

THOSE SUPPORT *People*

Volume 11, Issue 3

Business Continuity and Disaster Recovery— Big Differences

by Rob Gentry

Recently our society has become more aware of the interdependency of the many facets of our economy on one another. The 9/11 attacks and the tsunami in the Indian Ocean are but the most obvious events that bring this issue to light. The Support Group is certainly more acutely aware of “the unexpected” because we recently received damage to our facilities here in Austin during some hail storms that have plagued the area this year.

Fortunately, our damage was minor. One PC got wet when a window glass was broken and rain was driven into the building by a 60 mile per hour wind. There are no windows in the computer room for a good reason. Perhaps you’ve had such experiences at your own company in the last five years. With these things in mind, this article is about what constitutes a disaster and what is the difference between two terms used in the industry today: Business Continuity (BC) and Disaster Recovery (DR).

In March, I attended the Disaster Recovery Journal Spring World 2005 Conference in Orlando and took the Business Continuity Prep Course offered by DRI International, the certification authority in this discipline. Afterwards, I passed the test for the Certificate for Functional Continuity
(See BC vs. DR, page 6)



Spring, 2005

New Support and Services

by Chuck Combs

The Support Group has created several new service and support options this year. Along with Vacation/Absence Coverage and Regulatory Compliance Coverage, we’ve formalized and expanded our data migration services.

There have been several requests recently to support those MANMAN sites that are a one-person operation whose IT staffs are stretched too thin to effectively deal with the day-to-day requirements, who never get any rest. Unfortunately our Level III Support Option, which provides complete outsourced managed service, is considered too expensive for smaller companies to take advantage of.

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Trusted Advisor

Integration is the Key to MANMAN’s Future

It’s been six or seven years since I have seen as much interest in moving from MANMAN as I have in the last 3 months. Not since the Y2K rush to migrate in 1999 when all the big, rich behemoths went to SAP have so many companies gotten so serious about considering their future migration from MANMAN. This time, it’s the Small-Medium Businesses (SMB’s) who are making their plans, but there is still a group of companies who do not see any value in migration. Their story is summed up as, “Why should I spend a million dollars to get a system that does what MANMAN is doing for us already?”

A few of these companies just have low expectations or do not fully use MANMAN’s rich features.

Others have discovered how to modify

(See Trusted Advisor, page 4)

New Support

(continued from previous page)

That's why the Support Group, inc. has put together new support options for those companies with too few resources.

When we defined the service we wanted to offer, we saw that it could be applicable to any company, even our current Level I and Level II Support clients. As a result, we now offer an option for most companies who need support when their expert MANMAN/hp 3000 support personnel are on vacation, holiday, or jury duty.

Vacation /Absence Coverage

The way it works:

- ✓ We will assist in system operation and configuration, system admin and new-user or new-commands-for-a-user setup, and direct-to-end-user MANMAN support.
- ✓ You will have 30 pre-planned days of support per year to cover vacation, holiday and jury duty needs.
- ✓ You will provide us with detailed Procedural Documentation for understanding, monitoring, and repairing problems with Daily/Periodic JOBS and Month-End Processing and your experts will review any special or unique requirements with our staff.
- ✓ We will need 2 week advance notice to begin each coverage event.
- ✓ The Standard Fee for this Service is one-fourth of our Standard Annual Support Contract rates.
- ✓ For emergency situations without 2 week prior notice, there will be an additional charge of \$500 per event for unplanned emergency situations which consume your allotted 30 days.

The plan includes any of our support options from phone support to system management (Level I to Level II), depending on your needs.

Regulatory Compliance Coverage

Sarbanes-Oxley Section 404 requires that companies enforce separation of duties and have policies and procedures in place for Change Management, Help Desk, Service Requests, and changes to applications, policies, and procedures. Bringing your systems and

procedures into compliance with Sarbanes-Oxley may be your biggest information technology headache and expenditure, especially if you're a small-to-midsize company. Because of the need for companies who have limited resources to comply with Sarbanes-Oxley, we offer a services option to assist you in your efforts when it comes to programming modifications, installation, and compliance testing of new software.

We offer the following:

- ✓ Auditing and Development of Procedures and Documentation
- ✓ Programming and MANMAN modifications, code reviews
- ✓ Installation of all new software and programs in the MANMAN environment
- ✓ Program Specification Compliance Acceptance Testing
- ✓ Assurance that all program changes are authorized and that there are no hidden or malicious changes being introduced

We've always offered MANMAN programming and modifications, as well as QUIZ and UDMS development, but small companies may already have an experienced programmer who knows the company and the existing mods better than we ever could. That person just also happens to be the MIS/IT Manager, and regulatory compliance restrictions like SOX (and best-practice common sense) state that someone else should be checking the programmer for errors or intentional misdeeds, testing for acceptance, and doing actual installation of changes into production.

tSGi is well prepared to do the Acceptance Testing, Code Review, and Program Installation in a MANMAN environment, which will be much less expensive than performing the actual programming. Our Standard daily rates will apply to this service, meaning that if you already have a support contract with us you'll be saving money on this option.

