As an Independent Software Vendor (ISV) looking to achieve success in the cloud, choosing an appropriate integration strategy for your business is imperative for success. Conventional integration products were built for traditional, on-premise software implementations – not SaaS. Though many ISV’s have attempted to solve the integration challenge with API’s or hard-coding to strategic applications, neither solution has proven to be scalable. And most consumers are no longer willing to bear the burden of the extensive IT and development resources required to connect with your application. Given this, what are your options for facilitating successful integration with your customers?

ISV integration strategies can be organized into three broad categories:

1. Offer an API only
2. Employ an Integration-as-a-Service (IaaS) solution
3. Offer professional services or partner with a Systems Integrator

There is not a “one-size-fits-all” solution for every customer. Every customer will have some unique requirements and/or level of competence. The best approach is to be able to offer a mix of solutions depending on the specific situation.

The Self-Service Strategy

If your primary target customers are very large enterprises e.g. the Fortune 500, simply providing a robust API may meet their requirements. Typically these larger organizations will have large IT shops with ample developer resources to build integration processes and in fact may prefer to do so. Larger enterprises may have already invested in conventional integration software packages and may want to leverage that investment. The advantage with this approach is certainly lower cost in both up front development and ongoing maintenance. The downside is your customer may become frustrated as they attempt to use their conventional integration suites to integrate your SaaS application and may delay the full implementation of your offering.

If on the other hand, your target market is SMBs and mid-market companies or departments of larger enterprises, just offering an API will likely not be enough. Very few small to mid-size businesses have the developer resources necessary to integrate between APIs, and departments of large enterprises may not be able or willing to engage their counterparts in the IT department. In these cases, providing a complete end-to-end solution either through technology or services will be required.

Employ An Integration-As-A-Service (IAAS) Solution

For the vast majority of ISVs, partnering with an IaaS vendor represents the best value based on cost, risk and benefits. Partnering allows a new ISV to get to market much faster and allows existing ISVs to focus on their core business and application. Customers selected your product or service because it is best-in-class but also because they were sold on the cost efficiencies and conveniences associated with the on-demand delivery model. When selecting an IaaS partner, be sure to consider the following:

Pure SAAS Architecture

True SaaS integration platforms are purpose-built to handle the complexities and nuances of SaaS technology. And because they are built using SaaS technology, they deliver the same benefits as SaaS applications themselves: rapid implementation, rapid innovation cycles, low cost structure, and elimination of maintenance hassles. However, not all IaaS vendors employ pure SaaS technology. The approach of some vendors is to host their conventional on-premise software “in the cloud” (an ASP model) and/or require software packages or appliances be installed and maintained behind the firewall for on-premise integration.

To fully capitalize on the benefits of SaaS technology, be sure your IaaS partner is employing a pure SaaS architecture. Is there one seamless solution for any combination of SaaS and on-premise integration? Can you deploy instantly anywhere in the world? Can you conduct all of your integration operations (build, deploy, manage) for all of your clients centrally from the web? Remember that the solution you choose will have a significant impact on the capabilities you can offer your end customers.
Breadth of Connectivity

Another key evaluation criterion should be the breadth of the IaaS vendor’s network of supported applications and the strategy for building and maintaining that network in the rapidly evolving and expanding SaaS industry. Some ISVs assume that there will only be one or two applications that they will need to integrate with but quickly realize as their client base expands that there were many scenarios they did not anticipate. In addition, new applications are being introduced to the market on a frequent basis which may be of interest to your clients. Being able to offer integration to the broadest range of applications will greatly enhance the value of your offering. Choose an IaaS solution that is flexible enough to accommodate your unique needs now and in the future. What is the IaaS vendor’s strategy for adding and maintaining connectivity for new applications? Does it support applications built on various platform-as-a-service (PaaS) environments such as Force.com, Google App Engine, and the Intuit Partner Platform?

Self-Service Capabilities

Certainly one of the hallmarks of a true SaaS offering is the ability to use it in a self-service mode should you choose. This is no different for IaaS offerings. Be wary of solutions that require the vendor to do all setup, deployment and maintenance functions as this will adversely affect deployment and innovation cycles as well as cost. Many traditional EDI gateway companies have taken to branding themselves as IaaS vendors to ride the popularity of SaaS but again were not built for SaaS integration. Be sure to evaluate the range of self-service capabilities available to both you as the ISV and to your end customers.

Can you onboard your application(s) to the IaaS network and build and maintain your own application connector? Can you offer self-service integration to your end customers? Can you offer full-featured trials on demand to your prospects? Is there a capability to dynamically provision and deploy new accounts on demand?

