Why a multifunction iPaaS is the future of APIs

APIs are the answer to many of your digital transformation questions, but the answer to many of your API questions is a multifunction iPaaS. Get the four insights that can guide your API-led integration journey.

Introduction: APIs and integration in the digital era

If you're a business leader today, regardless of the industry, chances are your customers' needs are changing: the advancement of the digital-first economy, the rise of mobile commerce, and the rapid influence of AI have coalesced into a whirlwind of consumer expectations. Customers are looking for consistent, intelligent interactions with their favorite brands—and expect the brands to know who they are and what they desire.

From an IT perspective, this demands new ways of managing information. Increasingly, businesses are moving away from traditional enterprise IT systems—many of them decades old—that were simply not designed to interact with customers the way they now expect. Businesses are retiring old hardware and applications and replacing them with SaaS solutions that support interactions across multiple channels and better capture increasingly valuable data. They're modernizing legacy and custom applications—and becoming leaner—by moving them from on premises to the cloud. And they're laser-focused on delivering new experiences to their customers, in turn enabling business and IT to become true innovation partners.

For many businesses, the heroes of this transformation are APIs: the digital emissaries connecting applications, databases, and devices, enabling the interactivity that your customers have come to expect. Thanks to APIs, IT managers can make sense of data that's scattered across different environments, and businesses can migrate their applications to the cloud without disrupting everyday transactions. APIs not only empower automation and drive digital business; they're ubiquitous.

IBM

85%

of IT decision-makers are using APIs in all or the majority of their innovation projects[1]

67%

of enterprises are cloud native or plan to be so in the coming years[2]

75%

of large organizations report using a hybrid (on premises and cloud) approach to integration[1]

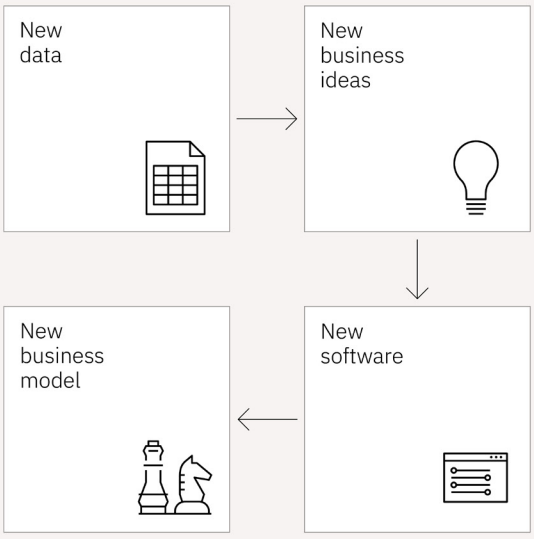
Toward a multifunction future

APIs, though, aren't the entire story: most companies eyeing transformation still operate legacy and custom applications that have supported their business processes successfully for many years and cannot be easily replaced. Integrating these core enterprise systems or migrating them to the cloud requires a mix of APIs and other technologies, such as hybrid integration workflows, microservices, data integration for the cloud, B2B gateways, and managed file transfers. In your journey toward connectivity, APIs are like a cargo jet: they'll get your goods to the end of the runway, but they won't carry them over that all-important last mile—you'll still need other players to reach the destination. In other words, the key to integration today—and for the foreseeable future—remains embracing multifunctionality.

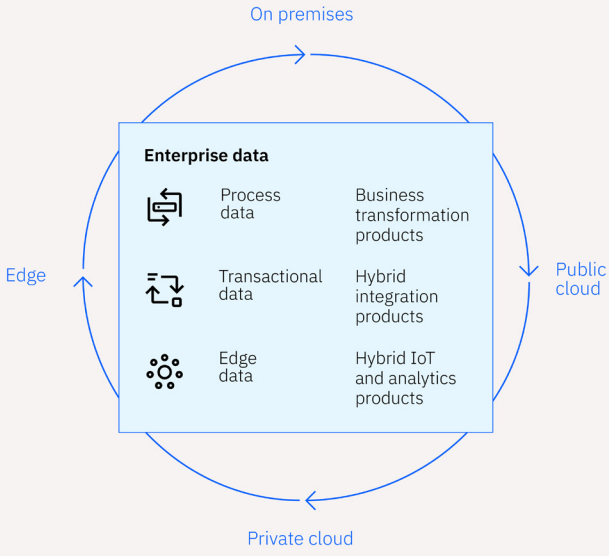
To help you better navigate this world of multifunctionality, here are some insights based on current trends in the API and integration market. Below, we'll walk you through the tools, capabilities, pricing models, and user experiences you'll want to consider as you chart the future of your IT landscape and forge the connectivity you need to innovate and grow your business. You'll also get a sneak peek at our own solutions, including our industry-leading, multifunction iPaaS that makes integrating applications, clouds, mainframe systems, events, and files easier than ever.