Migration Services

It's probably safe to say that among technology installations, none are so fraught with pain and change as an ERP (Enterprise Resource Planning) installation. The reason: a new ERP system doesn't

just change one company or division—it changes the entire company. If small change equals small pain, then the big change of an ERP installation can equal major anguish. ERP installations are the biggest IT projects that most companies ever handle. As such, they are bound to change most corporate systems, processes, and even corporate culture.

Along with the significant change experienced during an ERP implementation, there's the stretching of already over-worked resources during the implementation. Those key personnel chosen to implement the new system are usually the very people who manage the existing system and keep it stable.

Managing the change and transition is a critical aspect of the ERP implementation. We have put together a comprehensive suite of services and tools to help minimize risk, disruptions, and pain when migrating from the MANMAN system to any selected ERP replacement solution.

We provide a turnkey, pre-package data migration and conversion tool kit, which will allow for a smooth transition from MANMAN to IFS (Industrial and Financial Systems). Using the Pervasive Business Integrator™ we can create custom data migration for any target system. Our knowledge of HP's IMAGE database (hp 3000), VMS/RDBMS (Alpha-Server), and the MANMAN application give us a clear advantage in assuring data integrity. Our experienced consultants are seasoned professionals with application and industry expertise in both MANMAN and the application of choice.

Our migration service is a seven-step process that includes:

- ✓ Data Review and optional Profiling
- ✓ Data Preparation and Cleanup
- ✓ Data Mapping
- ✓ Data Migration Testing
- ✓ Data Migration Acceptance
- ✓ Data Migration Final (Go Live)
- ✓ Customization

For more information on our new support and services, please call **800-798-9862**. ❖

New Support Options

Vacation/Absence Coverage

For companies not on any external MAN-MAN support, with in-house experts who need a break every now and then.

For companies using our inexpensive Level I Support (or equivalent phone-in consulting and bug resolution), or for our Level II Extended Support clients who need coverage while in-house experts are absent.

Regulatory Compliance Coverage

For lean IT departments who do not have enough heads to fill all of the mandatory IT hats.

For one-person IT shops who can't possibly perform all the separate functions of programming, testing, and program installation into Production.

We'll do either the programming and development (more expensive) or we'll do the Code Review, Program Acceptance Testing, and Installation to Production (very cost effective).

Anybody interested in an enhancement that adds Effective and Obsolete Dates and Plant Code to TOPFIL? Effectivity would allow you to change TOPFIL entries even if S.O.'s exist for the product. Plant Code would let you have a different Mfg Part Number or set of components in separate MANDB's tied to a central OMAR.



Trusted Advisor

(continued from page 1)

the code and tailor their apps and to integrate MANMAN with other subsystems in the Surround Strategy purported by many of us in the 1990's. I maintain that if you have MANMAN but some people don't particularly like it, you should learn how it works internally and how to use it fully, even if you plan to migrate in the next 2 or 3 years. I also think you should develop in-house expertise in modern integration tools and methods right now. It's going to pay off a huge dividend later. Migration snafus and failures are real events that ruin companies and careers.

I recently attended a Forum of about 100 ISV's, Systems Integrators, and ASP's in San Francisco. Mike Hoskins, CTO of our partner, Pervasive Software, gave a keynote speech about the challenges facing SMBs. He broke the main issues into 4 groups: 1) Data Migration/Conversion, 2) Data Extraction for Business Intelligence/Data Warehousing, 3) Integration of the primary ERP system with other software, and 4) Formal Data Exchange with Trading Partners.

Mike's speech sounded familiar to me as I surveyed the experiences of our best customers. Three of these four issues face all companies, whether on a new system or an old one: 1) **Data Marts and Data Warehouses** are important fundamentals necessary for providing the consistent content needed for the Business Intelligence (BI) data displayed on the Portals that make users comfortable and the analytical, predictive tools that make them productive. 2) **Integration of software subsystems** and moving transactional data into and out of MANMAN is at the heart of the Surround Strategy: using the core functionality in your primary ERP package but supplementing it with best-of-breed (and often much less expensive) packages for specific requirements. 3) **Data Exchange** (aka EDI or eB2B) among and between suppliers and customers is now de rigueur for an effective supply chain, which is the hallmark of manufacturing.

And even if you are not planning to move from MANMAN anytime soon, a good integration toolset can be used to move other MRP/ERP data into MANMAN if your company is acquisition-minded,

so don't completely rule out data conversion as a requirement for supporting the IT needs of your company. We've been using Pervasive Business Integrator™ for over 10 months and have not found a MANMAN integration or data conversion situation it could not handle.

