



Microsoft® BizTalk® Server: Spotlight on Cost Savings

White Paper

Published: March 2009

Abstract

Faced with tough economic challenges, organizations across all industries need to reduce costs by maximizing value from existing investments. In addition to short-term, cost-savings initiatives, companies must also make strategic investments to enable increased efficiency, lower operating costs, and enhanced capacity for growth over the long term. This white paper describes how organizations can use Microsoft® BizTalk® Server to achieve these results.

For the latest information, see www.microsoft.com/biztalk

Contents

Introduction	1
Maximize Long-Term Return-on-Investment	2
Capitalize on a Low-Cost Solution.....	2
Enjoy Breadth of Functionality	3
Benefit from Continuous Innovation.....	3
Drive Business Efficiency	5
Streamline Business Processes	5
Increase Visibility	6
Extract More Value from Investments.....	8
Connect Siloed Applications.....	8
Optimize the Value of Legacy Mainframe Systems	8
Streamline Business-to-Business Infrastructure	9
Boost Business Agility.....	10
Quickly Implement New Functionality.....	10
Take Advantage of Existing IT Skills	11
Improve Change Management.....	11
Conclusion	12
For More Information.....	13

Introduction

Mounting cost pressures have spurred businesses in every industry to find ways to do more with less. In addition to pursuing initiatives to minimize operating costs, businesses must also invest in infrastructure that delivers a tangible return on investment and supports future growth.

To reduce costs while optimizing production and capacity for service delivery, organizations need technology that facilitates greater supply-chain efficiency and clearer visibility into operations. And, to stay competitive and capitalize on new market opportunities, companies need technology that makes it easier to link existing IT systems and streamline the development and deployment of new applications.

Microsoft® BizTalk® Server helps organizations of all sizes to significantly cut costs by automating core business processes, enabling faster, more productive communication and collaboration across lines of business, and expanding real-time insight into operations. And, with more than 30 built-in adapters, BizTalk Server accelerates system integration and application development, which means companies can extract more value from existing resources and quickly roll out new applications to address key business issues.

This white paper examines the ways companies can take advantage of BizTalk Server to meet current challenges and prepare for new opportunities.

Maximize Long-Term Return-on-Investment

In addition to forcing companies to find new areas to save money in the short term, the global economic downturn is motivating many companies to look at longer-term strategies for curbing costs and increasing efficiency.

Companies of all sizes and across all industries are looking for ways to turn traditional cost centers into strategic assets that boost competitive advantage and drive increased profitability. Many companies have achieved this by adopting a more efficient approach to IT. By consolidating and standardizing IT resources, these companies have cut system maintenance, application development, and upgrade costs while simultaneously streamlining business processes and empowering employees to be more productive. Furthermore, many of these companies have taken advantage of tighter system integration to gain greater visibility into their operations—the key to measuring actual performance against business goals.

Microsoft® BizTalk® Server helps companies maximize long-term return on IT investment by offering the following benefits:

- Low acquisition cost
- Breadth of functionality
- Continuous innovation and value

Capitalize on a Low-Cost Solution

BizTalk Server is one of the lowest-priced, end-to-end enterprise application integration solutions on the market, offering a complete set of features and tools at significantly less cost than competing solutions. In fact, the upfront purchase cost for BizTalk Server is often less than the annual maintenance cost of comparable solutions, such as IBM WebSphere Process Server. Table 1 illustrates a basic cost comparison between BizTalk Server and IBM WebSphere Process Server.

Table 1. Cost comparison between Microsoft BizTalk Server and IBM WebSphere Process Server

IBM Product	Cost	Microsoft Product	Cost
IBM WebSphere Process Server v6.2 (includes IBM DB2 license for WebSphere Process Server and WebSphere ESB, which costs U.S.\$350 per value unit)	U.S.\$90,000	Microsoft® BizTalk® Server	U.S.\$35,000
WebSphere Partner Gateway EE	U.S.\$199,000		
WebSphere Business Monitor	U.S.\$88,500		
WebSphere Message Broker	U.S.\$90,000		
Mostly through partners WebSphere Premises Server (RFID)	U.S.\$9,950		
WebSphere CICS Transaction Gateway	U.S.\$10,962	Microsoft Host Integration Server)	U.S.\$35,000

Note: Pricing reflects that each of the products runs on a 1-way Intel x86 dual-core server.

