

Digibee Report 2023

The State of Enterprise Integration

New insights and year-over-year perspectives from technology leaders and executives on the increasing importance of enterprise integration for North American businesses.

Foreword

Peter Kreslins Junior

CTO and cofounder, Digibee

The speed of digital transformation continues to escalate, increasing pressure on organizations to keep pace. The status quo is no longer feasible. Instead, enterprises must embrace the new reality, connecting existing systems with innovative technologies to ensure the business remains healthy and profitable.

The Digibee 2023 State of Enterprise Integration Report—our second annual analysis of the market—reflects a foundational shift in the role of integration. More companies recognize and are leveraging the strategic advantage in unifying their operation, enabling rapid change in time with the market.

In this cycle of research, we see a widening gap between the innovators and those organizations saddled with systems and infrastructure incapable of change. Business and technology leaders clearly understand the value of integration. Return on investment is no longer in question.

While iPaaS adoption increases, those organizations unable to evolve face greater peril, falling further behind. To innovate, enterprises must integrate.

What's your organization's state of integration?



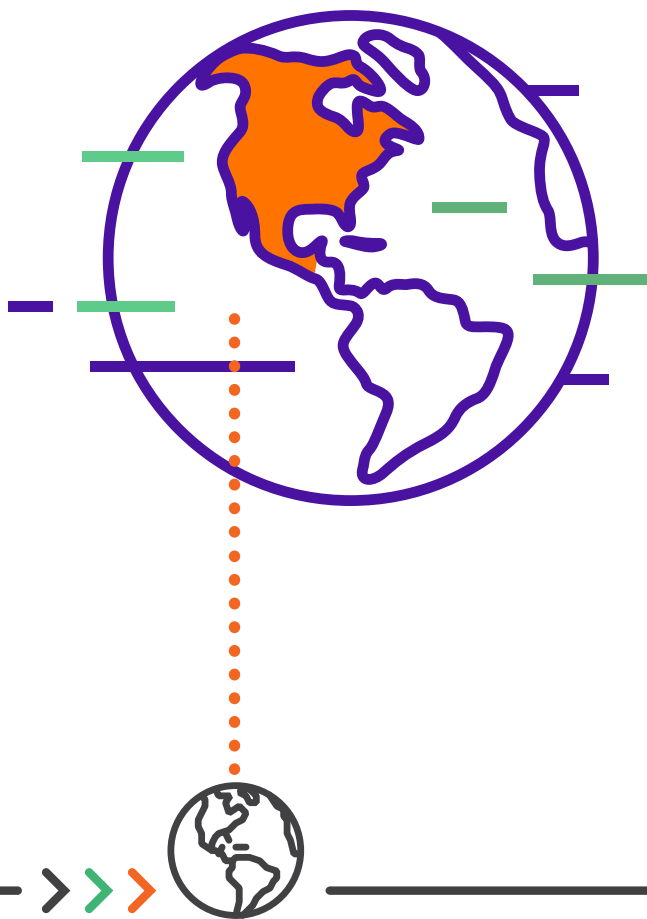
Market analysis

Innovation has become a key differentiator in business. No longer limited to large organizations with sizeable IT budgets, enterprise integration is enabling innovation for companies of all sizes.

Today, CIOs, CTOs, system architects, and web developers are working together, leveraging enterprise integration to deliver automation, AI, cloud infrastructure, and many other advances within an agile, secure, and reliable environment.

The Digibee 2023 State of Enterprise Integration Report examines the progression of integration within finance, manufacturing, and retail organizations, including year-over-year comparisons with the report we published in 2022.

The research reflects the ongoing acceleration in the adoption of integration as a business imperative, supporting a company's ability to innovate, grow, and—ultimately—to succeed.



Participants

1000+

Company size by employee count

500+

Industries represented:



Finance



Manufacturing



Retail

According to a Gartner® Press Release,

“

iPaaS has moved to early mainstream adoption globally, reaching 20% to 50% of the global target audience who will use iPaaS offerings to integrate not only applications and data, but also ecosystems, APIs, and business processes.