Although Data Conversion and Migration from MANMAN to a new system may not be your primary reason to purchase an Integrated Toolset, adding Pervasive's optional Data Profiler™ to their Business Integrator™ gives you a tool to locate and repair all the "dirty data" in your existing system. An ideal way to prepare for an eventual (and

inevitable) Data Migration from MANMAN is to run Data Profiler™ quarterly until you migrate, then one final time just before migration to make sure everything is as clean as possible when you move to the new system. Call us at **800-798-9862** if you're interested in a trial run; we are presently looking for

beta sites for this Information Quality service for MANMAN.

Even though you may not need the Migration/Conversion functionality until you leave MANMAN, it is important to understand that the **same toolset and methodology** can be used for all four issues facing your company. There are several approaches to integration. One is to use a **mishmash** of various tools like QUIZ, MS Office/Access with ODBC, or custom FORTRAN or COBOL programming. You probably have your own mishmash.

Another approach is to use one integrated software solution for everything. Under this method, you use either an expensive integration methodology like Informatica, WebMethods, or Ascential (IBM) or a less expensive one like Pervasive Business Integrator™ or SeeBeyond. We've found that the functionality of Pervasive's toolset is as robust as any but costs about a fourth as much and provides developer productivity gains better than those other expensive options. And productivity is the real key to TCO (Total Cost of Ownership or Operation) for any computer programming endeavor. Start now to avoid the mishmash in your next system.

The great part is that once you have your core integration toolset working on your existing architec-

- 1) Data Migration
- 2) Data Extraction
- 3) Integration
- 4) Exchange

Trusted Advisor

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ture, it can be used with the next system you go to when you do eventually migrate from MANMAN. It's really nice to have a powerful tool for all purposes, like a Swiss army knife, that will move data from anywhere in any format to any other format while transforming and/or validating every field. For a person like me, who likes to tweak FORTRAN, it is also heartening to find that the data transfer performance in all of these tools is amazing.

As I've pointed out in these pages before, having a great tool is not as important as having an understanding of the complex data structures and entity relationships in your major applications. There is no substitute for knowledgeable in-house expertise when it comes to unraveling the mysteries of your own systems and to giving your users the custom access they need to improve your business. It's obvious to me, as I survey the MANMAN community, that companies which have IT people who understand MANMAN have users who are getting more of what they need than companies who wonder how MANMAN really works inside.

While TCO is a nebulous number, the productivity gains needed to really lower that number in an integration project are dependent on your particular situation (complexity of your business) and the knowledge within your IT team's experience with implementation in your environment. You can lessen the impact of the coming conversion from MANMAN by giving your IT staff the tools and the experience with integration that they will need to be successful at the least total cost.

Even programmers right out of college will be impressed with MANMAN when they are viewing

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You can lessen the impact of the coming conversion from MANMAN by giving your IT staff the tools and the experience with integration that they will need to be successful at the least total cost.

it through a modern toolset that makes it look like any other source database. OK, so you have to use ODBC, which is admittedly a limitation, to get to IMAGE. However, there's a lot of expertise on that topic in the MANMAN and hp communities. Most problems already have a workaround or an improvement in process in R&D at Minisoft or MB Foster, the two leading third party ODBC providers for the hp3000.

The Pervasive Business Integrator™ toolset could do more to keep MANMAN alive and viable at your company than anything else I can think of. Without improvement and innovation, more and more people will be complaining about lack of access "like we had in our college classes" and lack of functionality "like they had where I worked before."

Here are my main points: Learn how your system works internally. Buy and integrate Best-of-Breed subsystems or begin a phased migration to a new ERP platform by starting with modules not provided in MANMAN (like CRM). Use a modern toolset for migration and integration tasks. Give your users better

access to their data. Prepare for migration as far ahead of time as possible: profile your MANMAN data now. Develop a standard way to exchange data with your trading partners and either take control of those processes yourself or else completely outsource it all (half-vast solutions abound). Don't wait to automate—do it now. Call us for a quote on Pervasive Business Integrator™, which runs on Windows, Unix, Linux, OS400, and OS390. Ask Bill or Chuck for a copy of Pervasive's Yankee Group Report, "Uncovering the Hidden Costs in Data Integration."

—Terry H. Floyd

Anyone looking into
HP's OpenVMS migration
software (OMSAIS)
for ALPHA-to-64-
bit Itanium?



BC vs. DR

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Professionals (CFCP), but the real benefit of that conference was contact with about 1500 DR and BC professionals. They are a very serious group of people (but like most of the manufacturing folks I've known over the years, especially at the CAMUS Conferences, when they take the time to have a party, they really know how to have fun!) I learned a lot, became more aware of how many business failures there are every year due to disasters, and have already applied some of the knowledge I gained to our own internal preparedness planning.

