The Drive Behind Hybrid Integration Platforms

Gauging adoption of hybrid integration platforms as a vehicle for digital transformation
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Study Overview

Most businesses today are on a digital transformation journey. It’s a road strewn with many challenges that can slow progress, not the least of which are traditional integration processes and technologies that must still be managed. Axway surveyed 550 senior IT leaders to determine how their integration efforts are going, and how hybrid integration platforms (HIPs) can and have been used to speed their integration and accelerate their journey. This overview offers information on:

- Key findings
- Demographics
- Integration in transition
Key findings

Some of the more revealing takeaways from the study involve securely merging new and traditional integrations, the role of IT moving forward, who’s ahead of the curve, and why hybrid integration is important. Specifically:

• Security and the complexities, volumes and lack of experience in accomplishing integrations top a list of many challenges IT faces with traditional integration solutions

• **86%** of respondents believe that the **IT department should not just be integrating for other departments** — IT should be enabling others to integrate for themselves

• **45%** of respondents have implemented or are implementing a hybrid integration platform to close the gap between new and traditional integrations

• The number-one factor driving adoption of hybrid integration platforms is **the need to innovate faster to keep up with agile, cloud-native start-ups**
Demographics

The 550 participants in the Axway study represent a range of countries, industrial sectors, global annual revenue, and business titles.

<table>
<thead>
<tr>
<th>Country</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>150</td>
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<tr>
<td>U.K.</td>
<td>100</td>
</tr>
<tr>
<td>France</td>
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<td>Germany</td>
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<tr>
<td>Australia</td>
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</tr>
<tr>
<td>Singapore</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Industrial Sector</th>
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<tbody>
<tr>
<td>High-Tech</td>
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<tr>
<td>Financial Services</td>
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<tr>
<td>Retail</td>
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<tr>
<td>Healthcare</td>
<td>66</td>
</tr>
<tr>
<td>Aerospace &amp; Defense</td>
<td>63</td>
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<tr>
<td>CPG</td>
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<tr>
<td>Automotive</td>
<td>58</td>
</tr>
<tr>
<td>Transport &amp; Logistics</td>
<td>49</td>
</tr>
</tbody>
</table>
Demographics

Global annual revenue

- $1 billion – $5 billion: 179
- $5 billion – $10 billion: 177
- More than $10 billion: 194

Title

- Chief Information Officer (CIO): 37%
- IT Manager: 25%
- Chief Technology Officer (CTO): 19%
- Chief Information Security Officer (CISO): 12%
- VP/Director of IT Integration: 6%
- IT Team Supervisor: 4%
- VP/Director of Infrastructure: 4%
- VP/Director of B2B IT: 4%
- Enterprise Architect: 2%
- VP/Director of Application Development: 2%
- VP/Director of API: 1%
Integration in transition

There is a huge consensus among survey respondents that integration is a key factor in the success or failure of applications and processes needed to drive business, whether the business produces products or services.

91% agree that being able to integrate seamlessly across different systems, departments, and partners is crucial for business success.

49% say they need to innovate faster to keep up with agile, cloud-native start-ups.

While every organization supports multiple integration patterns and has different integration solutions and expertise in place, they still admit to having trouble keeping up with the pace of innovation in today’s environment.

Digital transformation strategies, changing regulation, customer experience initiatives, and rapid adoption of specialized, cloud-based apps and data that need to be integrated with existing systems challenge IT teams to respond with the speed they want.
The State of Integration

Companies have invested heavily in their IT infrastructures and capabilities in order to keep integrations current and responsive to tighter SLA requirements. Where do they stand as a result?

• IT has embraced cloud architectures
• IT is supporting multiple integration patterns
• IT is struggling to keep up with increasing demands
• IT is faced with increasing security concerns
• IT’s role in the enterprise is shifting
IT has embraced cloud architectures

51% of IT applications run on cloud architectures, including the public cloud, hybrid cloud, and managed service providers. While this is an important milestone, it means 49% of applications still run on-premises in physical or virtualized servers.