Gartner Press Release, Gartner Hype Cycle for Cloud Platform Services 2022 Positions Two Technologies to Reach the Plateau of Productivity in Less Than Two Years, August 4, 2022, <https://www.gartner.com/en/newsroom/press-releases/2022-08-04-cloud-platform-hc-press-release>.

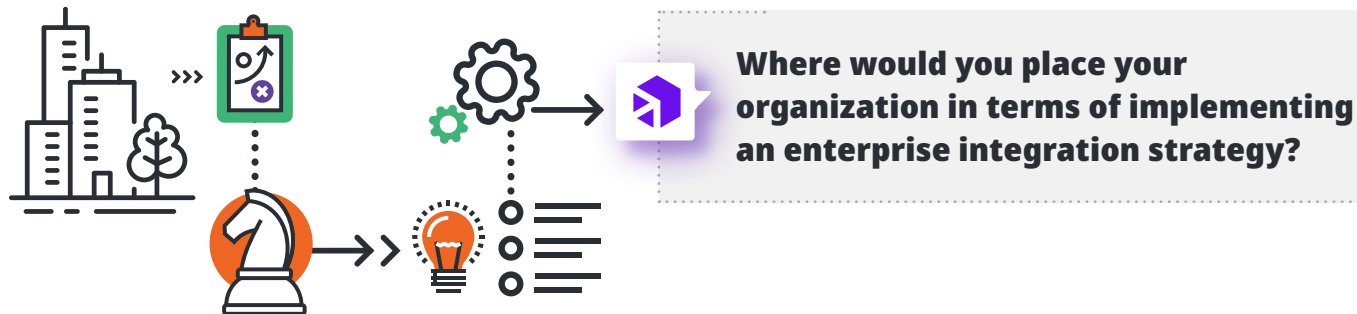
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Gartner

August 2022

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In the 2022 report, we asked a subset of respondents—those who had not yet implemented integration—if they had a particular integration technology under consideration in their planning. 94% responded that they did not.

In contrast, the 2023 results reflect a market that is moving forward quickly in the adoption of enterprise integration:



The strategic value of integration to the business is fast-tracking the implementation of iPaaS. These benefits offset concerns relative to budget, resourcing, and legacy infrastructure.



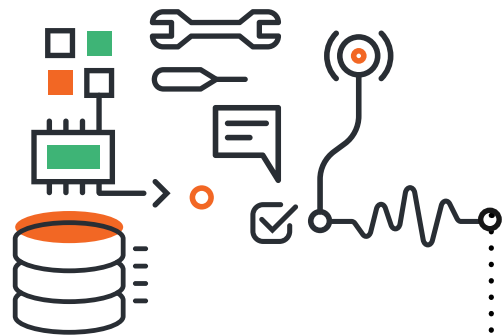
What percentage of your IT budget is used for integration?

The majority of respondents will spend up to 25% of IT budgets for integration. This includes budget for employees, software, infrastructure, maintenance, training, and miscellaneous costs.

16% – 25%

Portion of IT spend used for integrations

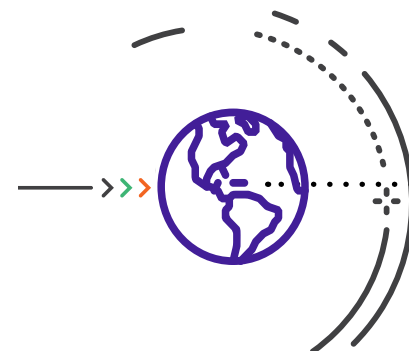
Over half (59%) of survey respondents reported spending up to one quarter of their IT budget on integration