To begin with, a common understanding of what constitutes a disaster is important. A disaster, as defined by DRI International, is "a sudden, unplanned calamitous event that creates an inability on an organization's part to provide the critical business functions for some predetermined period of time and which results in great damage or loss." It is unexpected, makes your company unable to do business, and results in losses to your company.

tSGi's Disaster Recovery Services Contracts break the "periods of time" into Minor (24 hours), Major (up to a week), and Catastrophic (over a week). Depending on your own needs, 24 hours may be considered Major, but there's not much a warm-site service like our standard offering can do to bring things back together for you at our location in less than 24 hours. By the time we had it all ready to run at our site, you'd be back up on your local machine.

We can tailor a custom solution for mirroring or shadowing, but that's a lot more expensive than our "give us 24 hours to load your tapes and configure our backup hp3000" solution. So, tSGi's standard DR Service offering is aimed at the 24-hour to 1-week timeframe and is very reasonably priced. It's the minimum you can do to establish Disaster Recovery capabilities for MANMAN and it does not address Business Continuity. A week gives you time to make longer-term arrangements, if necessary.

Two important terms have evolved from DRI's original definition of a company's inability to perform critical business functions. *Business continuity* is proactive, with most of the expense incurred up front before the event occurs. This consists of a preventative plan agreed to by senior management that defines procedures and activities that ultimately

minimize the recovery time after an event occurs. Bottom line is more cost up front and less loss later. Business continuity is based on the concept that there will be "No Lapse In IT Service" for selected critical functions of the business.

Disaster Recovery, like tSGi's offering, is the reactive side of the equation where most of the expense is incurred after an event. Less cost is spent up front resulting in maximum loss and recovery time being expected in order to put your business back in order after the event.

A full BC/DR plan should be created, with names and titles of personnel that fill the critical positions of the recovery teams. Full documentation of what to do for as many possible events as practical should be included. Identification of who is responsible, and how the decision-making responsibility migrates upward as more personnel appear on site after an event, should be fully defined.

Disastrous events are not limited to just those that directly affect your individual company. What would you do should your primary vendor unexpectedly go out of business or not be able to deliver critical raw material for an extended period of time? What would you do should your primary customer experience the same situation? These are but two issues that could cause loss or damage to your company where your facility is not directly affected.

Recently, especially with the concern about threats of terrorism, there have been numerous articles on pandemic events and their effects. Can your company operate if 60% to 75% of your personnel get sick? Do you have a fully documented BC/DR plan? Has it been tested?

A recent article in *Computerworld* (4/25/05) pointed out that a BC or DR Plan without testing is practically worthless. Because it is so difficult to "plan for the unplanned," testing is the only way to begin to understand how good your plan really is. One company that takes all of this very seriously is quoted in the article as saying they actually test the plan seven times each year. Some are planned weekend events and others are surprises in the middle of an active work week.

A plan starts with a prioritized list of critical business functions and includes recovery procedures for such events as earthquakes, tornados, hurricanes,

fires, electrical outages, communications failures, and major supplier failures. Solutions such as hot and warm-sites, manual work-around procedures, and alternative sources for critical components should be established, documented, and kept current. It's a lot of work for a small-to-medium sized company to do; larger companies have dedicated staff whose only function is BC and DR.

If you have any plans at all, you have begun the process to protect your company from a disaster. If you have gone as far as to test your plans, you are a minority among your peers. If you would like to discuss these issues, or use tSGi to assist in creating, refreshing, or testing your own plan, contact Rob Gentry at **800-798-9862**. ♦

OUTSOURCING DOES NOT ALWAYS IMPLY OFFSHORING—EVEN SMALL COMPANIES CAN PARTICIPATE

Call us to discuss how we can offload those mundane IT tasks (as well as the not-so-mundane “what happened, how’d they do THAT?” situations) so that your internal technical staff can concentrate on improvements instead of continuously reacting to interruptions. They should be working on things like Disaster Recovery/Business Continuity, Information Quality, Business Intelligence, and Subsystem Integration, not on simple systems operations and MANMAN assistance for recurring users’ problems.

Even in small companies, where the IT Manager wears many hats, who knows your company, your teams, and your usage of the MANMAN system better than your own internal IT staff? Use your IT team effectively, not on the many minor but disruptive tasks that can be outsourced at a very reasonable fixed rate. Focus your limited resources on your critical needs and on those projects that have been on the back burner for far too long.

“Who Controls the Past Controls the Future”

by Bill Langenbahn

So said George Orwell in his book, 1984. This was the shibboleth of the “Outer Party” who controlled the records department. If you think about it, one of the actions of the Information Systems function is to control your company’s records department. Apart from controlling the future, most of us would be far better off if we could just predict it with a higher degree of accuracy.

What sort of value would the management of your company assign to the MIS department if you could extrapolate your customer’s buying habits, adjust for seasonal effects, incorporate sales forecasts, consider production history and capacity as well as inventory levels, and make “End of Quarter” a non-event? You could more accurately predict quarterly revenues, cost of sales and expenses and profits well before the end of the quarter and do it quarter after quarter. The two most essential ingredients to the art of prediction are accurate company records and predictive analysis software. It will come as no surprise that the critical talent is in the understanding, summarizing and accurate extrapolation of the data to develop accurate predictions.

