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Simplify SaaS With iPaaS

How Using An Advanced iPaaS Accelerates
Digital Business Maturity

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Executive Summary

Mid-market companies accelerated their digital transformation initiatives to survive the COVID-19 pandemic and to compete with companies that were already digital native. Both kinds of organizations found ways to innovate their business processes to rapidly pivot and open up new market opportunities. Many used an integration platform as a service (iPaaS) as an enabling technology to engender a culture of innovation in their organization and to make automation a core part of the organizational DNA. Using an iPaaS helps to standardize and accelerate business process automation and maximizes the sharing of data across applications, teams, and departments.

In October 2021, Celigo commissioned Forrester Consulting to evaluate the impact that using an advanced iPaaS can have on an organization. Forrester conducted a study with 413 global IT and finance decision-makers with insights into iPaaS at their organizations to explore this topic. We found that mid-market companies that successfully evolve their digital technologies, people, and processes with advanced iPaaS solutions win in this new environment against potentially more established and better-funded competitors. We also found that from those core achievements, it's not just possible, but it's practical to use iPaaS to support B2B and analytics use cases that enable consolidating integration technology to lower the cost of automation efforts. Even using a traditional iPaaS alone isn't enough to meet all their needs. Most organizations require an advanced iPaaS solution to meet expectations and bring big business results.

Advanced iPaaS solution

- Creates intelligent repeatability (powered by AI/ML)
- Has prebuilt applications with built in best practices
- Offers business process expertise

Traditional iPaaS solution

- Integration platform provided as a vendor managed cloud service

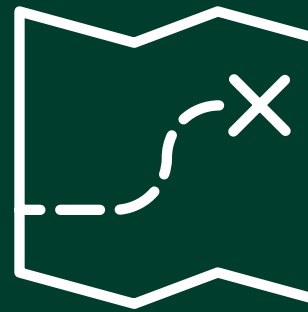


Key Findings

Organizations are turning to iPaaS to accelerate digital business maturity. Only 23% of respondents said their organization has achieved digital business maturity, but one-third said their organization plans to adopt an iPaaS to accelerate growth by advancing CX, data management, and automation capabilities.



Organizations struggle because application integration landscapes don't meet their needs. Most of the respondents from organizations that are transitioning or immature said their firm's current application integration landscape does not meet most of its needs. This leaves companies with huge problems including complexity that prevents change, high implementation costs, and a lack of qualified staff.



Advanced iPaaS solutions address gaps for traditional iPaaS users. Traditional iPaaS users have seen big benefits of the technology, including reduced tech barriers and an increased ability to compete with larger companies. However, both iPaaS non-users and iPaaS adopters have unmet expectations around costs and time when managing their application integration landscapes. The major shift happens when adopting an advanced iPaaS solution rather than using a traditional iPaaS alone. Leveraging an advanced solution enables a company to grow at a faster rate, reduce operational costs, improve CX, and reduce time spent on integrations. These are all major gaps of a traditional iPaaS solution.

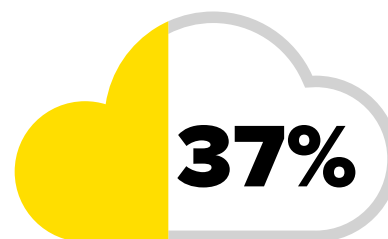


Organizations Scramble To Adapt To A Rapidly Changing Environment

To adapt to the rapidly changing business environment of the past several years, organizations had to shift priorities to stay afloat. Respondents that use iPaaS said it has increased in importance for overall competitiveness during the past two to three years. For example, only 21% of respondents said iPaaS was the single most important factor for overall competitiveness two to three years ago, but 37% said it's the most important factor today. Decision-makers from organizations with an iPaaS are seeing the benefits and realizing just how critical it is to their organization's success. Given that the average organization has 21 software-as-a-service (SaaS) applications in use, it's no wonder that having an iPaaS solution can mean so much for an organization's competitiveness. In surveying SaaS and iPaaS decision-makers, we found that:

- **Only 23% of organizations have achieved digital business maturity, while most struggle to be agile in rapidly changing environments.** The past two years have shaken up the way organizations operate. In fact, 67% of respondents said the pandemic pushed their organization to increase its digital transformation investments in response to the rapidly changing environment. Although it is critical for an organization to be agile and ready for anything that comes its way, only 26% of respondents said their organization has reached the state of constant digital transformation necessary to adapt to rapid changes and unexpected events. Digital transformation is never complete; it's an ongoing process of proactive maturity efforts and reactive responses to the ever-changing environment.

