Integration in the API Economy

Romania

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The API Economy

simply stated...

Personalization

Information

Competitive Relevance
What is the job of Integration?

Governments of **Croatia** and **Czech Republic** are tracking every transaction for tax revenue recognition.

**Petrol** in Slovenia wants to ensure systems with varying protocols, content & services can communicate fluently.

**Trenitalia** succeeded in affecting the entire value chain from ticket buying to post travel services.

Move bits and bytes

Make systems talk to each other

Simplify, secure & assure transactions
Why does my customer need me?

Peugeot & Ford offer innovative services to customers, employees, and dealer networks.

Alior Bank, Poland is developing world class mobile apps to interact with its customers & employees.

DHL & UPS have to ensure all packages are tracked on a global scale and delivered on time.

What’s unique about me?

How well do I innovate?

Do I exceed customer expectations?
What makes my business tick?

Reduce waste & increase output
Make decisions quickly
Embed key business strategies

Econt, Bulgaria is satisfying customers by serving them 50% faster through process efficiencies, quality & discipline.

Russia’s Pension Fund is processing benefit payments faster by applying consistent eligibility criteria.

Hungary’s MOL picked BPM as their strategic platform over open source & others to automate procurement processes.
Banks (and other businesses) have to secure “me and my money”

**2016 Accenture:** As significant quantities of customer data begin to concentrate around the bank ecosystem, the monitoring and protection of this data becomes an increasingly core aspect of a bank’s operations and value proposition.

**2015 Deloitte:** New controls and tools will likely be needed to protect unbounded potential use cases while providing end-to-end effectiveness—according to what may be formal commitments in contractual service-level agreements.

**2014 McKinsey:** As a general goal, banks must integrate data instantaneously across disparate systems for immediate insights that increase choice and equip the customer to make smart, highly informed decisions—all while maintaining security and privacy.

The GAP is the difference between a customers’ subjective expectations versus the actual experience.
APIS for the EU Payment Services Directive 2

**Impact**

- MORE COMPETITION
- GREATER INNOVATION
- OPEN CREDIT TRANSFERS
- BETTER CONSUMER PROTECTIONS
- STRENGHTEN PAYMENTS MARKET
- LOWER PRICES
- MORE SECURE TRANSACTIONS

**Implication**

- NON-BANKS WILL ENTER SYSTEM
- BANKS WILL HAVE TO EXPOSE CERTAIN DATA
- LAYERS OF AUTHENTICATION NEEDED
- VARIETY OF VALUE ADDED SERVICES NEW NORM
- SOME BANKING WILL BECOME COMMODITIZED
- PAYMENT TRANSACTIONS VOLUMES WILL GROW
- TECHNOLOGY ARCHITECTURES WILL NEED TO ADAPT

Service Subscription APIs ♦ Payment Initiation APIs ♦ Account Information APIs
What will my bank look like in 2 years?

Competitively relevant?
Responsive?
Compliant?

**Societe Generale** is linking current APIs with PSD2 directives with an enterprise grade solution & a strong security gateway.

**Citibank** has transformed itself into an open & digital ecosystem for banking & non-banking transactions.

Dutch **Rabobank** launched into the API Economy in 2015 to renew its value proposition to a new generation of bankers.
Should telcos care about the APIs?

**Improve ARPU**

**Integrate value chain(s)**

**Manage transaction services (TSM)**

Telecom [x] uses APIs & gateway to access & expose data from network & management systems securely.

**Orange** España uses mobile as a strategic channel to grow revenues by €20m & 10% better customer satisfaction.

**Vodafone** España is setting up secure cloud-based services to drive mobile transactions at scale; all at a 90% lower cost of implementation.
Integration makes business strategies possible.

- Integration & Process Technology
- Regulation
- Competitive Forces
- Economic Conditions
- Stakeholder Interests
Integration in the API Economy

- Prevent incoming data from corrupting or overloading back-end systems
- Move non-essential workloads to a lower cost environment
- Consume enterprise strength transaction performance without infrastructure costs
- Expose data securely, when and where required
- Connect SAP to non-SAP applications
- Implement a retail solution quickly
- Collect tiny messages from geographically spread devices
- Modernize middleware infrastructure to pursue digital strategies and innovate
- Catalog & manage services to reduce cost and workload
- Have flexibility to scale up and down based on transactional demand
- Connect enterprise apps to third-party cloud apps
- Consolidate & connect hospital systems, devices, and the health care ecosystem
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Orchestrating a business ensemble
Where are you in this journey?

1. **Cost & Speed**
   - IaaS-centric
   - Virtual compute
   - Low cost storage
   - Traditional app hosting

2. **Innovation**
   - PaaS-centric
   - DevOps tooling
   - Web & Mobile apps
   - Basic analytics
   - Hybrid integration

3. **Business Value**
   - High value solutions
   - Cognitive apps
   - Advanced analytics
   - Internet of Things

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Tooling for the API Economy

Cloud & Cognitive

Hybrid
Invested
Industry Solutions
Innovation-centric
**THE BOUNCER**
Guards the door, decides who gets to go in, ensures the club does not get overcrowded, links to external parties, communicates with club people inside.

**THE MERCHANDISE**
Provides something of value to the consumer, may be ordered several times, needs to be made or procured so it can be served to customers.

**THE FLOOR**
Where people come together to enjoy, talk, mingle with strangers, exchange information about themselves and consume their drinks.

**THE BARTENDER/WAITER**
Takes orders for drinks, knows who to prepare for, delivers the merchandise to the customer once and only once for each order.

**THE OWNER**
Manages the services of the club, knows what club resources to apply where and when, ensures smooth functions, and controls finances.

**THE SUPPLIER**
Offers merchandise plus other services through its website & portal so the club owner can place orders, monitor deliveries, and pay.
**IBM DATAPOWER GATEWAY**
Provides security at the enterprise edge, filters traffic, balances traffic load, integrates with enterprise backbone and systems.

**IBM MQ**
Accepts a message to be delivered to a specified address without fail and does so once and only once for each message.

**IBM API CONNECT**
The enterprise or borrowed assets exposed to serve consumption needs but which also need to be accounted for, charged for, and analyzed.

**IBM INTEGRATION BUS**
Makes the exchange of data possible among systems, transforms data, enriches data, and serves as a common platform for applications.

**IBM BUSINESS PROCESS MANAGEMENT**
Orchestrates systems, people and policies so there is a predictable and visible flow of events and decisions to create institutional efficiencies.

**IBM APPCONNECT**
Connects the enterprise with external businesses so that regular data transactions are possible simply, quickly & securely in the cloud.
Architecture for an API Economy
An imperative for integration

The Internet of Things

How will devices talk to each other?
Who will mediate among protocols?
Where will data from devices flow?
Which data-sets need to be combined?

How important is IoT to companies?
IDC, September 2014

Real-time monitoring for chronic medical conditions

In-home and remote location medical treatment

Behavioral impacts on insurance premiums

Real-time offers and information based on geo-location

Smart commerce and payment methods

Energy monitoring, reduction & sharing

Not Important, 4%
Don't Know, 2%
Something for Consideration, 17%
Transformational, 17%
Strategic, 60%

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Questions?
Or write to us.

Thank you.
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