More realistic support for my topic comes from a statement from IDC that I recently saw stating that companies in our business are accurately making business predictions and thereby producing financial results. According to a recent magazine article, “The median ROI for projects that incorporated predictive technologies was 145%, while the median ROI for projects without predictive technologies was only 89%.”

Now it seems most of us have half of what we need, the data, we just need to add the predictive capability and give it access to our data. More software subsystems with Predictive Analysis (instead of just Forecasting packages) are beginning to surface.

I took this musing to Terry to ask him what we could do for MANMAN users who wanted to add a

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Predictive capability to their system. He replied by saying that there are many subsystems that can be integrated with MANMAN and began describing a software product called Business Integrator™ from a software company named Pervasive. This product enables information exchange between MANMAN and other software systems. He told me that two of our sister companies are using the product. As a migration tool, ENTSGO, Inc. uses the product to convert and move MANMAN data from IMAGE or RDB/DBMS32 to a new database accessible by their new ERP system. Another sister company of tSGi, asp4edi.com, uses Business Integrator™ to give MANMAN an open, XML-based EDI/eB2B capability. He said something technical like, “It will convert an ANSI Standard 850 EDI file into a TR100.”

In sales-speak terms, “Business Integrator™ is a connectivity tool with over 200 direct connectors with options for multi-table and mass insert to a wide range of enterprise class applications and data bases.” Actually, I plagiarized that too. However, one can use Business Integrator to integrate best-of-breed enterprise-type functionality with MANMAN and MANMAN data. This means that MANMAN can be enhanced with world-class solutions that provide WEB Portals for customers and vendors, Business Intelligence/Data Warehouse functionality, Advanced Planning and Scheduling (APS), Electronic Document Interchange and eB2B, Customer Relationship Management, Sales Force Automation, and much more. Almost anything you can name that can be automated with software can be tied to MANMAN. These, he explained, are the tools that convert an effective MRP system to a predictive ERP solution.

“And when they move off of MANMAN?” I asked. “The solutions move with them,” he said. “Is it expensive?” I wondered. “How long is a piece of string?” he replied. “Tools can be expensive or not but are only as good as those who wield them. Over the course of harvesting a forest, the person who uses an axe is a lot more expensive than the axe; but for about 3 or 4 times as much initial investment in tools, a person with a chain saw is at least 10 times more productive. Note that there is a much bigger difference between the cost of an axe or a chainsaw and a DC-9 Caterpillar or a \$2M tree cutter, but it all depends on how big your forest is. Like timber companies, the objective of the IT planners is to keep

their projects in perspective, use appropriate tools, and keep their costs under control, both initial and especially TCO for the future life of the entire project. And you do remember what Mark Twain said, don’t you?” “What was that?” I asked.

“Twain said, ‘Whoever controls the past, controls the future.’ But in this context, it would be more appropriate to say: The programs that control the data junctions control the entire process. Or perhaps ‘Those who control past expenditures on tools, control the future TCO of IT projects.’ The people, and the acquisition of their skills in using the tools they have, are always more expensive than the tools.”

Seriously, even though Terry was wrong about the source of his reference (the quote was actually from Orwell, not Twain), if you would like to know more about controlling your future and your data junctions with Pervasive Business Integrator™, feel free to call and I will do everything I can to help you. The Pervasive Business Integrator™ is a tool that will make your staff more productive and cut the TCO of integration with MANMAN by dramatically shortening development time. It’s a chain saw and FORTRAN is an axe. ♦

PERVASIVE BUSINESS INTEGRATOR—FOR LOW-COST, HIGH ROI BUSINESS INTEGRATION

Real-time, event-driven and message-based
Native connectivity
Point-to-point application integration
Legacy conversion
Business process design

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Business Integrator™ also includes message bus support, XML-based integration repositories for storing design-time metadata, EDI translation, and a dedicated high-performance production engine.

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Improved “Time to Value”

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Total Cost of Ownership (TCO) in Data Integration

Pervasive software shown as clear leader in low TCO for data and application integration software, according to The Yankee Group Report, December 2004.