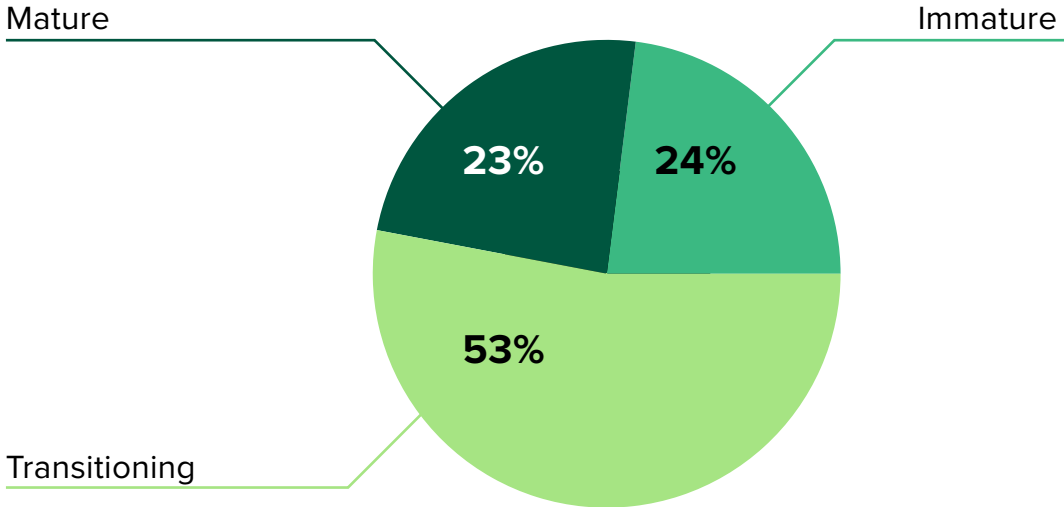
To determine the digital business maturity of respondents' organizations, we asked them a series of questions and scored their responses to place them on a maturity curve.¹ From those scores, we



of respondents with an iPaaS said it is the single most important factor of their firm's overall competitiveness.

identified three tiers of maturity: immature, transitioning, and mature (see Figure 1). We found that 24% of respondents' organizations are immature in their digital business efforts, 53% are transitioning, and 23% are mature. Throughout our research, we found that mature organizations are more likely to reap key benefits than organizations that are immature or transitioning, which offers even more incentive to continue to accelerate up the maturity curve.

Figure 1
Digital Business Maturity



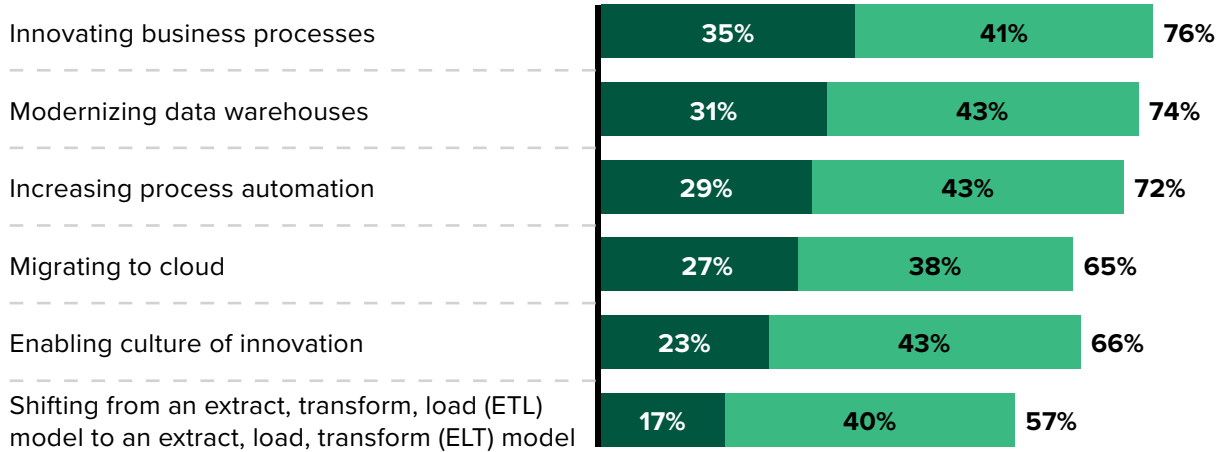
Base: 413 global finance and IT decision-makers with insights into iPaaS at their organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of Celigo, October 2021