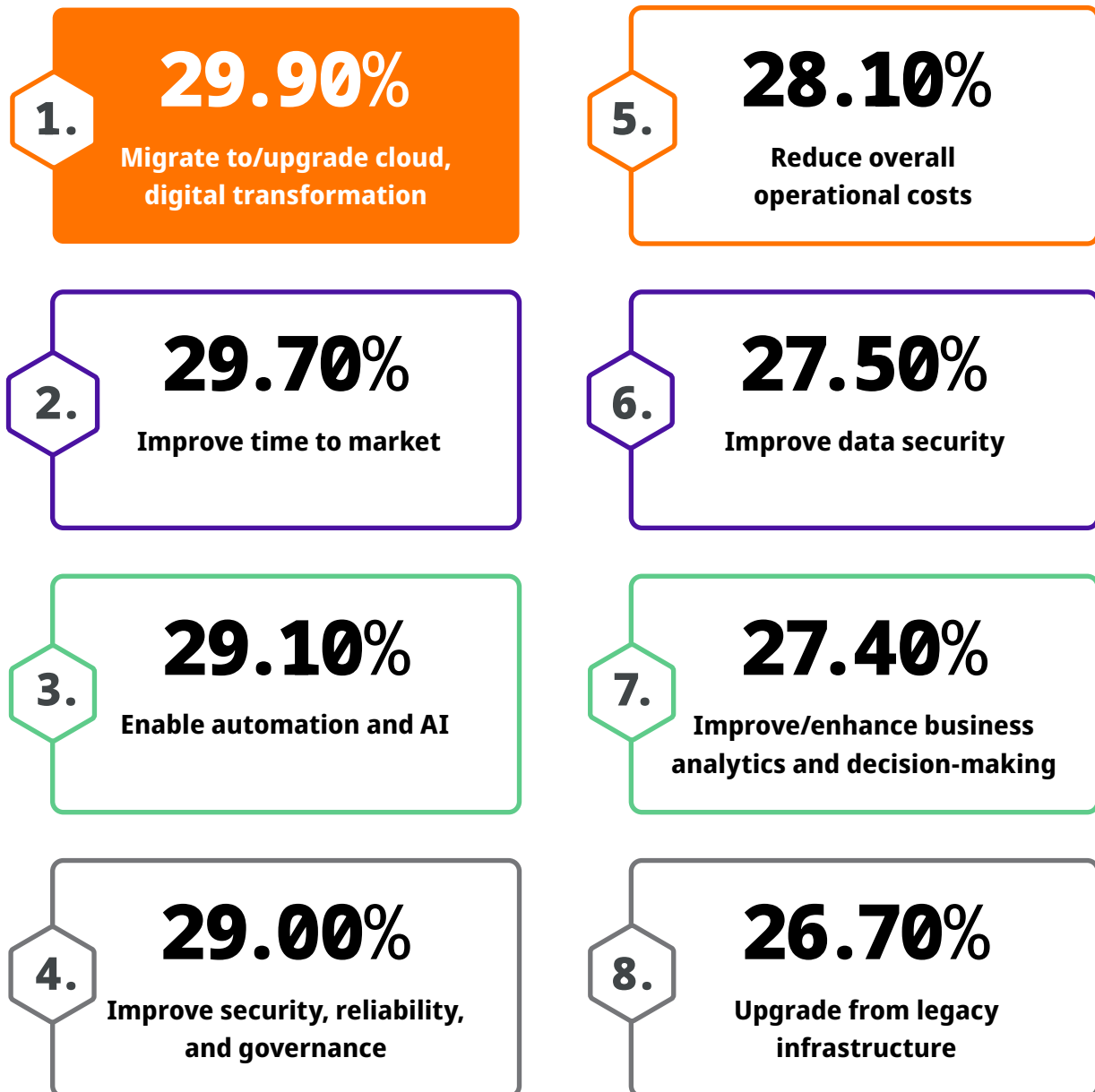
Industry experts estimate **global IT spending to increase by 2.4%** for a projected total of **\$4.5 trillion** in 2023. Extrapolating the survey results based on these projections, industries globally could spend \$720B — \$1.12T on integration in 2023.

\$720B – \$1.12T

Estimated global IT spend for integration in 2023



The top integration objective for enterprises is cloud and digital transformation, rising from 7th place in the 2022 survey.



As with last year, we see a fairly even ranking across all objectives with less than a 5% difference between first and last. Based on these results, organizations will leverage enterprise integration to deliver on a wide range of business-critical objectives.

