

I D C A N A L Y S T C O N N E C T I O N



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Secure, Compliant Collaboration in the Cloud.

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With specialization and globalization increasing across all industries, value chains are more distributed and more complex. Monolithic corporations are being replaced by enterprises with dynamic "value networks" — external partnerships that support specific business processes. Such specialization requires increasing inter-enterprise collaboration as well as information flow. To support such networks, organizations need tools to encourage and facilitate collaboration among all participants.

The following questions were posed by IntraLinks to Michael Fauscette, group vice president of IDC's Software Business Solutions, on behalf of IntraLinks' customers.

Q. In which industries or enterprise business processes is this trend of forming value networks most prevalent?

A. This shift toward a business model with value networks is happening in many different industries and is more situation specific than industry specific. In this competitive environment, a lot of businesses find themselves in a situation in which peer-to-peer connectivity and networking enable them to build products and go to market with solutions that they perhaps could not have built on their own in the past. The collaborative environment supported by a value network gives them much stronger capabilities than when all their processes were kept behind their firewall. An organization that is part of a dynamic business network is a much stronger competitor because of the collective strength of all the parts that come together.

Several industries are particularly suited for value networks. In traditional manufacturing, there is more emphasis on collaboration or cooperative solutions today than in the past. A manufacturer brings in a partner to provide the key go-to-market piece of a new product or service offering that's a bundle, for example. Financial services companies are starting to move into these types of models. Other industries where this collaborative model is being adopted include consumer, life sciences, communications, and energy, but value networks have a broad appeal.

As we continue to shift away from a traditional industrial society into more of an information-based economy, collaboration — both internally within an organization and externally with other organizations — will result in stronger products, services, and solutions for customers. This is a real incentive to look at value networks as the model for the future of business processes such as product development/innovation management/co-innovation, service delivery, and sales and marketing.

Q. What tools or technologies are being adopted to facilitate this collaboration?

- A. The definition of collaboration has changed quite a bit over the past few years in part because of the social technologies and concepts that grew up around the social Web. The basic idea of connecting people with information and content, and even bringing together systems, is a much more powerful concept than what we used to consider as collaboration, which, frankly, was more about protecting and versioning files than it was about connecting people and enabling work.

As the concept of collaboration has changed, so too have the tools. As social business evolved, a lot of efforts to adopt tools were grassroots because many legacy collaboration tools weren't really collaborative based on this new definition. In this new world, employees feel empowered to go out and use whatever tool it takes to do their jobs, which is good but also involves a lot of risk. Employees may be using free collaborative tools available via the Internet or even premium tools that they bring in; these employees are trying to do the right thing and do their jobs, but they are using tools that are not sanctioned by IT and may carry increased security or IP risks. You can't really blame the employees, though; some of the old-line tools that are sanctioned aren't doing the job because they are not built to support the new collaboration paradigm.

However, new-generation tools are focused on building a people-centric collaborative environment that also fits into the networked business model. These tools give organizations the capability to tie information sharing together across their firewall and at the same time provide security, control, and intellectual property (IP) protection in ways that are very specific. You can control the collaboration and content and participation based on what you need to accomplish.

These new-generation tools are applications that enable people to work together with the right content and supporting data wherever they are — technologies that provide an integrated set of Web-based tools for collaboration among team members no matter how the definition of "team" may change. For the most part, these applications support structured, content-specific collaboration and often support the combination of content, collaboration, and business processes. These applications support shared workspaces for managing and sharing information in documents, coordinating tasks, and maintaining any other project and team content. Communication supported by team collaboration technology typically is asynchronous and is limited to team members but gives the end user the ability to define the team with internal and external members and with very granular security rules.

Q. What are the risks inherent to using these new tools and technologies, particularly cloud-based solutions?

- A. This collaborative, network-based approach is very different from an environment involving a siloed organization in which everything is protected behind a firewall. If an organization is going to open its business and involve people who are not direct employees, but are partners or even customers, there is some inherent risk to intellectual property. Organizations need to be able to share what needs to be shared and protect what they don't want shared. The protected data could be anything from sensitive financial data to product design data or other industrial secrets that give a business a distinct competitive advantage.

Security and IP protection are critical, and cloud-based solutions have inherent security risks simply because they traverse public networks. There are hackers out there who will try to get in. Organizations have to take precautions when systems are connected to the Internet, whether the data is on an organization's own site connected to the Internet or whether it's on a provider's site connected to the Internet.

Enterprise infrastructure and corporate information governance must evolve to manage this risk. Compliance may be another issue; utilities or public sector organizations may have to meet very specific regulatory requirements. In some industries and in some geographic regions, certain types of data are not allowed to be stored off-premise or outside country boundaries. So organizations have to consider security and governance when putting together collaborative solutions.

Q. What role can the CIO play in this evolution?

- A. The CIO needs to be both an enforcer and an enabler. Due to IT-based governance and spending controls, the CIO is often in the position of enforcing compliance and governance rules. In this new networked environment, the CIO also has to be an enabler for a new way of doing business. The CIO needs to take a proactive leadership role to help the organization make the right decisions about the technology. In addition, the CIO has to take a role in shaping processes that can change or improve through the use of technology.

In the past, employees may have worked around IT to get the tools they needed. That's a big reason why Web-based tools have taken off; employees could deploy them without IT. Today, the CIO really has to be proactive. In light of free tools that are available that may not meet security guidelines, the CIO has to help the organization accomplish its objectives by working with partners to create environments that facilitate sharing and yet meet security and IP protection goals. If the CIO doesn't take the lead, employees will find ways to work around IT so that they can do their jobs. The CIO is in the best position to balance the security needs of the organization with the work responsibilities of employees.

Q. When identifying a strategy for enabling extended enterprise collaboration, what are the keys to managing cost and maximizing flexibility and agility? What criteria should be used in evaluating solutions?

- A. Organizations really need to plan and build a strategy deliberately. They can't simply look at tools designed to enable an extended enterprise. They need to weigh the needs of the business with regulatory issues and compliance concerns. In addition, any systems or tools put in place should allow a certain amount of end-user ad hoc configurability and flexibility to support evolving future needs. Once a strategy is planned, organizations can determine what kinds of solutions they need. They need to find the right tools to connect the right people and the right data at the right time. Tools that can support just-in-time processes are important given that business needs can change rapidly.

ABOUT THIS ANALYST

Michael Fauscette leads IDC's Software Business Solutions group, which encompasses research and consulting in enterprise software applications, including ERP, SCM, CRM, PLM, collaboration and social applications, software partner and alliance ecosystems, open source software, software vendor business models, SaaS and cloud computing, and software pricing and licensing.

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