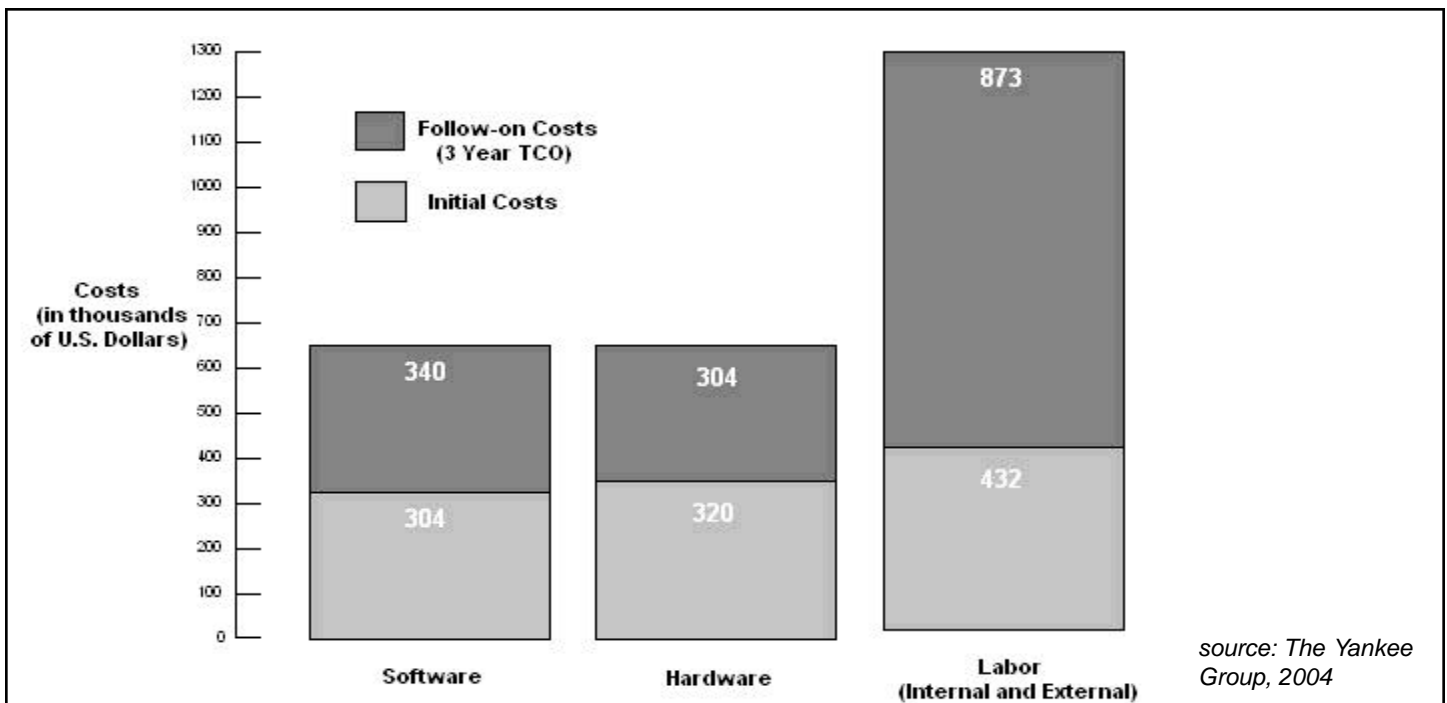
Pervasive Software, asp4edi's business partner, recently made available copies of a 12-page Yankee Group report. We've pulled a few points from that report and summarized some of the main ideas.

Data and application integration is becoming an increasingly high priority for enterprises needing unified access to their business information, which is typically scattered across hundreds of different data formats and applications. The total cost of ownership (TCO) is now the leading criteria for integration software selection. However, since many of the costs involved in integration projects are hidden, companies must base their TCO estimates on existing data and best practices from similar implementations.

In an effort to provide a framework for identifying and evaluating total costs, the Yankee Group recently conducted a survey of data and application integration projects. The survey elicited responses from over 400 enterprises, representing more than 800 implementations using products from 20+ vendors. Demographics were widely distributed geographically and by revenue (from the sub-\$25 million to the \$10+ billion range).

Survey results provided both initial costs and follow-on costs (over a three-year period) for three critical components: software, hardware, and labor. Labor (both internal and external) to install and maintain the application proved to be the primary cost factor, as shown in Figure 1.

Figure 1. The TCO of Data Integration: Initial versus Follow-on Costs

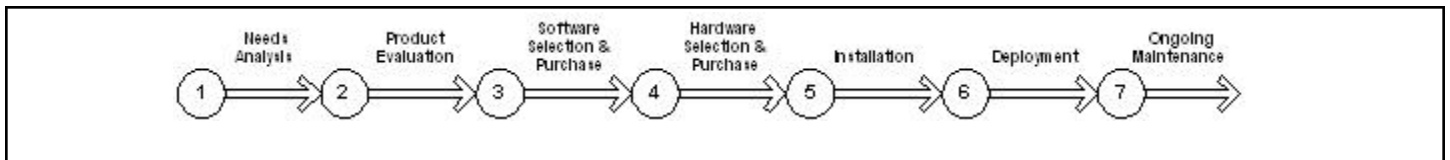


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Although companies report that integration projects are a top priority, with TCO being a key selection criterion, many fail to account for key components in the integration lifecycle and, hence, grossly underestimate total costs. For example, survey results showed the number of people involved in product evaluation for one vendor ranged from 7 to 27 and the time taken to make a decision ranged from 3 to 26 months. Yet, respondents did not initially include this phase as part of TCO. The Yankee Group Report identified seven key stages in the integration lifecycle, summarized in Figure 2.

