

New IBM software gives impetus to the market for service-oriented architectures



Quelle: ORBIT

## Who governs the ERP world? **SOA versus ESA**

IBM is placing new software on the market to make it easier for companies to enter the world of service-oriented architecture (SOA). The offering is backed up by the bundled know-how from more than 1800 SOA projects for companies of all sizes and from all industries. Based on practical experience and surveys, IBM has also determined five criteria for a smooth entry into SOA.

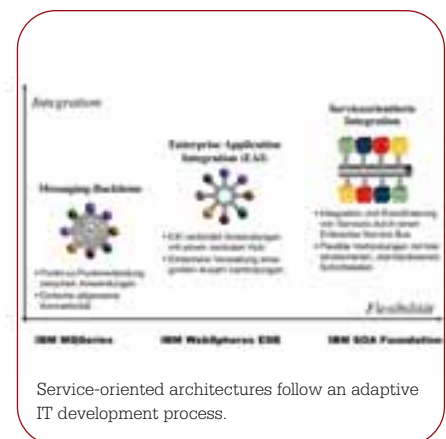
**T**he analysts at IDC predict that the SOA market, including software, services, and hardware, will rise to 21 billion US dollars by the year 2007. The greatest obstacle for SOA projects is and remains entry into SOA. Here, additional costs should be avoided and a business strategy selected that flexibly withstands changes on the market and in the company. This is a problem that many providers are forced to deal with: SAP also has a concept, but there has not yet been a customer reaction. "Service-oriented architectures are of strategic significance to all industries – from the retail trade through car manufacturers all the way to brokers," explains Steve Mills, Senior Vice President and Group Executive at IBM. "They improve cooperation, enable innovation, and enable you to recognize new business opportunities and place customer needs in the foreground."

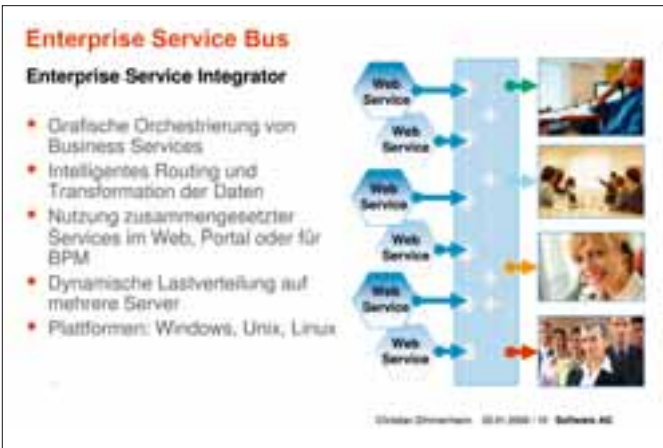
**With the switch** from traditional IT environments to service-oriented architectures, services to optimize business processes are gaining in importance. With the Enterprise Service Architecture (ESA) on the basis of



the NetWeaver platform, SAP is developing the concept of a business-process-oriented SOA that provides business processes that are fully ready to use. Many of the SAP maintenance offerings and tools, including the new version of the Solution Manager (SolMan), are used for efficient administration of existing R/3 environments and at the same time support the implementation of ESA. "The improved functions for diagnosis and cooperation in the new Solution Manager have convinced us," explains Volker Manns, head of the SAP basis company management systems at Thyssen Krupp Stahl AG (a major German steel producer). "In order to accelerate deployment in our company, we are participating in the ramp-up program. The upgrade of Solution Manager 3.2 to version 4.0 ran without difficulty. We are sure that we can use the new Solution Manager to manage our NetWeaver environment even more cost-effectively."

**Whereas SAP relies primarily** on the SolMan when it comes to the topic of SOA/ESA implementation, expanding this with the help of IDS Scheer (Business Process Management/Platform) and Redwood (Job Scheduling), other companies rely on broader solutions for heterogeneous IT architectures, and to this end develop acceptable middleware software. Once again the positioning of the SolMan from SAP's perspective: "With the Solution Manager, our customers can extract the greatest possible benefit from their SAP solutions," explains Uwe Hommel, Senior Vice President of SAP Active Global Support, the worldwide SAP service organization. "With the new version, we support our clients above all with tools to enable cooperation and hook them up to the know-how of the worldwide SAP expert network." Another partner in the SOA/ESA concept of the SolMan is Hewlett-Packard. "HP and SAP have successfully linked the OpenView Service Desk with the Solution





Quelle: Software AG



Quelle: IBM

Web services are an essential part of SOA/ESA. IBM WebSphere and Software AG define their offers on the basis of an Enterprise Service Bus.