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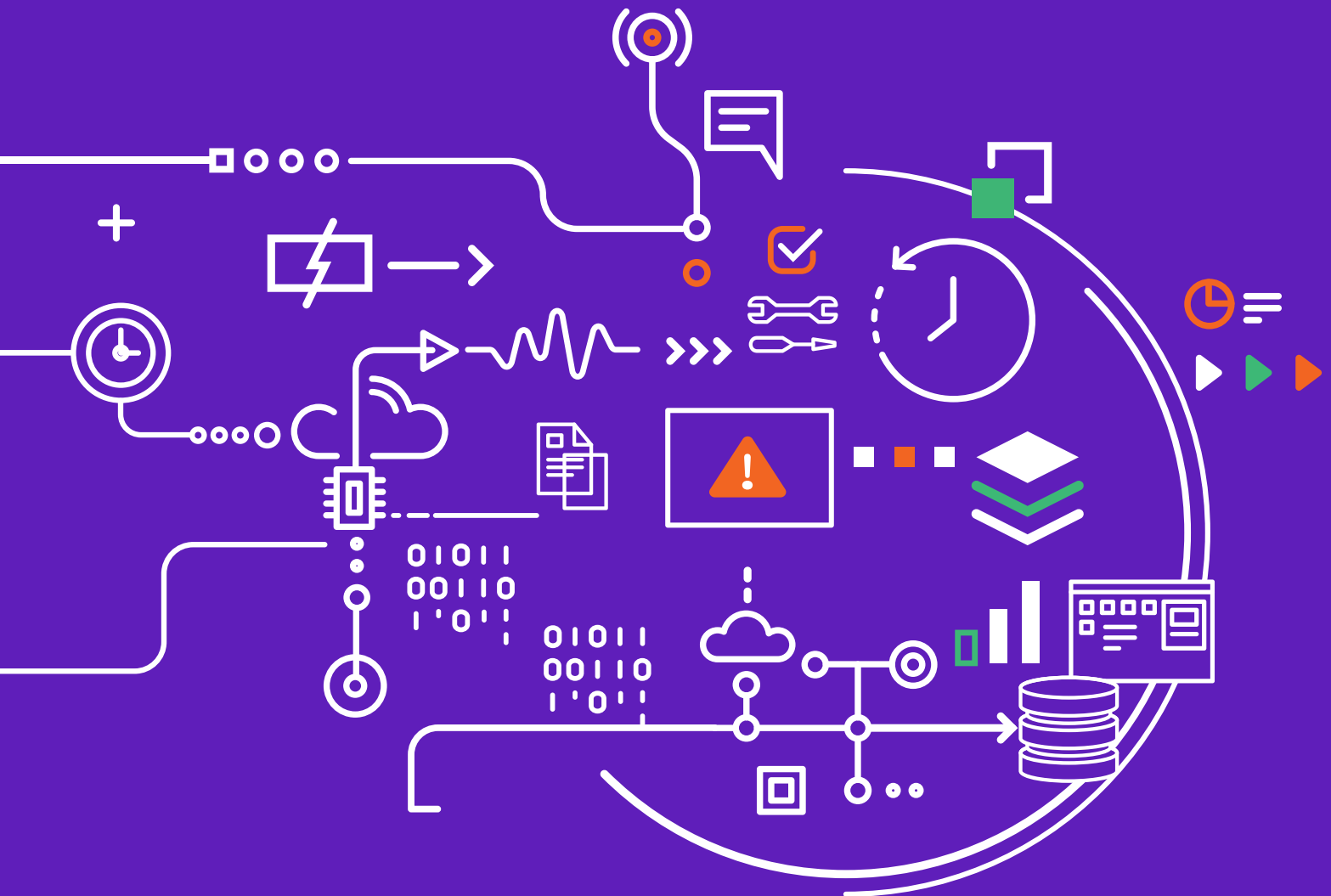
As we move deeper into 2023, cloud will see new transformations spurred by emerging innovations, more competition, and an increasingly urgent need to do more with less.

Forbes

May 2022

Life before iPaaS

While the pace of integration increases, so does the gap between those companies advancing with integration and those that are not. Hindered by in-house, on-premises, and legacy systems, these organizations face increasing challenges including system downtime, expanding IT backlogs, and inadequate resourcing. Struggling to remain operational, innovation is often deprioritized to the detriment of the business.