- **Priority shifts since the onset of the pandemic indicate movement to more mature digital business practices in the future.** Respondents said innovation, modernization, and automation are at the top of their organizations' priorities (see Figure 2). And three in four respondents said these initiatives are very important or critical for their organization.

Figure 2

Top Priorities For Next 12 Months

● Critical ● Very important



Base: 413 global finance and IT decision-makers with insights into iPaaS at their organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of Celigo, October 2021

The pandemic drove much of the reinforcement and realignment of these goals. It prompted sharp increases in process automations, warehouse modernizations, and cloud and SaaS migrations to support business agility.

Respondents also said the following activities increased the most in priority since the onset of the pandemic. (Showing percentage of “slight increased”/sharply increased.”)

- Increasing process automation (70%).
- Modernizing data warehouses (67%).
- Migrating to cloud (61%).
- Migrating to SaaS (59%).

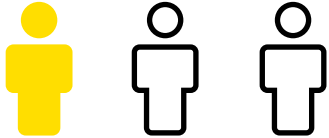
In examining priorities by maturity level, we found that mature organizations have a much higher focus on advanced goals like shifting from extract, transform, load (ETL) models to extract, load, transform (ELT) models that are more conducive to building flexible and reusable



The pandemic drove sharp increases in process automation, warehouse modernization, and cloud and SaaS migrations priorities.

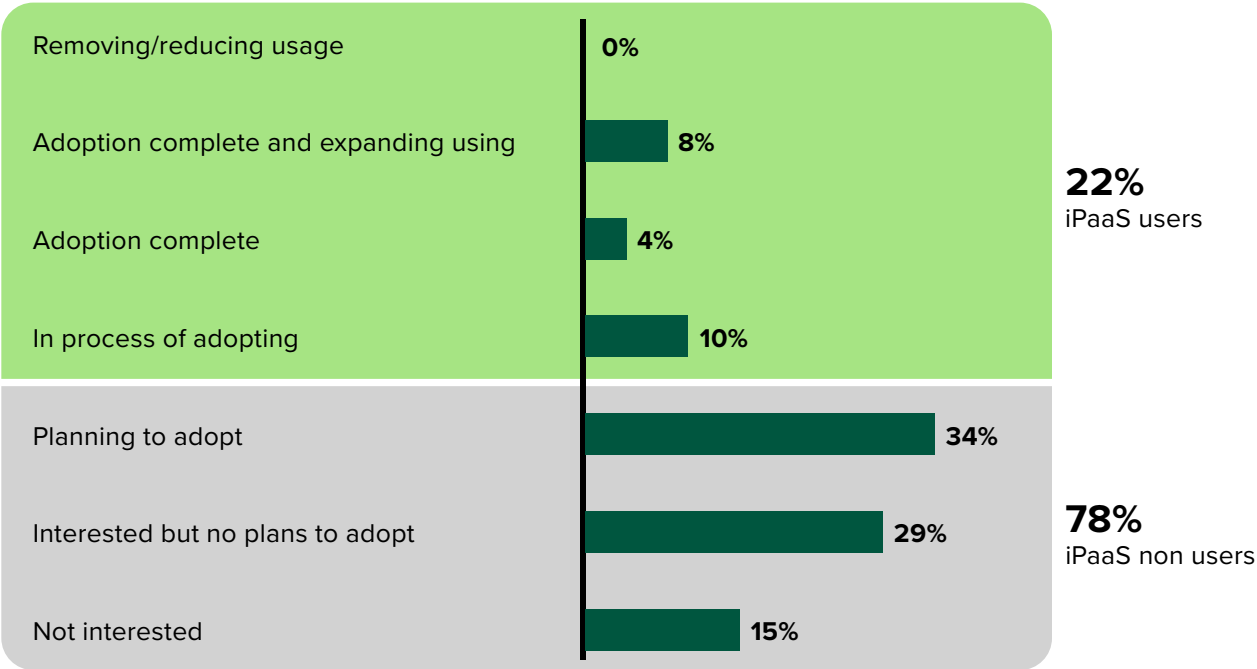
data pipelines that increase IT agility. Only 51.1% of respondents from immature organizations said this is a critical or very important priority compared to 68.1% of respondents from mature organizations. This indicates that this is a more mature and advanced shift that will be important as organizations look to advance along their digital business journeys.

