly accurate identity data searches and matches. Using the phonetics search capability, an investigator keyed in the person's suspected name. "It was like hitting a slot machine," says the company's Director of Technical Audit.

Today the data integration platform runs on a LAN, and auditors don't even need to know how to spell the name they are researching—a vast improvement over guessing and entering countless spelling options in the past. The platform paid off in the first month. "Now we use it with auditors and investigators," says the company, "and we can assist business personnel who come to us to run specific reports they need."

Facilitating Successful Mergers & Acquisitions

Most M&A deals are expected to yield positive returns within a 12- to 18-month timeframe. IT plays a vital role in making mergers work. IT organizations are charged with consolidating multiple systems and migrating the data within them so that the M&A delivers ROI quickly.

This integration is an enormously complex task. IT organizations must grapple with massive amounts of data:

- Hundreds and even thousands of data sources
- Data in arcane, difficult-to-access formats
- Data in spreadsheets on random desktops
- Dirty data
- Data that can't be found
- Data that no one understands or can explain

Many companies fail the first test of an M&A: migrating data from one system to another. Bloor Research presents some daunting figures:

- More than 80 percent of data migration projects fail or overrun
- 64 percent of data migration projects are delivered late
- 37 percent of data migration projects run over budget.⁶

When the data migration project fails, the initiative to consolidate systems or integrate business processes fails. And the promised business results of increased operational efficiency or greater revenue fail to materialize in time to meet executive and shareholder expectations. In the worst case scenario, the stock price plummets as Wall Street writes off another failed deal.

IT organizations need a more effective way to support M&A activity. A data integration platform can help.



Since ACH Food Companies merged with global food giant Associated British Foods 13 years ago, the company has acquired a number of established food companies and brands and has doubled its sales.

ACH focused on the business—boosting sales volumes and margins—but not on technology to drive the business. This \$1.1 billion company relied on an IT team of just 15 people. When ACH acquired a new company, its IT team could only cobble systems together. The acquired company's data was simply tucked into the legacy system—usually within a separate silo. Development was perpetually based on point-to-point interfaces. And documentation was noticeable only by its absence.

When ACH's IT team was tasked with an enterprise resource planning implementation, it needed to migrate data from many disparate systems into SAP. With the limited IT staff, the team relied on the Informatica Platform to handle the migration project.

The project was a success. With the platform's powerful data profiling, cleansing, and matching capabilities, the IT team was able to reduce the number of "ship to" contacts in its legacy data from 25,000 to 5,000 and the vendors supported on the system from 16,000 to 8,000.

Yet the IT team found that the Informatica Platform did much more than simply support data migration. It enabled the team to support the company's M&A strategy—a happy by-product of choosing the right platform.

⁶ Bloor Research, "Data Migration in the Global 2000," September 2007.

Being able to access and integrate data from virtually any business system, in any format, and deliver that data throughout the enterprise at any speed has transformed ACH's ability to acquire other businesses. According to ACH CIO Donnie Steward, the Informatica Platform "is a model for acquisition and bringing in data from third-party sources. Business acquisitions are always a challenge, but with Informatica we are able to reduce the time taken to integrate the legacy systems from an acquired organization from up to nine months to as little as four months. That accelerated integration provides the company with a faster route to value from the acquired business—and a quicker path to profitability."

Delivering a Single View

Creating and nurturing a long-term customer relationship requires companies to have an in-depth understanding of their customers—who they are, where they live, which products and services they buy and why, and what they've bought in the past and might buy in the future, for example.

A McKinsey report predicts that one of the eight business technology trends to watch is organizations "leveraging information in new ways." According to the report, "The amount of information, and a manager's ability to use it, has increased explosively—not only for internal processes, but also for the engagement of customers. The more a company knows about them, the better able it is to create offerings they want, to target them with messages that get a response, and to extract the value that an offering gives them."⁷

For most companies, customer data is scattered across the organization in multiple databases that serve different customer-related activities, such as billing, shipping, or marketing. To compound the issue, each database stores data in its own format, often different from the format in another database. It's nearly impossible to get a comprehensive, 360-degree view of customers.