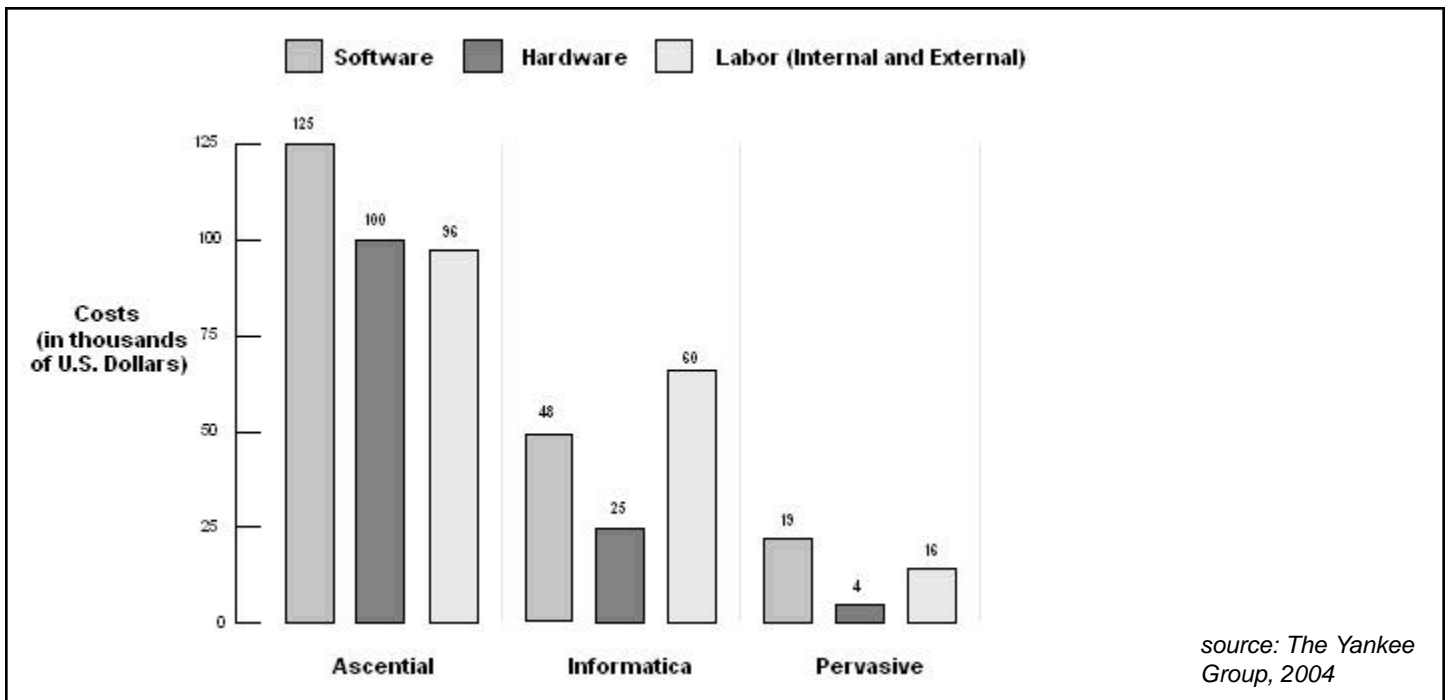
Figure 2. Stages of the Integration Lifecycle



As a whole, these stages contain all the costs incurred in an integration project. The Yankee Group Report emphasizes including and comparing costs of all stages when calculating total costs.

Software evaluation requirements vary widely among vendor products. Figure 3 shows three integration applications as examples of how each product selection has differing impacts on cost across software, hardware, and labor. The Yankee Group selected these vendors for comparison because they found, from both enterprise and vendor perspectives, that these vendors are very often involved in overlapping competitive situations. As shown in the figure, the Pervasive application clearly differentiates its value proposition by providing the necessary integration capabilities at significantly less cost to customers.