One in three organizations plans to adopt an iPaaS.



- Many organizations are turning to iPaaS to aid with automation, CX, and data management. Only 22% of respondents said their organization has or is currently in the process of adopting an iPaaS solution (see Figure 3). However, one-third of respondents (34%) said their organization plans to adopt one.

Figure 3
iPaaS Adoption Status



Base: 413 global finance and IT decision-makers with insights into iPaaS at their organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of Celigo, October 2021

This sharp uptick in growth is a clear indicator of the value that iPaaS brings. The main drivers of iPaaS adoption are gaining the ability to:

- Automate business processes (69%).
- Create seamless, unified customer experiences (66%).
- Accelerate integration of new SaaS technologies into business processes (62%).
- Aggregate data from multiple sources for analytics purposes (62%).
- Obtain real-time data (58%).

These drivers of adoption are in clear alignment with organizations' top overall priorities.

Organizations Struggle Because Application Integration Landscapes Don't Meet Their Needs

Despite the shift in priorities, organizations still struggle with hodgepodes of applications that are not integrated and don't meet their needs.

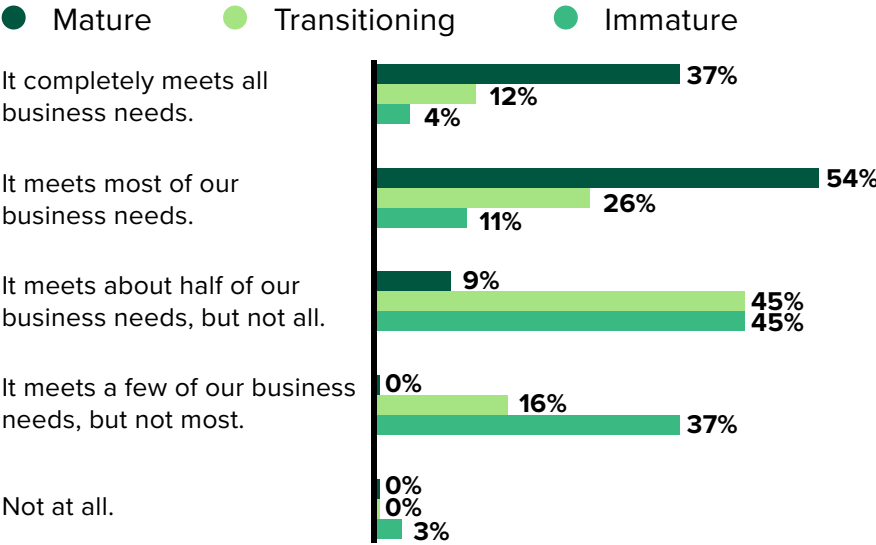
- Application integration landscapes fail to meet the needs of most organizations, particularly those that are immature or transitioning.** Very few respondents said their organization's current application integration landscape meets all the needs of the business. Ninety-one percent of respondents from mature organizations said their organization's landscape meets all or most of its needs compared to 38% from organizations that are transitioning and 15% from immature organizations (see Figure 4).



Most respondents from immature or transitioning organizations said their firm's current application integration landscape does not meet most of their needs.

