

Core Business Applications

Transform Your Core Apps to Operate at the “Speed of Insight”

Modernize enterprise applications by activating workflows with technologies like AI and automation and deliver on a hybrid cloud, which is an essential step in business transformation



This Q&A is part of the Built for Change Perspectives series that is exploring trends in business transformation. To learn more, go to [IBM.com/smarter-business](https://www.ibm.com/smarter-business)

Keith Costello is the IBM General Manager of the Global SAP Partnership, leading the strategic long-standing business partnership with SAP across all IBM brands. Keith has been with IBM for 3 years.

Q: Right now, where do core business applications fit into the business transformation agenda?

A: Modernizing and linking core applications in every area—such as human resources, finance, inventory and manufacturing—is vital to business transformation. It’s needed to tap advanced data analytics and get a comprehensive, 360-degree view across the enterprise.

In March, when the COVID-19 crisis began, many companies went into a defensive mode and put most or all of their transformation programs on hold. They wanted to focus all their resources on a few specific operations, or they were seeing their product demand cut in half and simply worried about immediate revenue.

But others said, “Transforming is a core strategy of our business,” and continued their transformation

strategies through the pandemic. Now, many of these companies are in the strongest positions.

Q: You mentioned analytics. With the volatility we’re seeing, do companies need to increase the speed at which data flows through their organizations?

A: One of the biggest challenges with data is access. After knowing whether your data is reliable—which is a big if—your next question is, “How do I securely get this data to the right people at the right time?”

Once you integrate the data into your core applications and make it accessible to the people who need it, they can make decisions quickly based on real-time information. At any moment, they can tap info from across the system to look at comparative data across product lines, sellers, supply chains, distribution channels, etc. to inform their decisions. Ultimately, an algorithm or AI will make suggestions on the best decisions to make, allowing a person to be able to say, “The technology has given me three choices, and I know from experience that the first one is the right one.” This level of data integration and access can also alert you to opportunities or problems you would have missed.

Q: Is that what it means to operate at the “speed of insight,” to use IBM’s term?

A: Yes. As an example, let’s say you sell energy drinks. Your analytics are constantly incorporating real-time information from many sources, including weather. Suddenly it registers that there’s going to be a heat wave in the Northeast. This knowledge will allow you to quickly reroute trucks with drinks that have lots of electrolytes to the Northeast, before your competitors can respond.

Q: What’s the overall goal of business transformation, as you see it?

A: We want to bring our clients on a journey to become a cognitive enterprise. That really means helping them use powerful exponential technologies and intelligent workflows to gain a new level of insight into their business. We want to empower our clients so they can take action in ways they’ve never done before. Using the capabilities of SAP is an important component of that. But more essentially, you need to apply a holistic approach and proven methodologies that connect your entire ecosystem, so you can eliminate big inefficiencies and make faster, more informed decisions across your enterprise.

Q: Why is moving enterprise applications to hybrid multi-cloud environments important for business transformation?

A: Hybrid clouds, which use both public and private clouds, are now the standard for running core business applications. They’re a key part of business transformation because they allow faster data flow and decision making, among other benefits. Companies want the flexibility of a multi-cloud strategy—they don’t want to be locked into using any single platform

or technology stack. They want the ability to move a workload to the most efficient environment. In the future, we will see companies having multiple clouds all running different workloads to optimize efficiencies.

Of course, many companies still want to heavily use private clouds, especially organizations that are hypersensitive to security and data residency. And some governments even mandate that data must stay in a particular place, like the European Union. Server space is another challenge for these large companies; some need a cloud provider certified to run a huge 48-terabyte instance, and few offer that capability.

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Intelligent Industry Clouds are a new option for these organizations. These private clouds contain complete end-to-end intelligent workflows and can handle the massive data instances that large global enterprises are requiring more frequently now. As background, to build each of these cloud environments, we start with industry consortiums and ask, “What business processes would you deploy first? Which ones will have the biggest impact?” Then, working with SAP, we create intelligent workflows across each of these processes and fuse them with exponential technologies like AI and automation.

The solution focuses on manufacturing for industrial components; telecommunications is coming next. And, of course, Intelligent Industry Clouds are portable, as they use Red Hat’s OpenShift and Enterprise Linux. So companies can run their core applications securely on the cloud of their choice.