The Enterprise Service Bus has become a sustained function. At SAP, they forego such a construct – or should it be NetWeaver XI in the case of ESA?

Manager," confirms Hartmut Braun, Global Alliance Manager Technology Services at Hewlett-Packard. "HP supported the development and description of an open interface based on Web services that links the Solution Manager to a service desk solution such as that from HP. This means that customers can integrate their systems efficiently in a solution for IT service management and utilize the full scope of performance of the SAP Solution Manager."

"Together with IBM, we are currently processing a number of new technologies related to our SOA implementation," says Mike Clifton, Chief Technology Officer, Citizens and Hanover. "Among other things, we want to add IBM WebSphere Portal to our middleware, which means additional support for SOA. SOA is hugely important in enhancing the user friendliness of our systems."

All things considered, however, SOA/ESA is a matter of acceptable business processes. For the automobile industry, SOA means a better harmonization of technology and economic circumstances. The IBM clients Pep Boys and Magna Steyr have each realigned their company strategies with the help of an SOA based on IBM software and today achieve better integration of the entire procurement chain, employee productivity, and greater customer satisfaction. An SOA project at Harley-Davidson, for example, simplifies the credit authorization procedure. The integration of all the steps related to vehicle loans such as credit applications, checks of credit worthiness, and credit authorization via SOA means that Harley-Davidson dealers can offer their customers better service, as they process financing

strategies more quickly and, in doing so, orient themselves to individual customer needs. "The success of our SOA project for the credit authorization procedure can also be easily applied to other enterprise areas of Harley-Davidson," confirms Jim Haney, CIO at Harley-Davidson. "The need to integrate different sources of information and to automate processes arises not only in the area of credit."

**Harley-Davidson**, the cult brand among the motorcycle manufacturers, supports all its global business activities with SAP software. To achieve this, the company with headquarters in Milwaukee, USA, implemented the industry solution 'SAP for Automotive' as its standard platform. In the first step, Harley-Davidson is replacing the present finance applications and is planning subsequent deployment of other application components from mySAP ERP, Customer Relationship Management, as well as mySAP SCM for Supply Chain Management. On the basis of these sector-specific business applications, the motorcycle manufacturer is gradually achieving greater transparency and efficiency in business processes. "Harley-Davidson is a highly regarded brand worldwide," stresses Bill McDermott, President and CEO at SAP Americas. "We are very glad that we are able to support this company in implementing its corporate and growth strategies."

Criteria for success for service-oriented architectures: based on best practices and the results of surveys, IBM has determined five criteria that enable companies simple entry into SOA projects. The approach places people, processes, and information in the foreground, as well as comprehensive connectivity and the possibility to reuse

existing resources. These SOA entry criteria can be specifically implemented using the four new software releases from IBM. In addition, IBM Business Consulting Services (BCS), the largest consulting service provider worldwide, is expanding its SOA skills and know-how in order to support the growing customer base of IBM. The most important criteria in setting up an SOA include the possibility to integrate existing resources in a new architecture, as the costs incurred in this way are up to five times lower than if all the applications have to be rewritten. The new versions WebSphere Application Server Version 6.0 and WebSphere Commerce Version 6.0 are therefore designed to integrate existing resources and to simplify SOA management.

"If you look at portals, you can easily see how well the paradigms of service-oriented architecture and of the portal build on one another: both technologies provide the user with the