One-To-Many Scalability

Your application is infinitely scalable because it is multi-tenanted. Be sure your IaaS solution does not become a barrier to growth due to an inability to handle “one-to-many” integration scenarios. Are you able to build common integration processes once and deploy to any number of end customers? Can you make modifications to common integration processes once and have all occurrences be automatically updated? Can you customize common integration processes for specific customers and then maintain those customizations as the base integration process is modified? You will encounter all of these scenarios as your business grows and you need an integration solution that will not become the rate limiting factor of your growth.

Embeddable Integration

As previously mentioned, consumers of SaaS are looking increasingly to ISVs to handle the integration requirements as part of its SaaS offering. This is a major trend in the SaaS industry today and many leading ISVs are already beginning to offer pre-integrated solutions to their customers. The ability to purchase pre-built integration that is bundled with the application will be by far the most popular option for the majority of your clients. It will also give you significant value-add and competitive differentiation in the marketplace. Your IaaS platform should allow you to build and embed common integration processes within your application while allowing non-technical end users to

“As SaaS gains wider acceptance in companies of all sizes, it becomes essential that integration of new solutions with existing operating environments be quick and intuitive. Boomi AtomSphere provides an innovative integration platform both SaaS ISV’s and their customers can use to connect their applications and eliminate integration as the #1 barrier to SaaS adoption methods.”

Jeff Kaplan,
Managing Director of THINKstrategies, Inc., Founder of the SaaS Showplace
customize those integrations to meet their specific needs.

**“SAAS-Style” Pricing Model**

One of the main reasons integration has become a major barrier to SaaS adoption is simply cost. Conventional integration products were offered on a license / maintenance fee basis and were extraordinarily expensive as they were priced for enterprise software scenarios and consumers had little choice but to purchase the entire integration suite. Delivering integration as a service radically alters the economics of integration solutions. Consumers are now able to buy integration on a usage basis “by the drink.” Costly maintenance fees are eliminated with the SaaS model. On-demand integration finally aligns integration costs with that of on-demand applications. Your SaaS vendor should support “SaaS-style” subscription based pricing and be able to support a variety of billing scenarios. Pricing should be usage-based and be commensurate with the pricing of your offering to not adversely impact competitiveness. Most importantly you should understand the architecture of the SaaS vendor’s solution to ensure that the cost advantage is sustainable. Solutions that are based on a pure SaaS architecture have comparatively the lowest cost structure and one that can be sustained as your business requirements evolve and the volume of customers and transactions expands.

**Professional Services / System Integrators**

Even with the range of options that your API and SaaS strategies will provide your customers, there will still be scenarios where the customer simply prefers to outsource the entire effort. You may choose to source this work internally through your professional services team or by partnering with a systems integration vendor. Whatever the scenario, the challenge here is to avoid adding appreciable cost to your offering such that it impacts competitiveness and ultimately sales.

Once again the key is in using integration infrastructure that was built for SaaS applications. SaaS platforms enable significant increases of productivity over conventional integration products or traditional custom coding. These efficiencies in turn drive down the cost of not only the initial implementation but also ongoing maintenance. In particular be sure that your consultants or your partner use an SaaS platform that allows extensive reusability of integration processes to avoid “reinventing the wheel” situations. Consultants should be able to build common integration processes once and deploy to any number of customers. Changes to integration processes should be made once and all occurrences of a process automatically updated. And you should be able to deploy, monitor and manage all of your clients centrally from one platform.

ISVs who intend to partner with a systems integrator, should be sure to understand what technology the vendor will be using to integrate the ISVs customers. Interoperability and adaptability of your application are key for competitiveness, rapid and cost-efficient development and maintenance cycles, and ultimate satisfaction and retention of the client base.

**Conclusion**

Integration is quickly moving from a non-core offering of SaaS ISVs and technology providers to a strategic imperative and source of competitive advantage. Forward-thinking vendors are already plugging the integration gap in their offerings by bundling or embedding integration as a service for their customers. Providing affordable integration coupled with application services is rapidly becoming the industry standard.

The good news is that there’s no need to repeat the mistakes made with enterprise integration in the past. Integration itself can now be delivered as a service at a fraction of the time, complexity and cost of conventional integration products. For the first time, ISVs have a true on demand integration option for customers that aligns with the SaaS business model.

By implementing a well-conceived integration strategy, you can eliminate integration as a sales and implementation hurdle and enhance the overall value and competitiveness of your offering. You will increase your win rate, speed your deployments, lower your maintenance costs, and improve customer retention. Whether you are just getting started in the market or re-thinking your current approach, carefully devising your integration strategy is an investment of time well worth making.