Enjoy Breadth of Functionality

In addition to its highly favorable cost comparison, BizTalk Server offers comprehensive functionality. This includes support for business-to-business transactions, radio-frequency identification (RFID) for increased visibility into physical assets, Business Activity Monitoring, industry accelerators, and more than 30 built-in adapters.

Benefit from Continuous Innovation

BizTalk Server has steadily evolved and a rising number of customers take advantage of these benefits with each release, as illustrated in Figure 1. The current version of BizTalk Server features significant enhancements over previous versions, including improved service-oriented architecture support and built-in business productivity monitoring and RFID functionality. In addition, the upcoming release of BizTalk Server—BizTalk Server 2009—will include new adapters, Application Lifecycle Management support, and a range of additional offerings.

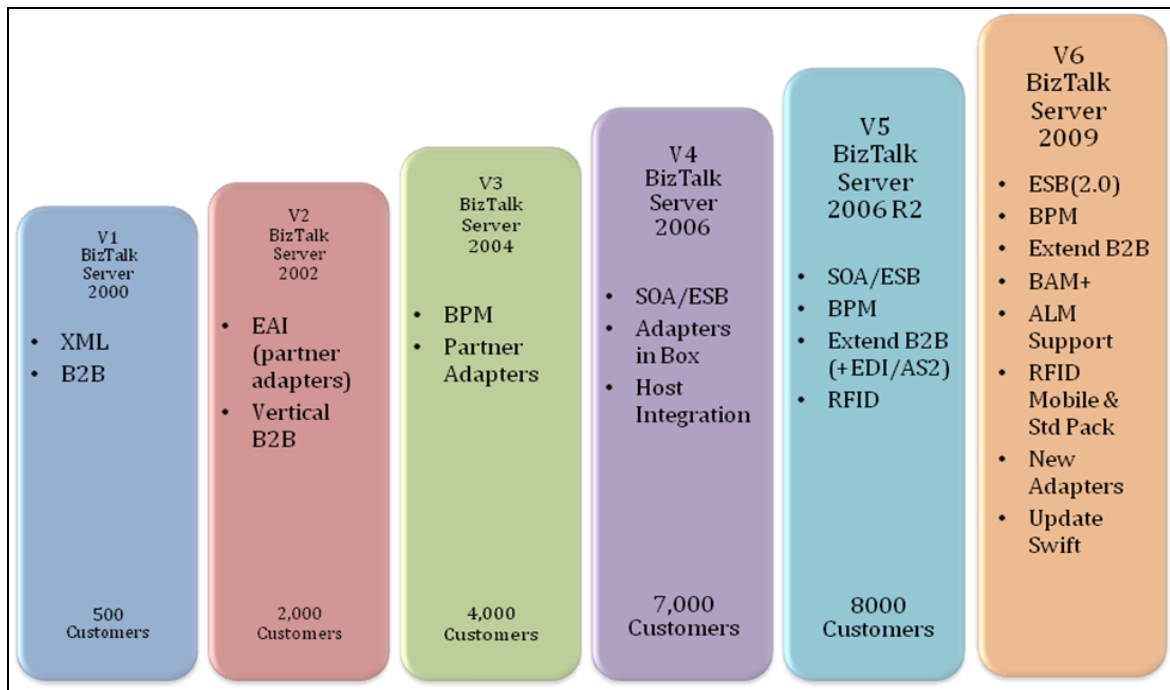


Figure 1 Microsoft BizTalk Server improves through continuous innovation and investment and offers a clear road map.