Analysis of the average percentage of the total IT environment in respondent’s organization that is split across the above deployment technologies.

These numbers hold for architectures that run integration as well. While cloud can help organizations respond to changes more quickly, enforcing common IT security policy and governance across cloud and on-premises environments is a common challenge.
IT is supporting multiple integration patterns

Just like the mixed environments for deployment, there are many different integration patterns and technologies that enterprises are still supporting today. Flexibility in integration choice supports business requirements but can also contribute to silos for operations and technical expertise. This reliance on IT-specific expertise for integration is contributing to the next trend.

<table>
<thead>
<tr>
<th>Integration Pattern</th>
<th>We use this pattern regularly</th>
<th>We use this pattern occasionally</th>
<th>We use this pattern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed file transfer</td>
<td>62%</td>
<td>33%</td>
<td>95%</td>
</tr>
<tr>
<td>API management</td>
<td>61%</td>
<td>34%</td>
<td>94%</td>
</tr>
<tr>
<td>Cloud service integration via iPaaS</td>
<td>64%</td>
<td>29%</td>
<td>93%</td>
</tr>
<tr>
<td>IoT integration/IoT platform</td>
<td>57%</td>
<td>34%</td>
<td>91%</td>
</tr>
<tr>
<td>Enterprise file sync and share (EFSS)</td>
<td>56%</td>
<td>33%</td>
<td>89%</td>
</tr>
<tr>
<td>B2B/EDI integration</td>
<td>48%</td>
<td>39%</td>
<td>87%</td>
</tr>
<tr>
<td>Data integration via extract, transform and load (ETL)</td>
<td>42%</td>
<td>40%</td>
<td>82%</td>
</tr>
<tr>
<td>Application integration via enterprise service bus (ESB)</td>
<td>45%</td>
<td>37%</td>
<td>82%</td>
</tr>
<tr>
<td>Point-to-point custom-coded integration</td>
<td>37%</td>
<td>43%</td>
<td>80%</td>
</tr>
<tr>
<td>Integration via message-oriented middleware (MOM)</td>
<td>40%</td>
<td>39%</td>
<td>79%</td>
</tr>
<tr>
<td>B2B integration via value-added network (VAN)</td>
<td>40%</td>
<td>39%</td>
<td>79%</td>
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</table>
IT is struggling to keep pace

The diversity and complexity of integration methods and deployments drive up the demand for IT every day. Other departments are relying on IT to perform their integration tasks for them.

As part of the IT department, do you ever find that other departments in your organization rely on you/your team to perform the integration work on behalf of their line of business (LOB) users?

- Yes, this happens every day: 2%  
- Yes, this happens quite often: 23%  
- Yes, but not very often: 1%  
- No, other teams in my organization never ask IT for help with integration: 21%  
- Don’t know: 54%
IT is struggling to keep pace

Also stretching IT’s resources is the fact that they are inheriting technology choices and integrations performed by other departments. This troubled, ticket-driven methodology has slowed integration responsiveness and resulted in shadow IT, where accomplishing integrations happens outside of policy and governance set by IT.

IT is inheriting technology choices and integrations performed by other departments.

- Yes, this happens every day
- Yes, this happens quite often
Top integration challenges

Of the main challenges and pains organizations are facing with traditional integration solutions, security was the largest concern. Since integration is tasked with moving data between applications and people, it’s a prime target for attacks and security risks.

Many summarize these challenges in four key areas: architectures (cloud and on-premises), domains (multiple integration patterns), end-points (number and security of connections), and personas (people accomplishing integrations).
Who should be doing integration?

A shift in how IT delivers its integration services is underway.

86% believe the IT department should not just be integrating for other departments, IT should be enabling others to integrate for themselves.