Enabling a digital backbone for the truly connected enterprise

The confluence of transactional, IoT, and process data is the key enabler and accelerator for digital transformation and a connected enterprise.



Our product vision will support our customers' digital backbone, enabling data to move and integrate seamlessly between different environments.



4 insights to guide your API-led integration journey

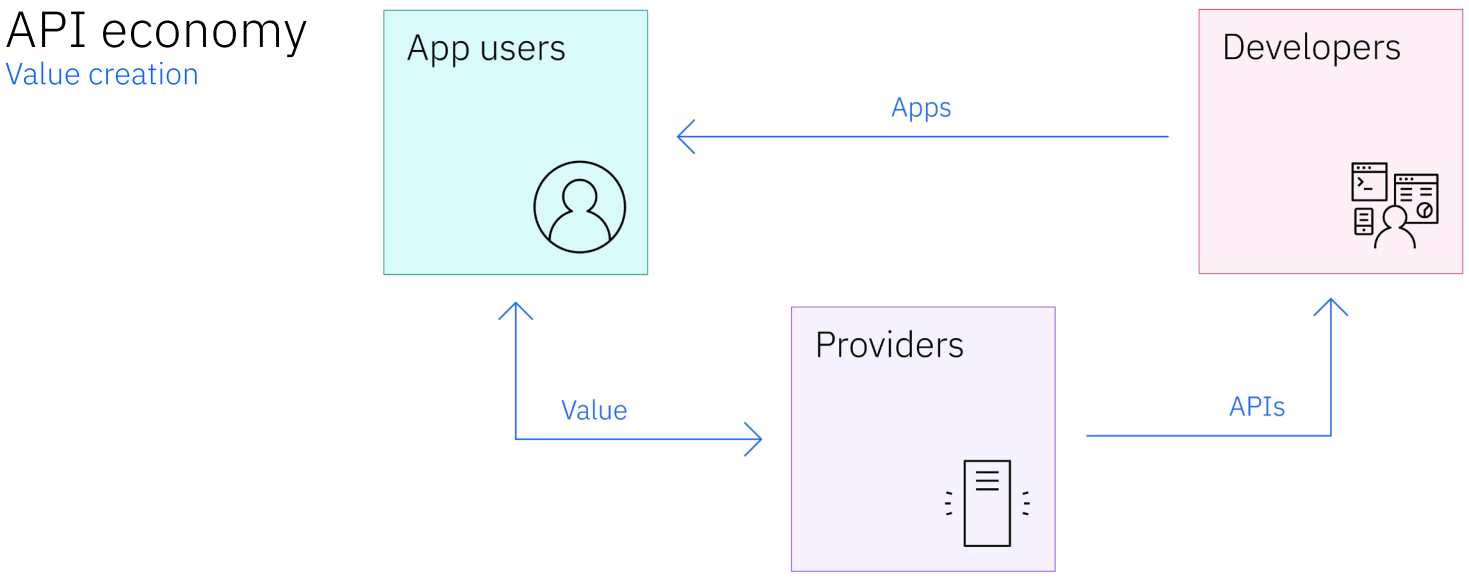
Are you looking to improve connectivity to innovate and grow your business? The following principles and market trends will prepare you to optimize your API and integration quest.

