

Taking a Managed Services Approach to Complex B2B Integration



Due to continued supply chain disruptions over the past year there is an increasing desire to seamlessly integrate the internal and external digital ecosystems. This complex integration is critical to supporting business activities with vendors, customers, suppliers, financial institutions and other partners.

Now more than ever, businesses and their customers depend on B2B integrations to keep operations running smoothly and to enable them to react to rapid market shifts.

Yet businesses of all sizes and across industries have been held back by staff shortages and other resource constraints as they try to bring their technologies and data in alignment with rapidly evolving market imperatives. The problems of poor B2B integration include increased security risks and difficulty collaborating with global partners, which, in turn, keep companies from meeting their business objectives.

Deloitte's **2021 Tech Trends** report sums up a key aspect of the problem. "As business strategy and technology strategy become increasingly intertwined, many corporate

executives are finding that their organization's past technology choices are limiting their strategic options and business agility," write the report's authors.

A new survey of IT and business leaders conducted by IDG and sponsored by OpenText took a snapshot of the current state of B2B integration to find out why integration — especially with the help of managed services — is critical for businesses today. It also sought to discover the main challenges and learn how successful companies are solving those issues.

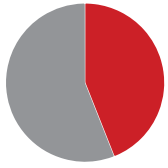
The Critical Need for B2B Integration

Most respondents (94%) said B2B technology integration is very important to the success of their business — and 38% called it critical.

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44% of respondents said digital transformation efforts topped the list of internal drivers for pursuing B2B integration.

“Internal and external isolation of technology infrastructures, systems, and applications is perhaps the most burning problem in the business-to-business world,” said one survey respondent.

Nearly three-quarters (71%) reported that B2B integrations at their organizations had accelerated over the previous year. This isn’t surprising: Many global businesses have relied on technology to manage remote workers, suppliers, and customers in response to the pandemic crisis.

Digital transformation efforts, cited by 44% of the respondents, topped the list of internal drivers for pursuing B2B integration.

Other internal forces include the following:

- 41% – Security improvements
- 41% – Workforce optimization
- 33% – Planned upgrades to internal systems such as ERP
- 30% – Cost reduction efforts
- 30% – Entry into new markets

External forces driving B2B integration include:

- 27% – Pressure from customers to accelerate the pace of business
- 27% – Regulatory mandates
- 25% – Changes by vendors
- 24% – Pressure from trading partners, including suppliers

But despite these strong incentives, businesses struggle to meet their B2B integration goals. That’s because challenges abound, slowing the process and creating headaches for companies working to share data across systems, applications, and partners.

Challenges to B2B Integration

What’s holding things back? Survey respondents pointed

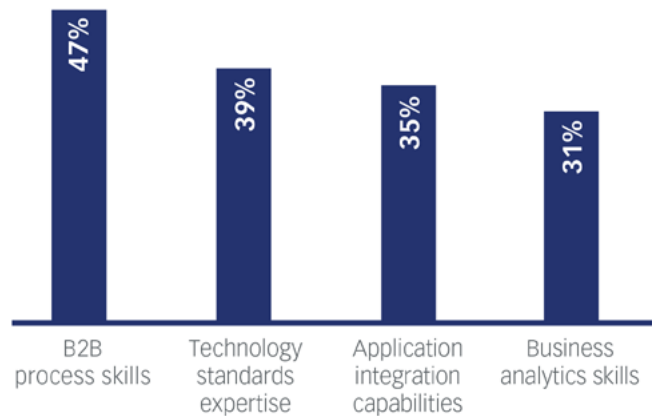
to IT staff bandwidth limitations, collaboration with trading partners, budgets, internal skills gaps, and security.

But lack of staff bandwidth is by far the largest single factor hampering B2B integration efforts. Nearly half (49%) of the survey participants cited this challenge, with respondents from smaller companies citing the problem at the greatest rate (58%).

One-quarter (25%) of the respondents cited a lack of internal skills as a top challenge. Skills that business and IT leaders said they most need for successful technology integrations include B2B process skills (47%), technology standards expertise (39%), application integration capabilities (35%), and business analytics skills (31%) [Fig. 1].



Fig. 1 Top skills needed for successful technology integrations



SOURCE: IDG

Summing up the headaches of poor B2B integration, one survey respondent commented, “The most challenging aspects of B2B integration for my business are the silos, data sharing, ensuring quality, and availability of data.”

The critical skills business and IT leaders said they need for technology integrations include B2B process skills, technology standards expertise, application integration capabilities, and business analytics skills.

Turning to Managed Services for Help

Because of the critical need and the challenges to B2B integration, many businesses turn to managed services providers for help. And business and IT leaders reported encouraging results.

Nine out of 10 (89%) of the business and IT leaders surveyed use a managed services provider to help with B2B integrations or plan to do so in the next 12 months.

These respondents expect to outsource more than half (52%) of their B2B integration projects over the next 12 months. As one survey respondent put it, “We have too many legacy systems that will not integrate well into or with any other systems. We desperately need help to either find a way to integrate them all or change them all.”