This approach requires a change in IT organization, as well as a platform to serve as a connecting point for producers and consumers of integrations. Analysts and early adopters call these hybrid integration platforms.
The Rise of Hybrid Integration

Understanding the rise of hybrid integration means defining it, knowing who’s doing it, and why.

This section covers:

• What is a hybrid integration platform?
• Hybrid integration platform adoption
• What is driving adoption?
What is a hybrid integration platform?

When asked if they understood what a hybrid integration platform is, 70% of respondents said they have a relatively good understanding or a complete understanding. The survey offered participants a baseline definition of a hybrid integration platform:

• A hybrid integration platform (HIP) brings together and makes available integration patterns, end-points and data that can be used by a wider range of integration personas to create new applications under better security and control that can be deployed on both on-premises and cloud-based system architectures.

• Critical to a HIP is the idea of empowering the business via self-service integration capabilities and best practices, while IT maintains corporate oversight and serves as an enabler.
Hybrid integration platform adoption

Adoption of HIPs is well underway. Survey participants were asked, “Where is your organization on its journey towards having a hybrid integration platform in place?” Turns out, 45% of companies are currently implementing a HIP or already have one, with another 32% planning on implementing in the next 12 months.

- 31% have no plans to implement a HIP.
- 14% plan to implement one in the next one to three years.
- 5% plan to implement one after three years.
- 2% plan to implement one in the next 12 months.
- 13% are currently implementing a HIP.
- 3% have already implemented a HIP.
- 2% have no plans to implement one.
Hybrid integration platform adoption

Respondents were asked to identify their approach to implementing a hybrid integration platform. The majority (50%) plans on purchasing from a third-party vendor. Here’s how other approaches stacked up.

- **21%**: Our hybrid integration platform is/will be built by ourselves
- **50%**: Our hybrid integration platform is/will come via a third-party vendor
- **26%**: We will use a combination of in-house and third-party vendor to create our hybrid integration platform
- **3%**: Don’t know – it’s too soon to say
Hybrid integration platform adoption

44% of those who already have a HIP or are currently implementing one (early adopters) built it by themselves. But increasingly, companies are looking to purchase from a vendor, or to use a combination of in-house and third-party vendor, to create their hybrid integration platform.

1. Our hybrid integration platform is/will be built by ourselves
2. Our hybrid integration platform is/will come via a third-party vendor
3. We will use a combination of in-house and third-party vendor to create our hybrid integration platform
4. Don’t know — it’s too soon to say

<table>
<thead>
<tr>
<th></th>
<th>Already have a HIP</th>
<th>Do not currently have a HIP</th>
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<tbody>
<tr>
<td>1</td>
<td>44%</td>
<td>17%</td>
</tr>
<tr>
<td>2</td>
<td>35%</td>
<td>52%</td>
</tr>
<tr>
<td>3</td>
<td>21%</td>
<td>27%</td>
</tr>
<tr>
<td>4</td>
<td>0%</td>
<td>3%</td>
</tr>
</tbody>
</table>
The need to innovate faster is driving HIP adoption

According to the survey, nearly **49%** of respondents ranked the need to innovate faster as their number-one driver for a hybrid integration platform. Interestingly, at **47.8%**, the need for security nearly ties the need for speed in importance.

- **Need to innovate faster to keep up with agile, cloud-native start-ups**: 49%
- **Concerns around the risk of security/data breaches**: 48%
- **Concerns around the risk of lack of regulatory compliance**: 41%
- **Traditional integration patterns are not enough in today’s API-first deployment models**: 36%
- **Difficulties integrating between cloud and on-premises systems**: 35%
- **Struggle with siloed data across different systems**: 32%
- **Nothing in particular is driving us to adopt a hybrid integration platform**: 2%
The Benefits of Hybrid Integration Platforms

Speed and security are the main reasons organizations are moving to hybrid integration, but they expect many other benefits to come from the move:

• Increase in integration effectiveness
• Increase in mission-critical integration
• Costs reductions as operational efficiency increases
• A boost in digital transformation
The need for speed can be met