Drive Business Efficiency

Organizations in every industry are looking for ways to reduce the cost of doing business by shrinking the amount of time it takes to complete tasks and by rigorously evaluating performance. By simplifying the creation of composite line-of-business applications, Microsoft® BizTalk® Server helps companies increase automation to smooth process flows and boost productivity. [British Energy](#)¹, the largest producer of electricity in the United Kingdom, introduced an enterprise service bus (ESB) based on BizTalk Server. The ESB solution has helped British Energy automate key business processes and increase visibility into operations by retrieving and aggregating data from a variety of sources to provide a single, consolidated view of current information.

In addition to integrating systems to drive faster task completion, BizTalk Server provides built-in functionality to help companies maximize visibility into operations, track physical assets with greater precision, and measure process efficiency with greater ease and accuracy.

Streamline Business Processes

Process automation is one of the most effective methods for increasing efficiency, because it eliminates the need for manual data processing. This boosts productivity across the organization and reduces potentially costly errors associated with double entry and process duplication. And, by freeing up employees to focus on information synthesis and analysis rather than data entry tasks, businesses can dramatically improve the quality of their output even as they increase production capacity.

By helping companies to automate business processes that span systems and platforms, BizTalk Server facilitates improved collaboration throughout the organization and the extended supply chain. For example, by using native support for Electronic Data Interchange, BizTalk Server enables streamlined transaction processing and enhanced communication with suppliers and trading partners. This makes it possible for companies to achieve true, end-to-end supply-chain integration.

In addition, by taking advantage of a sizable array of industry accelerators and adapters offered with BizTalk Server, companies can quickly create composite applications that link legacy systems with line-of-business applications. These composite applications are an inexpensive alternative to complex integration projects and can yield immediate cost savings in situations where employees spend extra time switching between multiple systems. Instead of logging into multiple business applications and copying and pasting data from one application to another,

¹Read the complete British Energy case study at <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=4000002048>

employees can spend more time helping customers and can find the information they need to make better decisions.

Increase Visibility

As an end-to-end application integration solution, BizTalk Server provides deep support for business process management, featuring a powerful business rule engine and a comprehensive set of business activity monitoring services. As shown in Figure 2, organizations can use Business Activity Monitoring services in BizTalk Server to track process efficiency across both human and system workflows. This provides consolidated data that can be used to quickly assess performance across departments, business units, and locations.

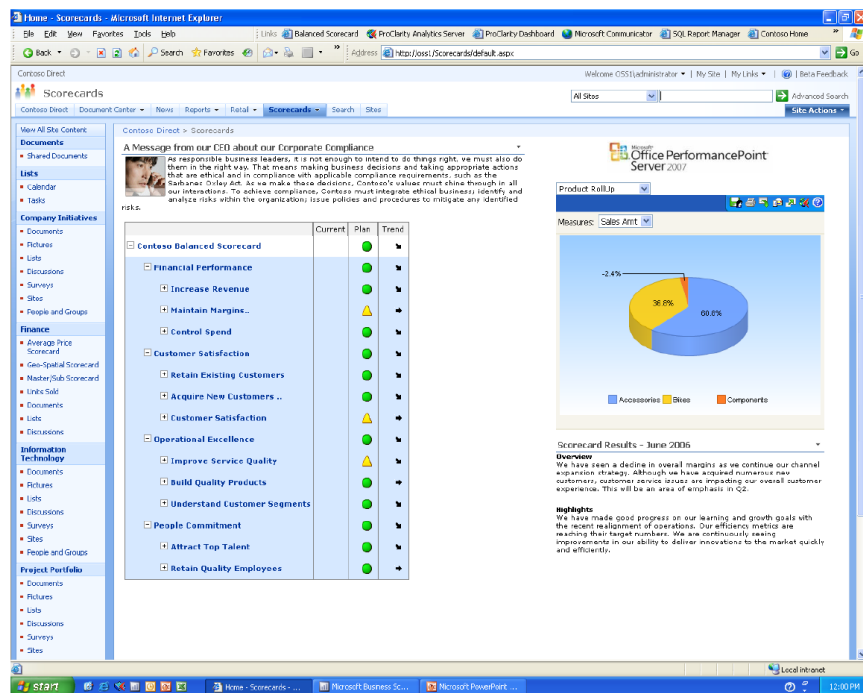


Figure 2. Business Activity Monitoring services provide quick access to consolidated operational performance data.