Not only do outside services providers help businesses get the B2B integration job done but they also help them do it better. Almost all (92%) reported some increase in the value of their integration programs due to engaging a services provider, and more than half (55%) reported a significant increase in value.

The two top benefits of turning to managed services providers are improved data quality (42%) and improved customer experiences (40%). Rounding out the top three benefits, 37% of the respondents said outside services providers help them future-proof their business by giving them access to continuous improvement. This capability is especially critical, because B2B integration is often a moving target as customers, suppliers, vendors, and other partners continually upgrade and adjust their own systems. And that’s why 35% of the respondents said managed service providers also help them improve collaboration with outside stakeholders.

Among the respondents, 30% said that after addressing the staffing crunch and skills gaps with managed services for technology integrations, they’d been able to redeploy vital IT resources to other projects.

Other benefits of outsourcing B2B integration include access to skills unavailable in-house (34%), improved scalability (34%), minimizing disruption (30%), reduction in errors (29%), more-predictable expenses (27%), and improved global reach (23%) [Fig. 2].

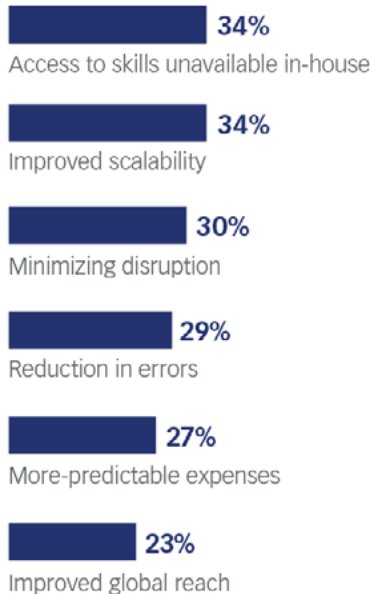
The Bottom Line

Businesses are getting squeezed by the need for B2B integration on one side and competing priorities on the other. Asked to name the most challenging aspect of B2B integration for the business, one survey respondent said, “Being allowed time to focus on it. The directors are putting virtually all of our resources into other areas of the business which they see as more urgent.”

But there’s good news: Managed services can help businesses meet the need for B2B integration while taking the load off IT departments. What’s more, the list of associated benefits is a long one — giving smart companies an inside edge on digital success.



Fig. 2 **Benefits of Outsourcing B2B integration**



SOURCE: IDG

A **Managed Services** vendor looks after the day-to-day integration operations and leverages a combination of People, Process and Technology. This includes management of infrastructure, integration, translation, monitoring, onboarding, and change management.

To learn more about how a managed services provider can help your organization overcome the challenges of B2B integration and realize the benefits, visit [BusinessNetwork.OpenText.com](https://www.businessnetwork.opentext.com).

About the Survey

IDG fielded a survey of 150 global business and IT leaders on behalf of OpenText in July 2021. All respondents were familiar with the concept of B2B integration as the integration of internal systems with those of trading partners to facilitate electronic information exchange.

The companies had 100+ employees and were based in the U.S., Europe, Latin America, the Asia-Pacific region, and Africa. [The average company is operating in more than one region].

- 69% – North America
- 40% – Western Europe
- 24% – Eastern Europe

Industry verticals included the following:

- 28% – Financial sector
- 19% – Manufacturing and industrial
- 12% – Retail
- 12% – High-tech (excluding computer-related)

Respondents also came from the consumer packaged goods, automotive, transportation/logistics, and pharma/life sciences sectors.

B2B Integration: Varying Priority by Company Size

Both large and small companies reported an acceleration of B2B integration over the past 12 months, but smaller companies led the way.

- 66% of the respondents at companies with 1,000+ employees said B2B integration progress had accelerated over the past 12 months.
- 77% of the respondents from companies with 100 to 999 employees said progress had accelerated in the last year.

Large and small companies also differ in their objectives for B2B integration over the next year.

- Security is the biggest driver for companies with 1,000+ employees (46%).
- Workforce optimization is the biggest priority for companies with 100 to 999 employees (47%).

A lack of staff bandwidth is by far the biggest challenge for B2B integration at smaller companies.

- 58% of the companies with 100 to 999 employees cited competing IT projects/ lack of staff bandwidth as a top challenge.
- 42% of those same respondents said getting data into a usable format is their No. 2 challenge.

Larger companies are most concerned with getting data into a usable format (44%), followed by a lack of bandwidth (42%).

92% of respondents using a managed service found the approach valuable for managing their integration program.

What to Look For in a Managed Service Provider

What are the capabilities that business leaders look for in managed services providers for B2B integration?

- Security and compliance expertise tops the list, with 99% deeming it at least somewhat important. Nearly nine in 10 (86%) called it very important or critical.
- Regarding a related function, 79% said disaster recovery capabilities are very important or critical.
- They also look for 24/7 monitoring and support, with 80% calling these functions very important or critical.

In addition, companies should be looking for a vendor that can offer:

- True global integration capabilities with any-to-any document and communication protocol support.
- Provide B2B enablement capabilities that includes leveraging self-service integration tools
- An environment that provides enterprise grade B2B integration tools for any size of company