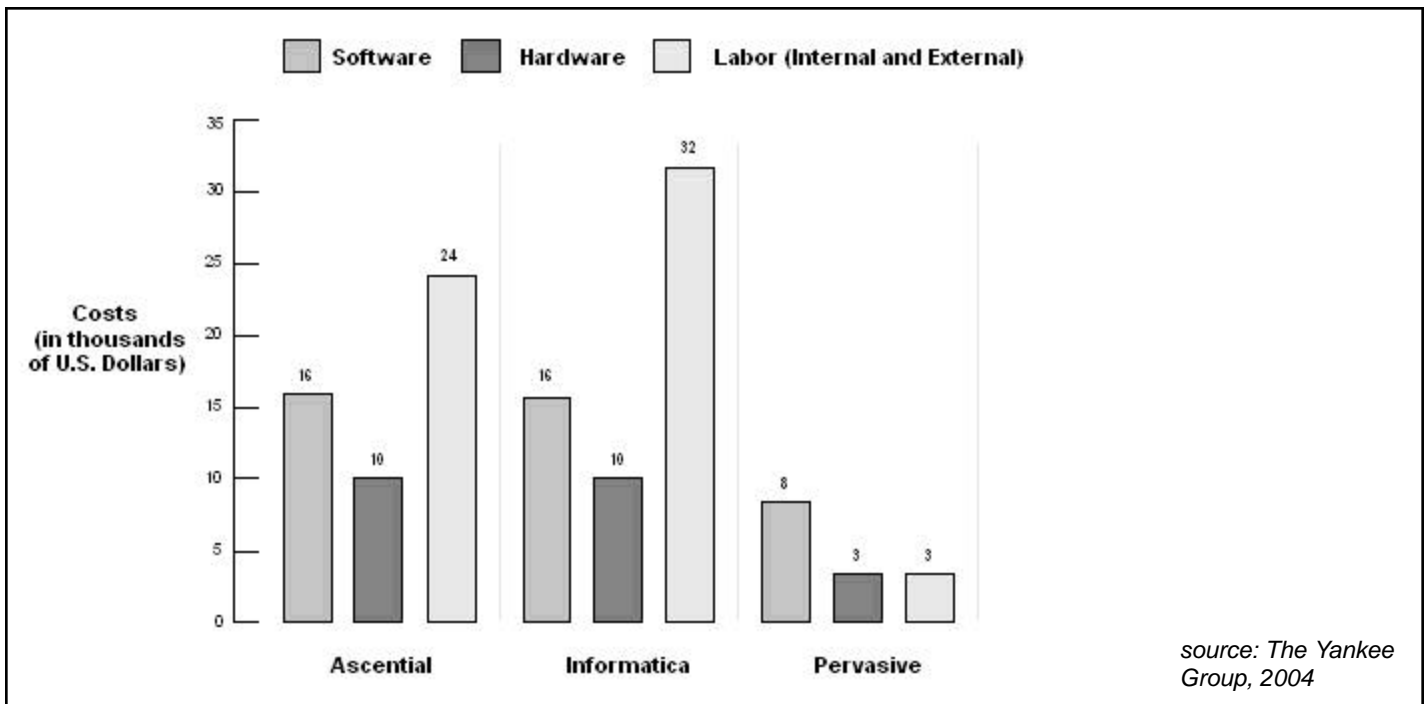
Figure 3. Initial Costs of Implementing Integration Applications



As the Yankee Group Report states, these initial cost implications are also indicators of the on-going costs, but it is essential for enterprises to access benchmarking data to understand which hidden costs may surprise them further along the integration lifecycle. Figure 4 shows the average annual costs of maintaining each of these three products. While the initial software and hardware investment made with the Ascential and Informatica products are vastly reduced, it is widely apparent that it is the combined internal and external costs that are impacting the respective TCO of these solutions. It is not uncommon for IT organizations to assume that more expensive software will yield subsequent productivity savings, but the data shows the opposite effect—the higher priced software appears to require more resources for ongoing support and maintenance. By contrast, Pervasive’s initial low costs are carried through with its ongoing maintenance cost requirements across all three TCO criteria.

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Figure 4. Recurring Annual Costs of Maintaining Integration Applications



Other important findings described in the Yankee Group Report include:

Products that run on existing hardware systems can save up to 50% in costs. In the Yankee Group survey, initial hardware costs ranged from \$10,000 to more than \$1 million. Although some of this price difference is due to desktop versus mainframe requirements, the initial hardware costs vary by factors of more than 20 if one solution requires its own hardware and another does not.

By far, the largest cost factor in integration projects is labor for ongoing maintenance over the typical 3 to 5 year ownership timeframe. Similar to the deployment phase, maintenance can produce high cost differentials between competing products. Applications that emphasize re-use of components with little or no modification can significantly reduce high labor costs in both the implementation and maintenance phases.

Software licenses can be expensive and vary widely among vendors; still, they typically represent only 12% of the total three-year TCO. Even the most expensive licenses on the largest projects included in the survey represent only 60% of the first-year labor costs. Vendors are often very willing to significantly discount, or even waive, licensing fees in exchange for maintenance contracts, professional services engagements, and/or other key product purchases. Although it's tempting to court such vendors, buyers may realize a lower TCO by choosing one that does not discount licensing fees but who has quicker implementation times and lower labor implementation and maintenance costs.

asp4edi is proud to be partnered with companies like Pervasive Software who believe in delivering low cost integration technology that improves programmer productivity.

For MANMAN integration: asp4edi. For integration technology: Pervasive. For unbiased comparative analysis: The Yankee Group. ❖

To learn more about Integration
Technology, call us today at
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President
CFO
Cost Accountant
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