

Web 2.0 and the enterprise

by James Norwood, Vice President, Product Marketing,
Epicor Software Corporation

Web 2.0, the second generation of Web services that use the Web itself as a platform, is moving into the enterprise. The need to collaborate within the enterprise, as well as with its suppliers, customers and the like requires a unified IT platform that can support real-time information sharing. Functions such as 'presence' and collaboration, together with plug-in applications for a transparent interface with ERP, *Enterprise Resource Planning*, and office productivity suites systems that can turn Web 2.0 into Enterprise 2.0.



James Norwood is the Vice President of Product Marketing at Epicor Software Corporation; he is responsible for the worldwide product marketing of Epicor's portfolio of industry solutions. Prior to joining Epicor, Mr Norwood co-launched the financial systems and consultancy firm WCS Limited, and held consulting, marketing and sales management positions at European software reseller firms AlphaGen and Tritel.

Mr Norwood studied Systems Analysis and Computer Science at the University of Westminster, London.

Over the years, Enterprise Resource Planning, *ERP*, has built itself a reputation by helping businesses drive costs down and efficiency levels up. Last year, ERP represented 32 per cent of total IT application budgets, and is likely to grow by 11.9 per cent this year. ERP has become an essential business application in any industry with the need to improve workplace communication and collaboration, and supply-chain efficiency.

“With the dawn of Web 2.0, people have experienced changes in information sharing and the way they work.”

Very often, collaboration outside the enterprise necessitates a secure and unified IT platform to support real-time information sharing between customers, suppliers, information workers and IT executives. In addition, implementing a feature-rich content framework facilitates the quick transfer of mission-critical information 24/7, enhances the user experience and enables stronger collaboration.

With powerful ERP solutions, enterprises can ensure a solid foundation for greater decision support through business intelligence and easy access to personalized content for the information worker.

In a nutshell, a successful ERP implementation helps reduce operational costs, supports more informed decisions, improves efficiency,

promotes transparency in the supply chain, ensures accurate and timely delivery of products and services, which in turn empowers information workers and heightens customer satisfaction.

However, ERP solutions are constantly evolving to meet the rising demands of customers who seek to grow and remain competitive within their industry in an ever-changing business landscape.

Today, businesses are facing a growing need for real-time collaboration inside and outside the organization, and improved interaction with locations around the world. Moreover, there's always the demand for leaner, cheaper, more flexible solutions.

“Web 2.0 makes information workplaces easier to utilise, deploy and modify. In addition, Web 2.0 technologies ease the processes by which information workers approach various Web services.”

The dawn of Web 2.0

With the dawn of Web 2.0, people have experienced changes in information sharing and the way they work. Web 2.0 may only be an enhancement of our existing Internet experience, but it brings successful consumer Web concepts to the enterprise with added benefits to business users worldwide.

For one, people are now able to access and exchange information freely from multiple sources. The ability to effortlessly pull and plug into information and services from all over the world allows them to make smarter and more informed decisions in their lives. A good example is the remarkable ability to read online newspapers from various countries besides the one you reside in, all from one central location. This leap in information sharing has created a new wave of innovation on the Web. Information is now literally available at our fingertips.

On the topic of knowledge exchange, social networking has also been around for a while now. However, it has only begun to gain momentum in recent years due to the increasing demand for human connectivity. Network applications such as Friendster, Facebook, Flickr and MySpace are widely adopted by youths and adults alike. What is interesting to us right now is that our current understanding of network applications, and the tools available to implement them, make it possible to create powerful applications quickly and fairly inexpensively.

Another huge benefit of Web 2.0 is the power of communication. With approximately 15 to 20 per cent of the world's population using the Internet on a daily basis, it is a known fact that the Internet has become one of the most widely adopted mediums for communication in the world today. A few decades ago, one would not have imagined having a real-time conversation and exchanging copious amounts of information with a colleague halfway around the world all through the click of a mouse. Today, this is a reality.

Based on the above, it is apparent that Web 2.0 has opened up a world of opportunities for people, be it in their personal or professional lives. With our active engagement with Web 2.0, the distribution of information will far exceed the capabilities of the traditional Internet. In that respect, Web 2.0 is a paradigm changing inflection point.

It is only a matter of time before enterprises start acknowledging that the information workplace is also fast becoming a social environment, with increasingly sophisticated data usage and workplace collaboration.

The rise of Enterprise 2.0

Gartner predicts that by year-end 2007, 30 per cent of large companies will have some form of Web 2.0-enabled business initiative under way. With a rising number of enterprises and companies embracing the benefits of Web 2.0, it comes as no surprise that, as we start introducing the potentials of Web 2.0 into the work environment, today's buzzword is Enterprise 2.0. The objective of Enterprise 2.0 is to apply new technologies, communication models and delivery methods to the development of enterprise software and then deliver it with greater efficiency.

With the advent of Web 2.0, software vendors are fast realising the potential of a future generation of software applications. Enterprise 2.0 leverages the benefits of Web resources beyond information services, and uses the Internet as an integrated system that brings multiple sites and services to a single platform. This collaborative approach provides a secure platform for the seamless interaction and exchange of information. By streamlining processes and creating a single platform for information sharing, workforce productivity improves, resulting in enhanced value chain performance.

Enterprise 2.0 presents itself as a shift to lighter weight software that is less expensive, less complicated and much more flexible. Web services and service-oriented architecture, SOA, will also mean that the integration process is easier and less costly.

On the flipside, vendors will have to become more responsive, with on-demand and service-based applications. Nevertheless, Enterprise 2.0 opens a whole new dimension of opportunities for vendors: lower production costs, better sales models with service-based charges, new development models that allow fresh and innovative possibilities.

The introduction of Enterprise 2.0 also vastly improves communication within the organization. We will begin to see a rise in the sharing and leveraging of co-worker's knowledge and experience. One innovative Web 2.0 concept is that of presence. Presence

features make it increasingly easy to see who is available online to collaborate in a particular event, process or issue. For example, when viewing a customer's order using an ERP system it ought to be possible to see all the internal and external contacts related to the context of that order, and whether they are currently available to connect with either by phone or through instant messaging such as online chat.

The impact Web 2.0 has on information workers goes beyond traditional collaboration tools. Web 2.0 makes information workplaces easier to utilise, deploy and modify. In addition, Web 2.0 technologies ease the processes by which information workers approach various Web services. For instance, rich Internet applications, RIAs, accelerate how workers tackle complex business processes, and business networking and personal websites make it easier to locate and share expertise.

Additionally, the manifestation of Web 2.0 in the enterprise has seen the development of a number of plug-in applications for office productivity suites that offer a transparent interface for ERP information in context, but within a familiar desktop productivity environment. These developments will almost certainly have far-reaching effects on increasing productivity by blurring the lines and reducing the barriers between the desktop tools that all users rely on, and the business application data they need to complete their work.

Information workers can now network and build virtual communities using networking tools and communicate with others through blogs, podcasting, posting online information and exchanging opinions. More examples of Web 2.0 technologies include Wikis, composite applications that combine software and services (often referred to as mashups), the presence features already noted, instant messaging and business networking opportunities such as LinkedIn.

As we move into the future there will be exciting challenges for everyone. As individuals and groups strive to bridge physical distances and forge stronger human relationships, businesses will work towards enhancing business agility through IT and, in so doing, not only maximise the user experience but increase overall productivity. ●