Poor integrations directly impact business efficiencies, profitability, and innovation

Respondents report that the biggest impact associated with poor integrations is ineffective practices, including process and other inefficiencies that limit the company's ability to succeed.



42%

Ineffective practices

Process and other inefficiencies that impact the success of the business



39%

Impeded innovation

Unable to adopt new technologies to support the growth of the business



38%

Wasted resources

Too much time spent on maintenance and other lower-value work



36%

Lack of agility

Slow response times to changes in the business and customer behavior impact profitability and market share

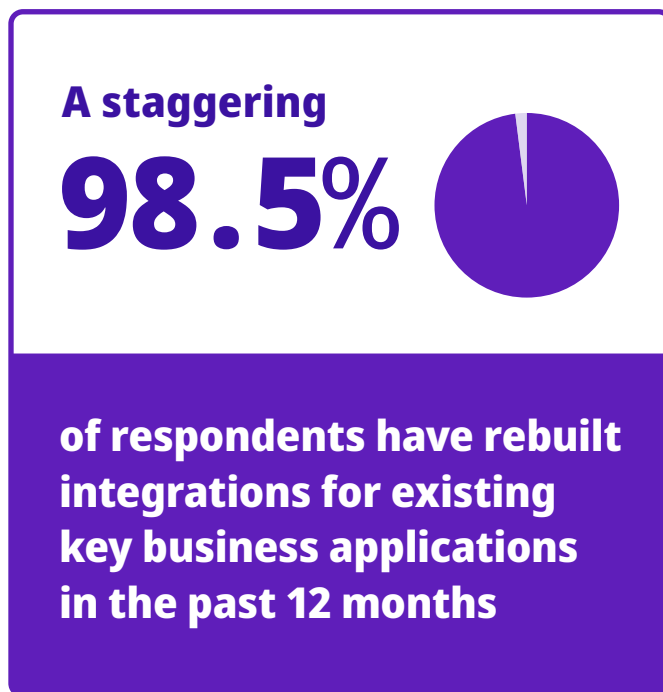
The lack of a modern enterprise integration strategy is holding the business back.

Rebuilding what you've already built

Organizations without a modern iPaaS strategy invest significant resources to maintain existing integrations that are critical to the business.

Hampered by in-house solutions and monolithic infrastructure, maintenance cycles to rebuild integrations are complex and time-consuming. Instead of focusing on innovation and the future, the enterprise must invest heavily to maintain the status quo.

Number of applications rebuilt every 12 months



In the 2023 survey, we see a disparity by stakeholder group with the C-suite (CIOs and CTOs) reporting a lower cadence of 1-5 times per year, while the people doing the hands-on work (system architects and web developers) report an average of 6-10.

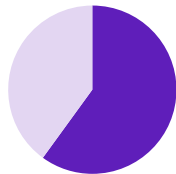
A never-ending IT backlog

Inadequate resources to focus on enterprise integration directly impacts the ability of an organization to resolve and reduce IT backlog projects.



What percentage of projects in your IT backlog require integration support?

60%



Portion of IT backlog projects requiring integration support

A majority of survey respondents (75%) rely on integration to resolve IT backlog projects.

With skilled workers dedicated to the continual maintenance of existing systems, strategic projects are deprioritized, impeding the organization's ability to grow and prosper.



“

With the legacy approach, every interface must be coded and debugged, security audits must be performed, the integration must be tested before going live and the code must be modified and retested to support any change in the applications of the data they require.

Forbes

September 2022

The Democratization of Digital Transformation

Executive perspective

By **Peter Kreslins**

CTO and cofounder, Digibee



Winning at business has never been so competitive, with organizations of all sizes flexing their muscles and punching well above their weight. It's not uncommon to see established companies struggle to maintain market share while younger rivals grow at an astounding pace.

No longer the domain of large enterprises with large IT budgets, digital transformation has become accessible to all. Or at least those companies able to transition smoothly from what they had to what they need. Rather than predicting winners based on historical market share and profile, today success depends upon the speed of innovation. Businesses unable to transform digitally rarely survive.

The rush to innovate has also impacted the enterprise as we know it. Applications no longer work in isolation and data is stored collectively. Processes and workflows conform to the business, not the other way around.