Figure 4

“How well does your current application integration landscape meet the needs of the business?”



All or most needs met:
 Mature: 91%
 Transitioning: 38%
 Immature: 15%

Base: 413 global finance and IT decision-makers with insights into iPaaS at their organizations
 Source: A commissioned study conducted by Forrester Consulting on behalf of Celigo, October 2021

This leaves companies with huge problems including a lack of qualified staff, complexity that prevents change, and high implementation costs.

- **Organizations that don't have iPaaS struggle with data management.**

Two out of three respondents from organizations that don't have iPaaS said lack of visibility into the data needed to make real-time decisions (67%) and lack of data integrity due to manual data entry, delays, incompleteness, and errors (65%) are major challenges of their firms' current SaaS landscapes. And these challenges have major consequences. Respondents said they hinder scalability (53%) and keep their organizations from automating business practices (45%), which companies need to be agile in a challenging environment and to advance along the maturity curve.

Advanced iPaaS Solutions Address Gaps For Traditional iPaaS Users

By surveying IT and finance decision-makers with insights into SaaS and iPaaS at their organizations, we found that:

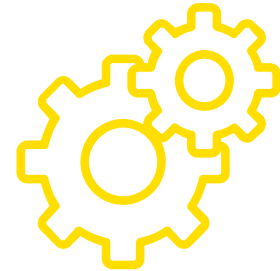
- **Using a traditional iPaaS can bring benefits that address key gaps.**

Respondents noted that the top benefits they saw or expect to see from a traditional iPaaS are increased data security/compliance, efficiency, customer experience, data quality/reporting, and data visibility. These are all things that meet some of the critical gaps their organizations face with their current application integration landscapes.

- Users specifically noted that their iPaaS:
 - » Reduces tech barriers/data silos (77%).
 - » Enables us to compete against more established, better funded competitors (74%).
 - » Helps us both optimize and automate business processes (63%).
 - » Fosters a culture of innovation (61%).

These benefits are undoubtedly what has spurred one-third to make plans to adopt an iPaaS.

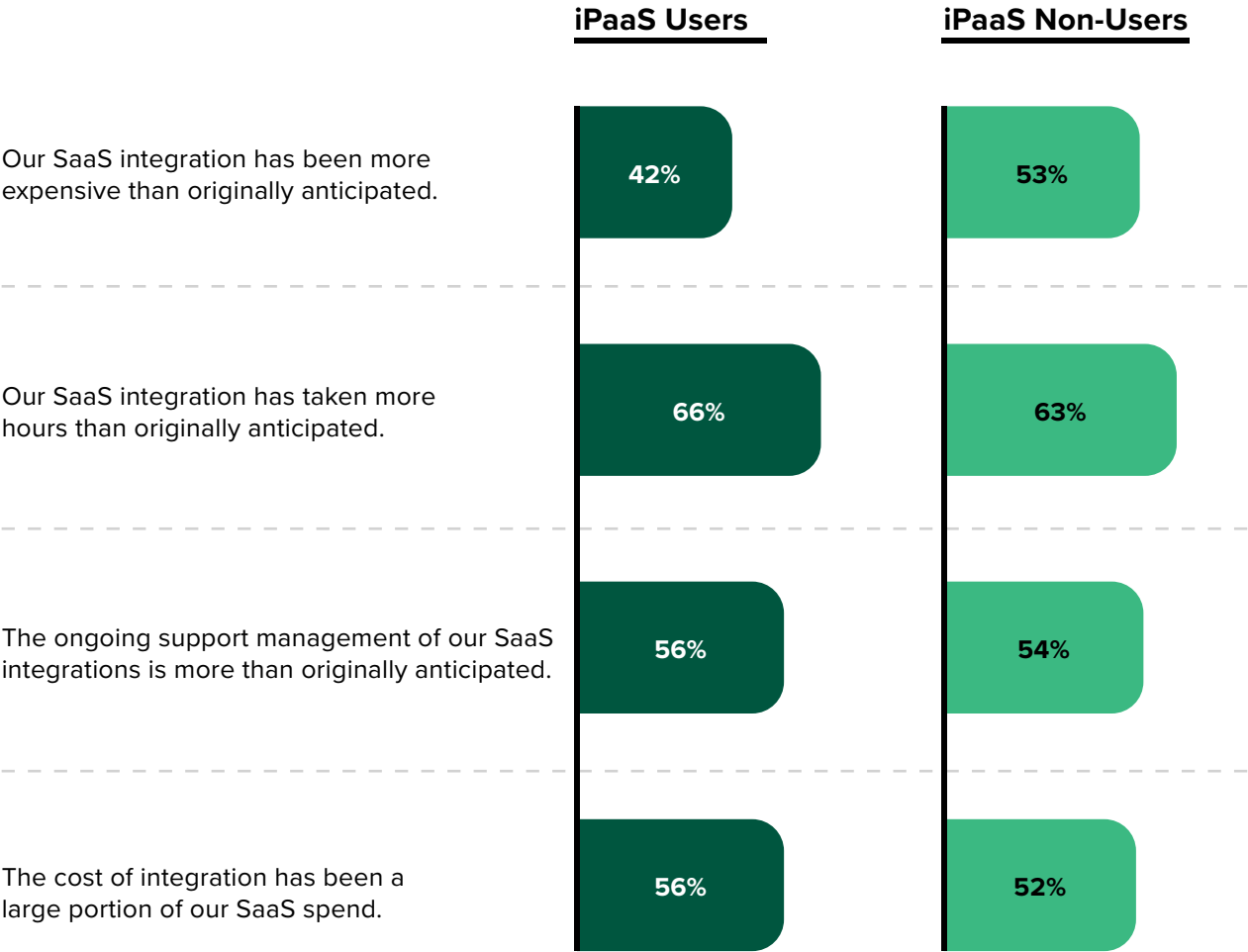
- **When adopting an iPaaS, it is critical to select an advanced iPaaS solution because traditional iPaaS users still have unmet expectations.** Despite the benefits users have seen, both traditional iPaaS users and iPaaS non-users both agree that integrations and adoptions have taken more time, support, and dollars than anticipated (see Figure 5).