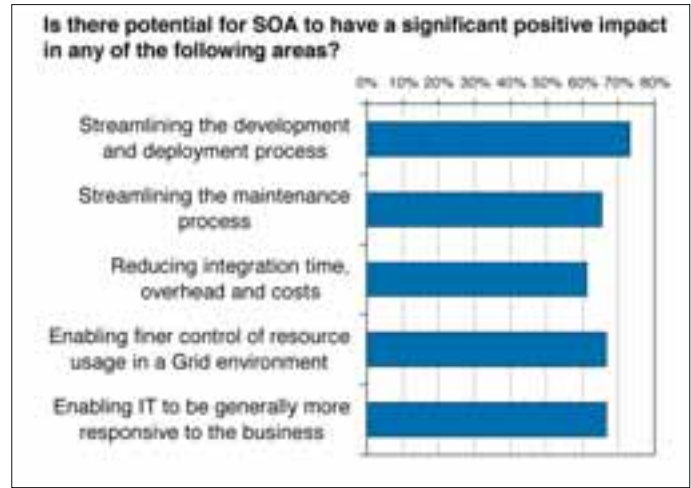
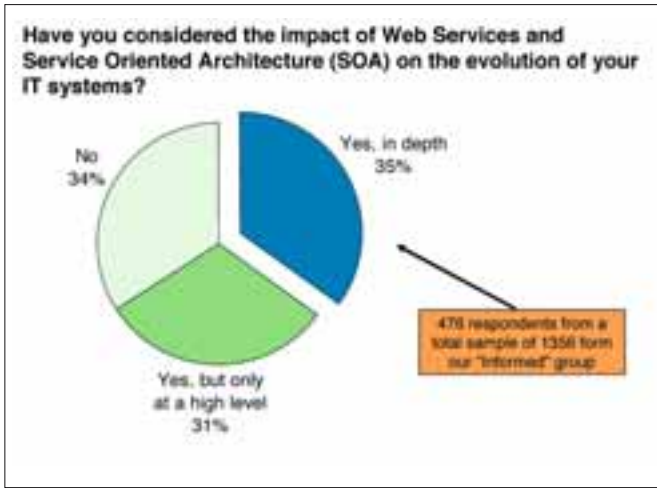


Steve Mills, Senior Vice President and Group Executive at IBM: "Service-oriented architectures improve cooperation, enable innovation, and enable you to recognize new business opportunities and place customer needs in the foreground."



Uwe Hommel, Senior Vice President of SAP Active Global Support, the worldwide SAP service organization: "The Solution Manager enables our customers to extract the greatest possible benefit from their SAP solutions."

Quelle: Quectra Marktresearch 2006



The buzzwords SOA, ESA (Enterprise Services Architecture) and BPP (Business Process Platform) are familiar, but there is still hesitancy in their application.

Where can the IT user win with SOA? There is still a very general, unspecific picture of the advantages of SOA/ESA in the ERP scene.

possibility to allow component-oriented accesses to applications and information," says Ralf Grohmann, development manager responsible for IBM Workplace and portal technology in the IBM Development Center in Böblingen near Stuttgart. "In the case of SOA, the whole thing is extended even further in

that you can activate and use software applications that can be flexibly combined, and are in turn shown by the portal. This is, in a manner of speaking, the entry point for the elementary processes and applications of a company, homogenizing the display of the underlying software integration layers."

**WebSphere Portal** Version 6.0 supports Ajax and integrates the Bowstreet Portlet Factory with format templates for rapid adaptation to SOA applications. WebSphere Portal is also completely integrated with the WebSphere Process Server, software that builds on open standards and an ESB (Enterprise Service Bus). Based on business rules, WebSphere Portal simplifies the information exchange between applications, thus reducing the time, costs, and risk in integration projects.

**To improve visibility** of the business processes and process-oriented SOA models, IBM has developed the new WebSphere Business Monitor software that enables a "bird's eye view" of business operations. IBM clients can use this to pinpoint potential problems before they diminish productivity. The new functions of the WebSphere Business Monitor include notification regarding company processes, links to reports that contain both performance data in real time and historical analyses, and key figures that enable tracking of project status and parameters. Companies can use the software to set up automatic notifications for monitoring competition. The new version of WebSphere Application Server supports the Session Initiation Protocol (SIP) for simpler management of SOA. The new security features of WebSphere Application Server (WAS) include standardized security configurations, user registration for identity management, and the security certification Common Criteria Assurance Level 4 for independent validation, efficient authentication, protection of user data, and reliable user management.

Source: [www.ibm.de](http://www.ibm.de) and [www.sap.de](http://www.sap.de)

## Adoption of SOA

This year IBM announced new software and services to enable customers to quickly and easily take advantage of the growing marketplace trend towards service oriented architecture (SOA). "An SOA plays a strategic role in any company – from a retailer to a car manufacturer to a financial institution – because it enables people to collaborate and innovate, identify new business opportunities, and move the customers' needs to the forefront," said Steve Mills, senior vice president and group executive, IBM Software Group.