With technology leading our business and IT strategies, building what we need has become easier and more accessible. While senior developers are still worth their weight in gold, with low-code iPaaS, less experienced workers also deliver essential value to the enterprise, helping to carry the load.

People, especially those who want to drive immediate change, are driving their own big ideas. Unwilling to consign the success of a critical project to an ever-growing IT backlog, technical professionals who live outside the integration developer realm are taking advantage of modern technology. With a visually-driven iPaaS environment and drag-and-drop interfaces, building and integrating applications has never been easier.

Leveraging the cloud, building a composable technology stack, desiloing data, and delivering data-driven insights to help guide the business are all outcomes enabled by digital transformation.

Digibee has a unique perspective on the changes that are underway. Working with our clients, we see firsthand how technology liberates businesses of all sizes, opening up new opportunities and removing classic impediments that block the company from achieving its true potential.

The Digibee 2023 State of Enterprise Integration Report details the rapid transformation we're seeing. While in 2022, over 90% of respondents didn't even have an iPaaS technology in mind, this year, over 70% are actively planning to adopt, supplement, or replace their integration technology. Along with year-over-year comparisons, the report includes new insights from companies in the midst of transformational change.

Today, enterprise integration is an enterprise standard, a necessity in adopting innovative technologies that enable the digital transformation every business needs to succeed.

*Digibee is honored to
serve our customers as
they embark on their
iPaaS journey.*



Integration implementation

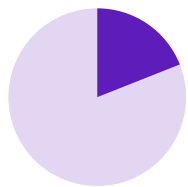
In the 2023 survey, we explore the implementation experience, determining how budget is allocated, the average time spent on deployment, the impact of regulatory compliance, and the top challenges organizations face during implementation.



Integration implementation



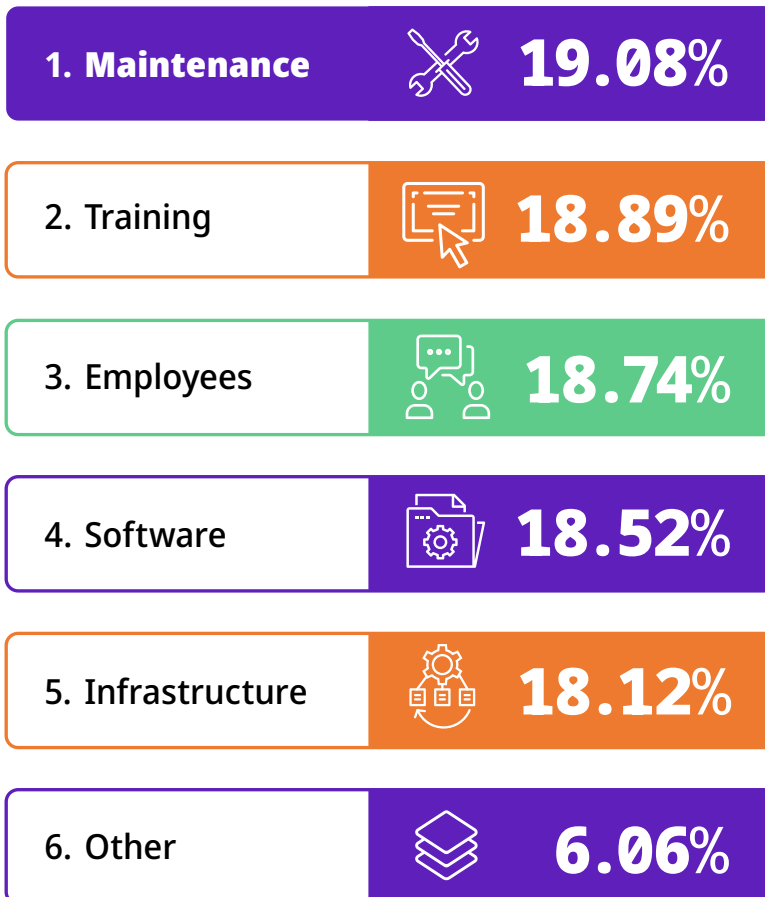
How does your integration budget break down?