A data integration platform provides a highly productive, cost-effective way for IT organizations to deliver a single, coherent, accurate view of customer data. This single view is based on a wide variety of datatypes, coming from various sources and locations, at various latencies.



AGL Resources is one of the largest distributors of natural gas in the United States. To increase penetration into the natural gas market, the company needed to understand the consumption patterns and trends of 2.3 million customers.

Using the Informatica Platform, the IT organization developed an integrated and single view of all customer information, yielding benefits for both IT and the business. On the IT side, processing time improved by 400 percent. IT productivity rose drastically. The team has seen significant improvements in performance, reliability, metadata, and ease of use. And IT's entire investment in the platform was recouped within a year.

For the business, having a single view of its customers prompted the company to fundamentally change how it charged customers—moving from a flat rate structure to a usage pattern structure.



KPN, the Dutch fixed-line and mobile telecommunications company, needed trusted, real-time data to fuel and drive operational efficiency across its customer-facing programs. KPN's IT organization invested in the Informatica Platform, and its effect

on the business has been profound.

Real-time interaction between target systems is reducing marketing and sales time to market. Automated and improved data quality is increasing organizational productivity. Customer service has improved and along with it, customer satisfaction. The data integration platform is expected to:

- Increase average revenue per user by 5 percent
- Reduce customer churn by 10 percent annually
- Cut the time that call center staff spend on each call by 10 percent

Investing Wisely in New Technologies That Modernize the Business

More and more, SaaS applications have become a smart alternative to traditional on-premise applications. Rapid installation means a quicker return on investment. And compared to traditional on-premise installations, they have a significantly lower TCO, which means companies can reallocate resources to other areas.

Yet as IT organizations invest in SaaS applications, maintaining access to and control over data that resides “in the cloud” is critical. A data integration platform that integrates and delivers timely, trusted data to the extended enterprise—beyond corporate firewalls to business process and IT outsourcers and SaaS vendors—can help IT organizations benefit from new cloud computing technologies without relinquishing control of their data.



Online job search behemoth Monster.com was using salesforce.com's Force.com platform-as-a-service offering in its telesales and online advertising departments. Hoping to improve the way financial and marketing executives in its

MonsterTRAK division made business decisions, the company tasked its IT team with extending the familiar salesforce.com interface to these business users. The goal was to empower those users to manipulate customer service, billing, and Web site performance data in complex ways—without relying on overtaxed database administrators in its IT department—so better, faster business decisions could be made.

The IT team had a tall order: Move MonsterTRAK's data from its existing Oracle-based data mart into Force.com on a reliable, daily basis. Ensure that the data remains readily accessible and under MonsterTRAK's control. Do it quickly. Do it cost-effectively. And do it with little or no IT support.

A systems analyst discovered the Informatica Platform, which is available as a hosted data integration service. The platform provided automated daily, weekly, or monthly scheduling of integration jobs. It allowed him to create mappings, transform data, merge fields, test results, and rapidly deliver meaningful reports and dashboards in less than two weeks. And, on an ongoing basis, it now allows him to single-handedly manage the torrent of MonsterTrak's daily data.

Business users are insulated from the complex mechanics of this process. All they know is that they now can have comprehensive, up-to-date information available through their salesforce.com application.

The service provides faster access to necessary data, lets the company squeeze more value out of its existing investment in Force.com, and turns a process that once required multiple IT staffers into one supported by just 10 percent of one person's time.

“By YE12, 50 percent of enterprises using applications “in the cloud” will experience severe business disruption due to the lack of rigorous data management and integration applied to external data. In mitigating information deficiencies when using SaaS applications, vital information delivery needs must be proactively assessed upfront to provide directions that will enable the SaaS solution to interoperate with the internal enterprise.”