The major barriers to SOA success are often related to determining how to get into an SOA, avoiding additional costs, and ensuring that investments are allocated toward a business strategy that will withstand market fluctuations and company changes. Based on proven best practices and third-party research, IBM has identified five entry points to enable customers to more easily approach and initiate an SOA project. These entry points include people-, process- and information-centric approaches as well as connectivity and the ability to reuse existing assets. Today, IBM is announcing four new software releases targeted toward these SOA



Steve Mills, senior vice president and group executive, IBM Software Group: "An SOA plays a strategic role in any company".

starting points as well as a set of industry-specific models to support SOA. Additionally, IBM is announcing new SOA services. For supporting a people-centric approach to SOA, WebSphere Portal version 6.0 integrates IBM Workplace and collaborative technologies, making it easier for users to build and deploy composite applications that can be tailored by industry, role or task. The new release takes advantage of AJAX to create a more responsive user environment. Additionally, the latest version provides a workflow builder that utilizes the process engine from WebSphere Process Server, open standards-based software powered by WebSphere Enterprise Service Bus (ESB) that helps simplify the integration of business processes. These capabilities, along with templates designed to accelerate application deployment, allow organizations to increase the effectiveness of their business and IT staff through the application of an SOA.

The art of stratagems: crossing the sea while deceiving the sky

## The established customer as victim of a stratagem



With NetWeaver, SAP promises an open Business Process Platform; with the Solution Manager, it promises free job scheduling and a compatible BPM tool (Business Process Management); and with ESA (Enterprise Services Architecture), it promises a standardized Web service. If these new freedoms become reality, SAP will not look good in the process.

**S**uccess lies in control: because SAP succeeded from the outset in occupying all the strategically important positions in the organizational and process structures with R/2, and in covering all the business processes first with R/2, later with R/3 and R/3 Enterprise, and today with mySAP ERP 200x, the Walldorf system reseller also succeeded in achieving this monopoly-type market domination. SAP has always aimed to be in charge of all the ERP components. Leeway and alternatives are only available within the boundaries defined by SAP. Crossing these boundaries is viewed by SAP as counterproductive and is penalized with painful license payments.

**SAP, however, is moving**, operating in democratic, market economy areas where the customer is still the Emperor. Nonetheless, caution is required in the case of the current promises from Walldorf. With NetWeaver, Business Process Platform, Enterprise Services Architecture, as well as

the supplements of Microsoft, Duet, IDS Scheer, Aris, and Redwood, Cronacle, SAP promises an openness and freedom that will not come about in this form, because it would conflict with their own interests. It cannot be in the interest of SAP to have autonomous, independent, and emancipated established customers. This makes NetWeaver, BPP, and ESA a stratagem.

**"Deceive the Emperor** by inviting him to a house on the beach, which in reality is a disguised ship, and thus induce him to cross the sea." This is the first stratagem. The art of the stratagem, nurtured and admired in China for centuries, is a closed book for Europeans. The "36 Stratagems" are the most important collection of stratagem techniques common in China. Harro von Senger discovered them in the Middle Kingdom and made them known in the West. The quotations shown here originate from his highly recommended book "36 Stratagems for Managers", Hanser Verlag, ISBN 3-446-22844-6.

And once again Harro von Senger: "In our European culture, we have to learn to be more sensitive to stratagems and not to condemn stratagems from the outset, rather to recognize them as part of daily life. By the way, the same character is used for the words 'stratagem' and 'wisdom' in Chinese." Well, the stratagem in Walldorf is easy to see through: With NetWeaver, the Business Process Platform and the invented formula that SOA (service-oriented architecture) plus BM (business management) equals ESA (Enterprise Service Architecture), SAP wants to offer the established customer (here:

Emperor) a construct for their business organizational and process structures. The purportedly stable construct (house) for the business processes of the ERP user, however, is only a tool (ship) to get customers from R/3 to mySAP ERP 2005, where they finally reach total dependency with new license fees and billing methods.

**ESA is a disguised ship** with the aim of "price list 2006/2007". Anyone who gets talked into customizing mySAP ERP 2005 has already lost. The cunning SAP will never admit anything similar, but anyone who has the opportunity to take a look at the coming price list will see that the house on the beach is not a house but a disguised ship.

To conclude, a couple more comforting and encouraging words from Harro von Senger: "No matter how skillfully reality is shrouded, there is always the risk that a detail is revealed. And the potential victims of a stratagem [in this case established customers] can only recognize this minor revealed detail if they are attentive enough. As soon as even the slightest suspicious sign is detected, it should be investigated. Conclude that even the first vague indication will lead to a possible later development! Do not look at the world with an obsession for superficiality! It is better to take one too many precautionary measures than to suffer more damage than you can take."



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