Native support for radio-frequency identification (RFID) in BizTalk Server enhances this visibility by connecting data from RFID devices with line-of-business systems. This lets business leaders gather data from many areas within the organization to more closely monitor physical assets, gain a holistic view of operational performance, and pinpoint process bottlenecks or inefficiencies.

For example, [RiteCare Pharmacy](#)², a retail pharmacy chain with 10 locations, wanted to scale its warehouse operations to accommodate growth without increasing

² Read the complete RiteCare Pharmacy case study at <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=400003224>

overhead costs. The company also wanted to reduce order turn-around time and improve order accuracy. RiteCare deployed the S3Edge RTVS solution for Warehouse Visibility, an RFID application built on BizTalk Server technology that lets the company's employees access real-time store order and invoice information from any point within its warehouse. With this solution, RiteCare cut order fulfillment time by 50 percent, reduced warehouse inventory by 60 percent, and significantly increased visibility into warehouse operations performance.

Extract More Value from Investments

Businesses can save money by making the most of their current investment in Microsoft BizTalk Server, by taking advantage of its breadth of functionality and seamless integration with other Microsoft software and technologies. BizTalk Server can help companies safely eliminate costly business-to-business infrastructure components, such as Electronic Data Interchange (EDI) mapping and translation applications. In addition, BizTalk Server helps companies unlock the full potential of existing application environments by connecting siloed applications and legacy mainframe systems.

Connect Siloed Applications

By using BizTalk Server to link legacy applications with core infrastructure components, companies can avoid costly “rip and replace” projects while simplifying access to critical data. This helps companies strategically allocate IT resources to support revenue-generating initiatives and dramatically reduce outlays in time and money required for IT system overhaul projects. In addition, by integrating legacy applications, BizTalk Server can help companies improve connectivity and throughput in their business operations.

[Unum](#)³, a leading provider of employee benefits and services, is a great example of this. To improve operational efficiency and increase responsiveness to customer inquiries, Unum needed to consolidate a network of more than 60 disconnected systems. “Our entire business was splintered,” says Mike Mason, Director of Enterprise Architecture at Unum. “We had thousands of products spread across dozens of systems that were never intended or able to communicate with one another.” So, Unum created “Simply Unum,” a Web-based portal that integrates dozens of back-end legacy systems and databases. This system allows the company’s small-business customers to quickly find the information they need.

“In the past, our sales and service representatives were encumbered by customer support issues and inquiries. They were spending a significant amount of time reconciling customer, benefits, and accounting information from various systems,” says Mason. “This reconciliation is now handled by Simply Unum, enabling our sales representatives to focus on sales and our service representatives to focus on customer service.”

Optimize the Value of Legacy Mainframe Systems

In addition to linking and aggregating data from disparate line-of-business applications, BizTalk Server helps organizations extract more value from legacy mainframe systems. [Horizon Healthcare Services](#)⁴, which provides health insurance

³ Read the complete Unum case study at:
<http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=4000002418>

⁴ Read the complete Horizon Healthcare Services case study at:
<http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=49502>

coverage to more than three million people as an independent licensee of the Blue Cross and Blue Shield Association, is an example of a company that relies on an aging mainframe system to process claims information from healthcare providers and third-party billing services. The organization wanted to accelerate roundtrip transaction processing times and increase visibility into billing information to drive faster, more responsive customer service.

By using Microsoft BizTalk Server to integrate its trading partner connectivity application with its mainframe claims processing system, Horizon Healthcare Systems increased transaction speed by more than 40 percent and dramatically improved first call resolution of support requests. Furthermore, because BizTalk Server is based on an open architecture that makes it easier to integrate with various systems, Horizon Healthcare Systems estimates a 50-percent decrease in total cost-of-ownership compared with their previous Enterprise Application Integration tool.