When adopting an iPaaS, it is critical to select an advanced iPaaS solution because traditional iPaaS users still have unmet expectations.

Figure 5

“Rate your level of agreement with the following statements about your SaaS adoptions using iPaaS (iPaaS users) or your SaaS integrations (iPaaS non-users).”



Base: 413 global finance and IT decision-makers with insights into iPaaS at their organizations
Source: A commissioned study conducted by Forrester Consulting on behalf of Celigo, October 2021

These unmet expectations indicate that using a traditional iPaaS alone is not enough to reap the main benefits organizations seek. So, buyers must turn to advanced iPaaS solutions.

- **Advanced iPaaS solutions address critical gaps and meet organizational expectations.** An advanced iPaaS solution creates intelligent repeatability powered by AI and machine learning (ML), has prebuilt applications with built-in best practices, and offers business process expertise. Using an advanced iPaaS solution would address the critical issues with standard iPaaS solutions by allowing businesses to grow at a faster rate, reduce operational costs, and improve CX (see Figure 6).

Figure 6

Advanced iPaaS Benefits

If I had an advanced iPaaS solution, I would expect...



70%

My ability to grow at a faster rate to increase.

Expected growth rate: 29%



70%

My operational costs would decrease.

Expected decrease : 20%



70%

My customer experience ratings would improve.

Expected improvement: 36%

Base: 413 global finance and IT decision-makers with insights into iPaaS at their organizations

Source: A commissioned study conducted by Forrester Consulting on behalf of Celigo, October 2021

These benefits are combined with critical benefits of increased integrations and time savings. Sixty-five percent of respondents said using an advanced iPaaS would significantly increase the number of their organization's integrations and automate more business processes, while another 57% said it would significantly reduce the time spent managing integrations.

- **Advanced iPaaS allows citizen integrators to spread automation across the organization.** Business process automation needs to be spread across the entire organization, not just in the IT department. In fact, three in four respondents (74%) said when business process automation is contained solely in IT, it hinders agility and scalability. Sixty-four percent of respondents said an iPaaS solution must equip each employee (whether they work in IT or they don't) with the tools and skills to build and deploy business process automation where needed (i.e., citizen integration).