As with any new technology, expectations are high among those who are considering a hybrid integration platform. Things get interesting when comparing experienced benefits (those who already have a HIP) and the expected benefits of those who are as of yet just considering a HIP.
Integration effectiveness skyrockets with a HIP

In evaluating the effectiveness of ground-to-cloud integration (connecting on-premises applications to cloud-based ones), only 22% of respondents without a hybrid integration platform said they were completely effective. For those with a HIP, complete effectiveness jumped to 64% – nearly a 3 times increase.
A HIP supports more mission-critical integrations

For those who have a HIP, the ability to support multiple patterns increases in importance.

This group also rated every integration pattern as more mission-critical compared to the non-HIP group. API management and iPaaS ranked high for both groups, but the non-HIP group ranked MFT higher than IoT. The key takeaway: companies with a HIP can support more mission-critical integrations than those without a HIP.
As operational efficiency increases, costs decrease

The overwhelming majority of survey respondents expects their organizational efficiency to increase with a HIP by an average of about 14%. A slightly lower majority expects to reduce their operating costs by an average of over 9% with a HIP.

97% expect that efficiency would increase in their organization if they implemented a hybrid integration platform.

14.14% Average increase in efficiency expected.

83% expect that operating costs would decrease in their organization if they implemented a hybrid integration platform.

9.36% Average decrease in operating costs expected.
A HIP will give digital transformation a boost

The majority of survey respondents anticipates that a HIP will accelerate their digital transformation efforts and make their organization more agile. Almost 90% say it’s likely that a HIP will break down barriers in their existing infrastructure for seamless connection to all data points.

- 93% Accelerate our digital transformation
- 89% Break down barriers in existing IT infrastructure to connect all data points seamlessly
- 89% Faster to respond to new security threats
- 88% Quicker to adapt to new regulations
- 84% Reduce time to market
Enterprises the world over are investing in hybrid integration platforms knowing that those who don’t will eventually fall by the wayside – HIPs are that important. As multi-pattern integration with greater emphasis on cloud connectivity becomes the new reality and not the exception, here are a few things to be aware of:

• The drive is alive
• The Axway AMPLIFY™ HIP has what you need
• It’s easy to learn more and get started
**HIPs: The drive is alive**

Challenges with existing integration methods are compelling most companies to look to hybrid integration platforms as the next step in their digital transformation journey. Early adopters have already begun to reap real and measurable benefits, not just for the IT teams who run the HIP, but also for business leaders and strategists. The numbers are in. Organizations believe HIPs are key to meeting digital transformation goals and gaining a competitive edge.

90% say investment in hybrid integration platforms and/or integration platform-as-a-service (iPaaS) plays an important role in supporting digital transformation efforts.

90% believe organizations that use more advanced hybrid integration platforms may be able to push ahead of competitors that still use traditional integration platforms.
Axway AMPLIFY is a multi-tenant, hybrid integration platform designed to control multiple data planes that are moving inside and outside your organization through different integration patterns. By providing a set of foundational services, AMPLIFY is the:

- **Connection point** for other integration patterns to be surfaced as APIs regardless of where or how they are run. All that’s needed is for applications to have the necessary APIs typically required to run in a headless (containerized) environment.

- **Creation point** for new integration services to be “published” and existing integrations to be “consumed” through a catalog or marketplace.

- **Control point** for management, security, IT policy governance, usage tracking, and deployment of integrations.

- **Collaboration point** of discovery, learning, and support for new integration users.

- **Choreography point** for combining APIs and events into more complete processes.
HIP starts HERE

Hybrid integration platforms

Learn more about hybrid integration platforms, including how hybrid integration is enabling digital business and changing the role of CIOs.

Axway AMPLIFY™

Discover more about Axway’s hybrid integration platform, AMPLIFY, including details on API Management, Application Integration, Managed File Transfer, Content Collaboration, B2B Integration, and Mobile Integration.