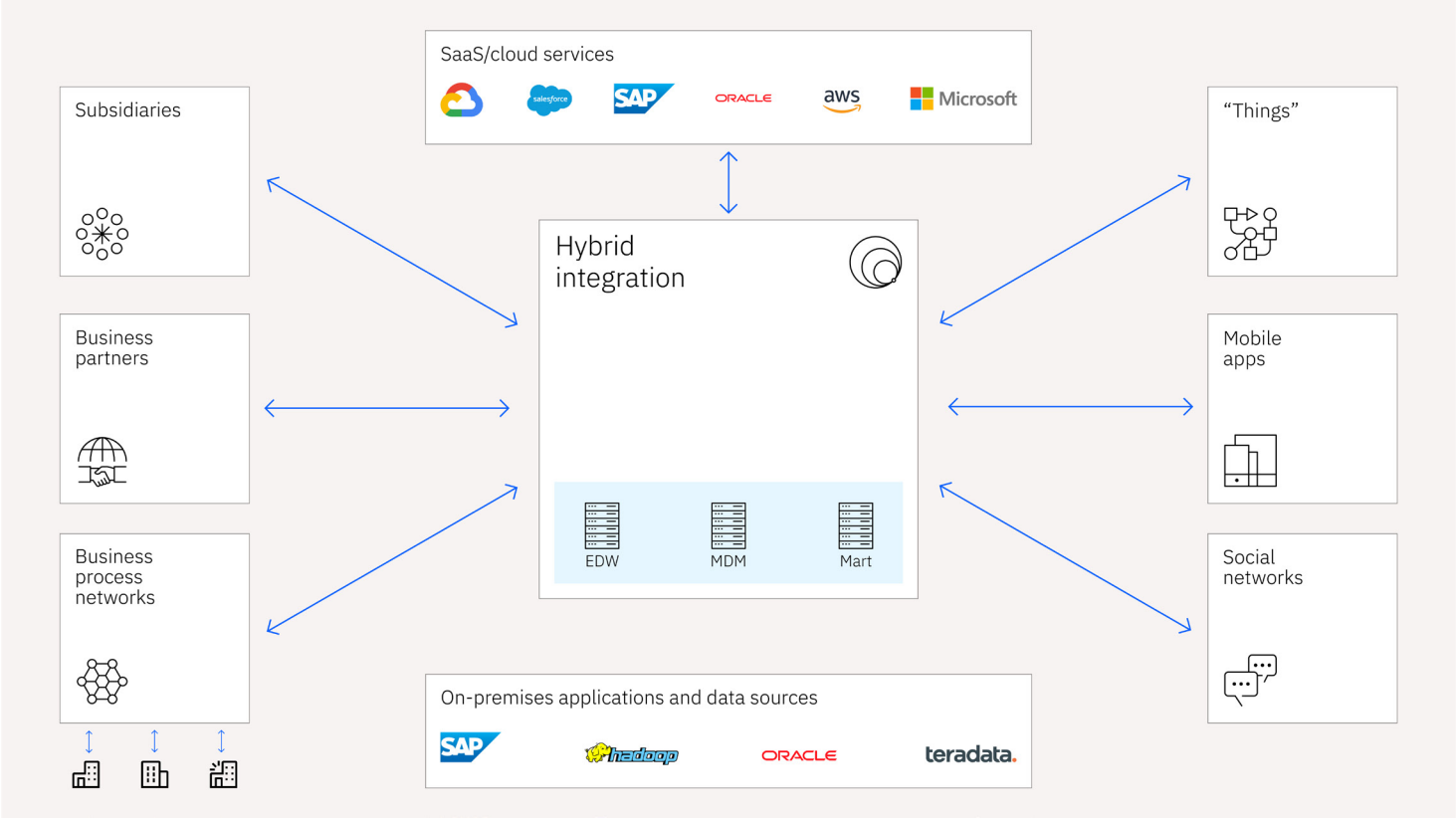
1. We live in an API-first era—APIs alone won't do the job. If you're an IT leader facing pressure to innovate, it's likely you've embraced a simple fact: APIs are indispensable. Not only do they enable systems foreign to each other to "talk"—in doing so, they dramatically simplify app development and the ability of business and IT teams to collaborate. It's no wonder, then, that their use continues to rise: in a 2022 survey by research firm Vanson Bourne, 98% of IT decision-makers said APIs were "extremely" or "very" important to their enterprise's operations, and 85% reported using APIs in all or the majority of their innovation projects.[1]

Simply ramping up your use of APIs, however, won't guarantee business success—or a first-rate customer experience. APIs that are poorly managed can expose companies to hacks and other security risks. Organizations using APIs often struggle to manage product upgrades and lifecycles or attract skilled developers. APIs are most valuable to companies when they're standardized in a way that helps developers combine data and functionality in a modular, repeated, and rapid fashion to create new products and services. They also work best when deployed alongside other integration tools: after all, developers aren't only concerned with the latest customer-facing apps; they also need to integrate core enterprise systems, from ERPs to supply chain management, that are often deeply embedded in the IT landscape.