Streamline Business-to-Business Infrastructure

BizTalk Server includes toolsets based on industry standards, so companies can safely eliminate aging, custom-built applications. These applications can be costly to maintain and upgrade to meet changing business requirements. In addition, BizTalk Server offers comprehensive data exchange options, including native support for EDI and Availability Statement 2 for EDI over the Internet. With these capabilities, companies can quickly, easily, and securely share information with trading partners. And, BizTalk Server accelerators, such as the SWIFT Accelerator for financial messaging, speed up the development of standards-based business-to-business solutions in specific industries.

Boost Business Agility

Microsoft® BizTalk® Server can help companies gain a competitive edge through increased agility. Companies can use industry accelerators, for example, to speed development of new functionality to meet business requests in less time and to exploit new market opportunities ahead of competitors.

BizTalk Server can also reduce the complexities and risks associated with administering a network of disparate systems that expands through mergers or acquisitions. Built-in adapters simplify the process of linking heterogeneous systems to help companies more effectively manage change.

“As Microsoft continues to extend the integration capabilities of BizTalk Server to support new standards, we’ll be able to easily take advantage of those capabilities without having to learn any new technologies or tools.”

-Matt Dewig, Manager of Web Applications, Accuride

With BizTalk Server, companies can take full advantage of existing IT skills, including familiarity with the Microsoft .NET Framework development environment, to reduce hiring and training costs. In addition, companies can tap the deep industry expertise of Microsoft partners to quickly enhance and extend applications.

Quickly Implement New Functionality

Companies can use the expanded set of built-in industry accelerators in BizTalk Server to deploy new functionality in less time. With BizTalk Server accelerators, companies can quickly extend existing infrastructure components or build new applications to streamline supply-chain management, improve communication with trading partners, and ease compliance with industry mandates.

[Accuride Corporation](#)⁵, one of the largest manufacturers of components for commercial vehicles in North America, selected BizTalk Server to replace its IBM Series-based Electronic Data Interchange solution. To communicate more efficiently with trading partners and gain increased visibility into its production-planning activities, the company used BizTalk Server to redesign its application platform.

“We were able to deliver a lot of functionality very quickly. There’s no way we could have accomplished so much in such a short period of time—and at such low development costs—with any other application platform,” says David Stefanich, CIO for Accuride.

⁵ Read the complete Accuride Corporation case study at: <http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=4000002783>

Take Advantage of Existing IT Skills

Many companies already employ IT staff members with substantial experience managing systems that run on Windows® and developing applications based on the .NET Framework, which makes it easy to work with BizTalk Server and related technologies. Companies can rest assured as well that, within the larger IT community, a broad-based understanding of these technologies exists. This helps ensure that a talent pool is readily available to assist with development and support efforts. Microsoft continues to demonstrate its commitment to adding new functionality based on industry trends and the latest technology standards, with each release of the product.

Says Matt Dewig, Manager of Web Applications for Accuride, “As Microsoft continues to extend the integration capabilities of BizTalk Server to support new standards, we’ll be able to easily take advantage of those capabilities without having to learn any new technologies or tools.”

Improve Change Management

BizTalk Server can help companies quickly integrate heterogeneous systems acquired through mergers and acquisitions. By integrating and consolidating systems, companies undergoing significant periods of transition can maintain business continuity while pursuing restructuring and long-term growth initiatives.

Conclusion

Microsoft® BizTalk® Server is a Business Process Management Server designed to connect the people, processes and information that you need to effectively manage and grow your business. With proven flexibility, BizTalk Server provides a single solution that can be used to build end-to-end applications. In addition to offering Electronic Data Interchange and built-in device integration capabilities, BizTalk Server offers several adapters and industry accelerators. Companies can use these tools to increase business process efficiency, boost productivity, and strengthen agility, helping reduce costs while optimizing infrastructure for future growth.

For More Information

Microsoft BizTalk Server Web site:

<http://www.microsoft.com/biztalk/en/us/default.aspx>

Microsoft BizTalk Server Case Studies:

<http://www.microsoft.com/biztalk/en/us/case-studies.aspx>

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