Including citizen integrators increases automation, agility, and scalability. Nearly half of respondents (46%) said using an advanced iPaaS solution would give their organization a meaningful starting point for IT and non-IT users to automate business processes end to end. By enabling citizen integration and providing a meaningful starting point, using an advanced iPaaS solution empowers all members of an organization to promote agility and automation where needed.



Using an advanced iPaaS solution significantly reduces the time spent managing integrations.

Key Recommendations

Forrester's in-depth survey of decision-makers about iPaaS and SaaS yielded these important recommendations:

Recognize that digital transformation is continuous.

Businesses must be able to rapidly change in response to unexpected market shifts. Declaring that your organization's digital transformation effort is complete is declaring that it no longer needs to change. This is a clear mistake. Mature your organization's IT processes, platforms, and partnerships to enable constant business change.

Center digital transformation on integration and automation.

Rapidly reconfiguring your business means having digital building blocks assembled from your organization's IT assets. An integration layer is the foundation of that. Integration is no longer the 1990s-style approach of synchronizing data. Integration today is focused on assembling IT assets into digital business building blocks that can be configured and reconfigured in response to changing business environments and new opportunities.

Democratize automation through citizen integration.

The demand for IT outstrips supply, and labor shortages make it impossible for most organizations to staff IT teams to the degree needed, particularly for budget-constrained midsize companies. Automation via advanced citizen integration tooling enables the people who best understand their organization's business processes to self-service automate the process without relying on the slow delivery of understaffed and overworked IT teams. Look for features that maximize citizen integration productivity and accelerate time-to-value such as high ease of use, AI/ML-assisted integration, and prebuilt business processes that citizen integrators can reuse rather than build from scratch.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 413 global IT and finance decision-makers to evaluate the impacts that using an advanced iPaaS can have on an organization. Survey participants included decision-makers in director-level roles and above. Respondents were offered a small incentive as a thank you for time spent on the survey. The study was completed in October 2021.

Appendix B: Demographics

COMPANY SIZE (BY EMPLOYEES)

500 to 699	38%
250 to 499	34%
100 to 249	18%
2 to 99	9%

RESPONDENT TITLE

C-level	8%
Vice president	38%
Director	54%

COMPANY SIZE (BY REVENUE)

\$400M to \$499M	22%
\$300M to \$399M	29%
\$200M to \$299M	24%
\$100M to \$199M	12%
\$1M to \$99M	8%
Less than \$1M	5%

TOP 5 INDUSTRIES

Financial services/insurance	8%
Manufacturing/materials	8%
Business/professional services	8%
Retail	7%
Chemicals/metals	7%

BUSINESS MODEL

B2B	23%
B2C	31%
B2B2C	19%
Combination of B2B and B2C	28%

COMPANY SIZE (BY REVENUE)

United States	34%
Canada	16%
United Kingdom	11%
France	7%
Germany	6%
Norway	5%
Denmark	5%
Finland	5%
Spain	5%
Sweden	4%
Iceland	4%

Appendix C: Endnotes

¹ Forrester calculated the digital business maturity of the respondents' organizations by the progress they've made on their digital transformation journeys, the level of investments they've made in their digital transformations during the COVID-19 pandemic, their decision-makers' plans to support their digital business strategies, and their adoption levels of iPaaS. Forrester ranked the scales for survey responses from lowest maturity (1) to highest maturity (5) and totaled them. The maximum possible score was 20. Forrester then grouped the organizations into one of three tiers: immature, transitioning, or mature. Immature organizations scored an average of 2.9 or less, transitioning organizations scored between an average of 3.0 and 3.9, and mature organizations scored 4.0 or higher.

The image features a dark teal background with several 3D geometric shapes in a lighter teal color. A large cube is the central focus, with a smaller cube partially visible behind it to the left. Two cylinders are positioned at the bottom, one to the left and one to the right of the main cube. Two circles are also present: one to the left of the main cube and one to the right. The word "FORRESTER" is written in a white, serif font across the front face of the main cube.

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