Companies are also increasingly drawn to the reusability and agility of microservices architecture, which accelerates the time to market of new products. They're also as perpetually on the lookout for new ways to move data throughout their digital backbone to deliver analytics that help leaders make better decisions.

All of these functions are critical to enabling continuous innovation. That's why a pragmatic approach to APIs and integration—namely, one that aligns with business priorities—is key, and your iPaaS should be able to support that.





2. The destination is the cloud, but the foreseeable future is hybrid.
Increasingly, companies are turning to hyperscalers: cloud providers with the global scale and deep expertise to turbocharge innovation. Gartner predicts[3] worldwide end-user spending on the public cloud will total USD 679 billion in 2024 and will exceed USD 1 trillion in 2027.

The growth of the cloud market is for good reason: increased cloud adoption enables reduced capital investment and can vastly improve the time to market of new products. Yet cloud migration is not a fix-all solution; most businesses have sunk investments in large-scale core systems—often on premises—that have run successfully for many years. In this environment, given the pressure to innovate, big-bang migrations are neither feasible nor desirable. In fact, organizations migrating too quickly are often forced to backtrack.

Even if your organization is committed to cloud adoption, completing the process could take years, if not decades. Your integration strategy, therefore, should rest on the fact that the foreseeable future is hybrid: new products and services will continue to be built separately from core enterprise systems.

The best way to stay connected while doing this? Deploy your integration systems in a hybrid environment, like an iPaaS. According to Vanson Bourne, most enterprises are now taking this approach. In their survey, 75% of organizations reported using hybrid integration systems. Just 14% reported using on-premises integration systems only, and 10% reported running systems solely in the cloud.

3. Pricing and user experience are changing too.
Growing market pressure to innovate is likely changing the way your company makes IT investments. For most enterprises, the days of large, upfront IT purchases are slowly coming to an end. Instead, businesses are seeking flexibility: innovation, after all, means experimentation. IT leaders want the ability to try out new products and services and subsequently scale up use—or cancel—based on delivered value. Most cloud services and SaaS applications now offer pay-per-use subscription models that take the risk out of embracing IT changes. A multifunction iPaaS provides similar flexibility for integrations; you can pay as you go and scale up without restrictions.

The rise of this more flexible cost model, along with the shift toward low- or no-code cloud-based IT solutions, means the technical needs of users are also changing. Integration platforms used to demand highly trained specialists with a deep knowledge of entire back-end systems. Increasingly, though, API and integration tools need to be accessible to nontechnical staff that expects them to "just work." For most, that's an iPaaS that delivers a simple, intuitive, and high-quality experience that ordinary users can trust to keep their mission-critical applications connected.

4. Task-specific tools are converging into single platforms. As an IT leader looking to make the most of digitalization, a successful integration strategy entails mastery of multiple dimensions. As we've discussed, innovation demands an alchemy of APIs, core systems integration, microservices, and data. It means operating on premises and in the cloud, supporting nontechnical users and integration specialists, and employing mobile-first and SaaS solutions alongside aging legacy systems. Above all, it means enabling old and new to work together seamlessly.

Organizations have long been moving away from task-specific integration tools and toward hybrid platforms that embrace these different forms of connectivity. Now, as the center of gravity shifts toward a low- or no-code cloud-first approach, the case for a single multifunction platform is stronger than ever. Not only does a multifunction iPaaS combine the key dimensions of APIs and integration into a single user experience, it also enables your enterprise to launch new business models, products, and services faster than ever.