— Eric Thoo, Ted Friedman, Donald Feinberg,
and Mark A. Beyer,
“Gartner Predicts 2009: Technology Changes
Will Shape the Future of
Data Management and Integration”
December 12, 2008

Developing a Sound Strategy

It's important to think of data integration not just on a project-by-project basis but also across multiple projects and ultimately across the entire enterprise. Otherwise, IT organizations will be forced to “integrate the integration,” which adds to complexity and cost, defeating the purpose of data integration.

Developing the right data integration strategy is just as important as adopting the right technology infrastructure. The best approach to data integration is to:

- Adopt a standardized integration platform
- Define an explicit integration strategy
- Implement the strategy using an Integration Competency Center (ICC)

According to Gartner, “ICCs can save an average of 30 percent in integration application and data interface development time and costs. Additionally, ICCs can lower maintenance costs by 20 percent and achieve 25 percent reuse of integration components.”⁸

Instead of starting from scratch with every data integration project, IT organizations with an ICC can optimize resources and build on past successes, leading rapidly to lower maintenance costs, more stable operations, and faster response to changing business conditions.

Conclusion

We're in a recession now. We won't always be.

For most companies, surviving the recession means scaling back, hunkering down, and battening down the hatches. But recession-proofing the business doesn't just mean surviving tough times. It means strategically investing in the technology and strategies that will set the business up to come out stronger on the other side.

When will the recession end? No one can predict. And, as **Figure 1** indicates, formal declarations can be severely misaligned with reality.

START OF RECESSION	WHEN START OF RECESSION WAS DECLARED	END OF RECESSION	WHEN END OF RECESSION WAS DECLARED
July 1990	April 1991	March 1991	December 1992
March 2001	November 2001	November 2001	July 2003

Source: National Bureau of Economic Research

Figure 1. The Danger of Waiting for Recession Notifications

Companies need a sound strategy to guide them through the current downturn; they also need a strategy that makes them agile and resilient given the difficulty of predicting when recovery will happen.

Some companies will find ways to turn the current environment to their advantage. In fact, many companies advance market leadership by taking advantage of periods of economic downturn to realign, redirect, grow through acquisition, and outmaneuver the competition.

The companies that successfully weather economic slowdowns are those that can sense and respond to change. They're the companies that can act quickly and take advantage of opportunity as changes in the competitive landscape, in the market, and in the economy occur.

They need data. The right data. At the right time. With unquestionable quality. According to Gartner, "Strategic use of information determines the ability of enterprises to compete and win. Tools that let . . . users make faster, better and more-informed decisions are particularly valuable in a difficult business environment."⁹

These companies will rely heavily on their IT organizations. For IT to help recession-proof the business, it needs to strategically invest in the people, processes, and technology that will deliver the data the business needs to operate more efficiently and make the decisions that will promote future growth.

Informatica can help.

Learn More

Learn more about the Informatica Platform. Visit us at www.informatica.com or call 800.653.3871.

About Informatica

Informatica enables organizations to gain a competitive advantage in today's global information economy by empowering them to access, integrate, and trust all their information assets. As the independent data integration leader, Informatica has a proven track record of success helping the world's leading companies leverage all their information assets to grow revenues, improve profitability, and increase customer loyalty.

⁹ Eric Thoo, Ted Friedman, Donald Feinberg, and Mark A Beyer, "Gartner Predicts 2009: Technology Changes Will Shape the Future of Data Management and Integration," December 12, 2008.



Worldwide Headquarters, 100 Cardinal Way, Redwood City, CA 94063, USA
phone: 650.385.5000 fax: 650.385.5500 toll-free in the US: 1.800.653.3871 www.informatica.com

Informatica Offices Around The Globe: Australia · Belgium · Canada · China · France · Germany · Japan · Korea · the Netherlands · Singapore · Switzerland · United Kingdom · USA

© 2009 Informatica Corporation. All rights reserved. Printed in the U.S.A. Informatica, the Informatica logo, and The Data Integration Company are trademarks or registered trademarks of Informatica Corporation in the United States and in jurisdictions throughout the world. All other company and product names may be trade names or trademarks of their respective owners.