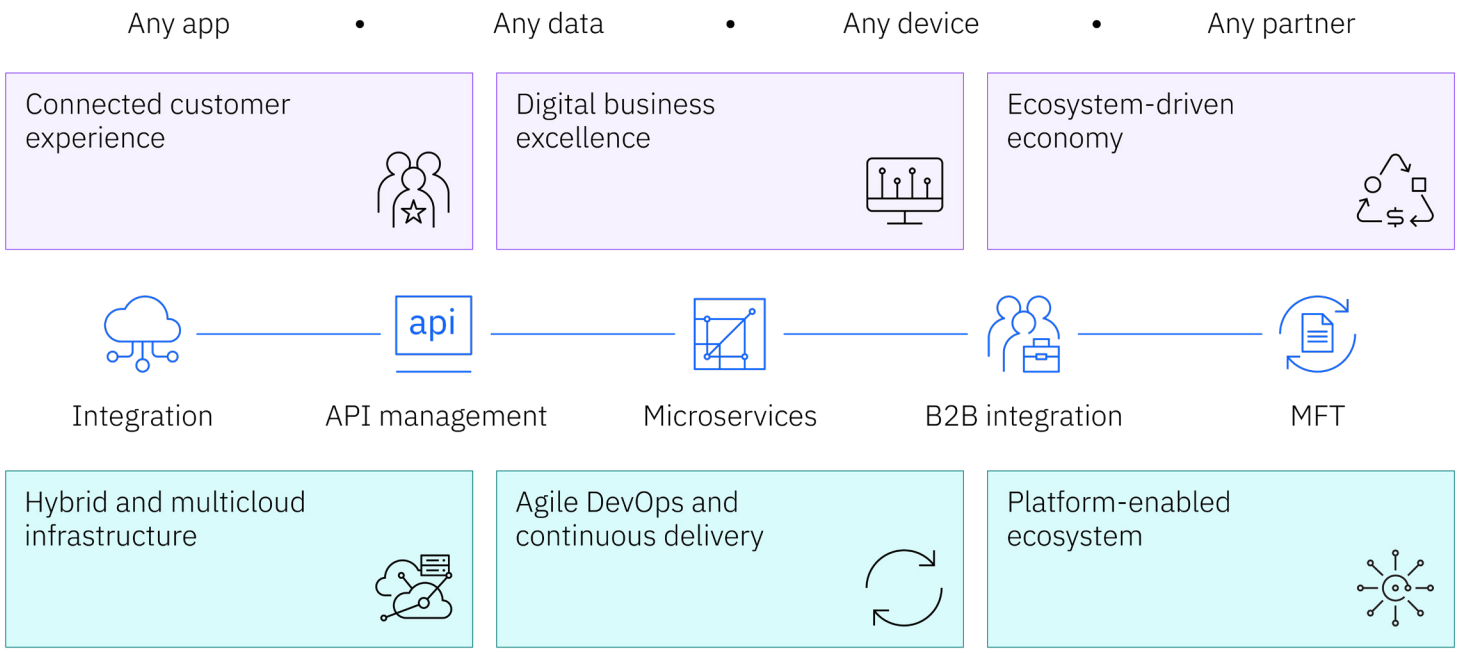
Toward a connected future with IBM webMethods

What if you could have all these API, integration, microservices, and B2B capabilities at your fingertips? We believe your best bet for meeting all your API and integration needs is through a multifunction integration platform as a service—better known as iPaaS. Designed for all types of users, from business analysts to integration specialists, an iPaaS acts like an all-access ticket to an array of tools that improve automation and maximize your productivity. Your team will spend less time integrating platforms and more time developing new products, simplifying the essential work of creating a connected IT ecosystem.

IBM iPaaS, powered by webMethods, has been designed to help you unlock innovation that's possible only when your digital ecosystem is connected. As stand-alone solutions, our webMethods suite of products compete as market leaders across a range of categories: full-lifecycle API management, application integration suites, B2B gateway software, managed file transfer suites, and iPaaS. The continued evolution of our on-premises and cloud offerings has kept us at the top of the industry, with regular rankings as market leaders from top industry analysts.

Is your company ready to thrive in this era of transformation? We invite you to learn more about our industry-leading API, integration, and microservices solutions, and how they can help you stay one step ahead.

Learn more at ibm.com/webMethods →



1. Annual APIs and Integration Report 2022, Vanson Bourne, 2022.
2. Cloud Adoption Steadily Rising Across Industries, but Managing Cost Remains a Concern, O'Reilly, 8 November 2021.
3. Gartner Forecasts Worldwide Public Cloud End-User Spending to Surpass $675 Billion in 2024, Gartner, 20 May 2024.

IBM Corporation
New Orchard Road
Armonk, NY 10504

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