19%

of integration budget is spent on **maintenance**

Overall



Since there is the least flexibility in costs associated with employees, software, and infrastructure, enterprises are under pressure to reduce budget spend in the top categories: **Maintenance** and **Training**.

With iPaaS, organizations will benefit from implementation and maintenance support provided by the vendor. Senior, junior, and citizen developers can use the technology with minimal training, for more hands and faster deployments.

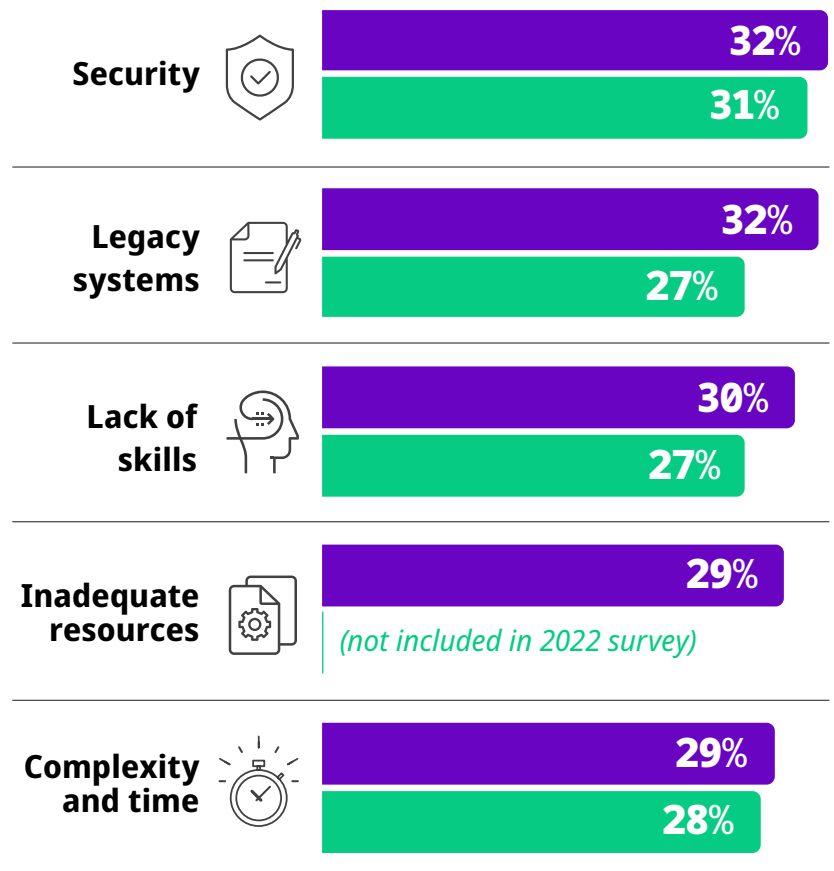
Top challenges

With 88% of respondents bound by regulatory oversight, it's no surprise that the biggest integration challenge is Security.

In the 2022 report, Budget was at the top of the list. In 2023 it didn't even make the top five.



What are the challenges when implementing an integration platform?



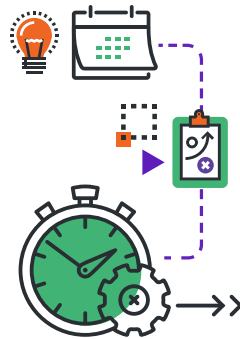
2023 **2022**

Time to implement

 **How long does it take your team to implement a standard integration?**

**3-9
months**


Average time to implement a standard integration, per 74% of respondents



For the uninitiated—those enterprises that have not yet implemented a standard integration—responses were more optimistic, with 100% of respondents estimating 1-3 months to implement.

System downtime

The biggest impediment to a faster implementation is system downtime. This is a common occurrence for organizations that rely on outdated integration technology (in-house, on-premises, and legacy systems).

 **Did you experience any system downtime as a result of the implementation?**

This is a significant increase from the 2022 Enterprise Integration report where 57% of enterprises reported the same result.

Those organizations lagging behind often represent the most challenging environments to convert.

79%

Respondents that reported system downtime that was significant, impactful, and more than expected

2023 **79%**

2022 **57%**

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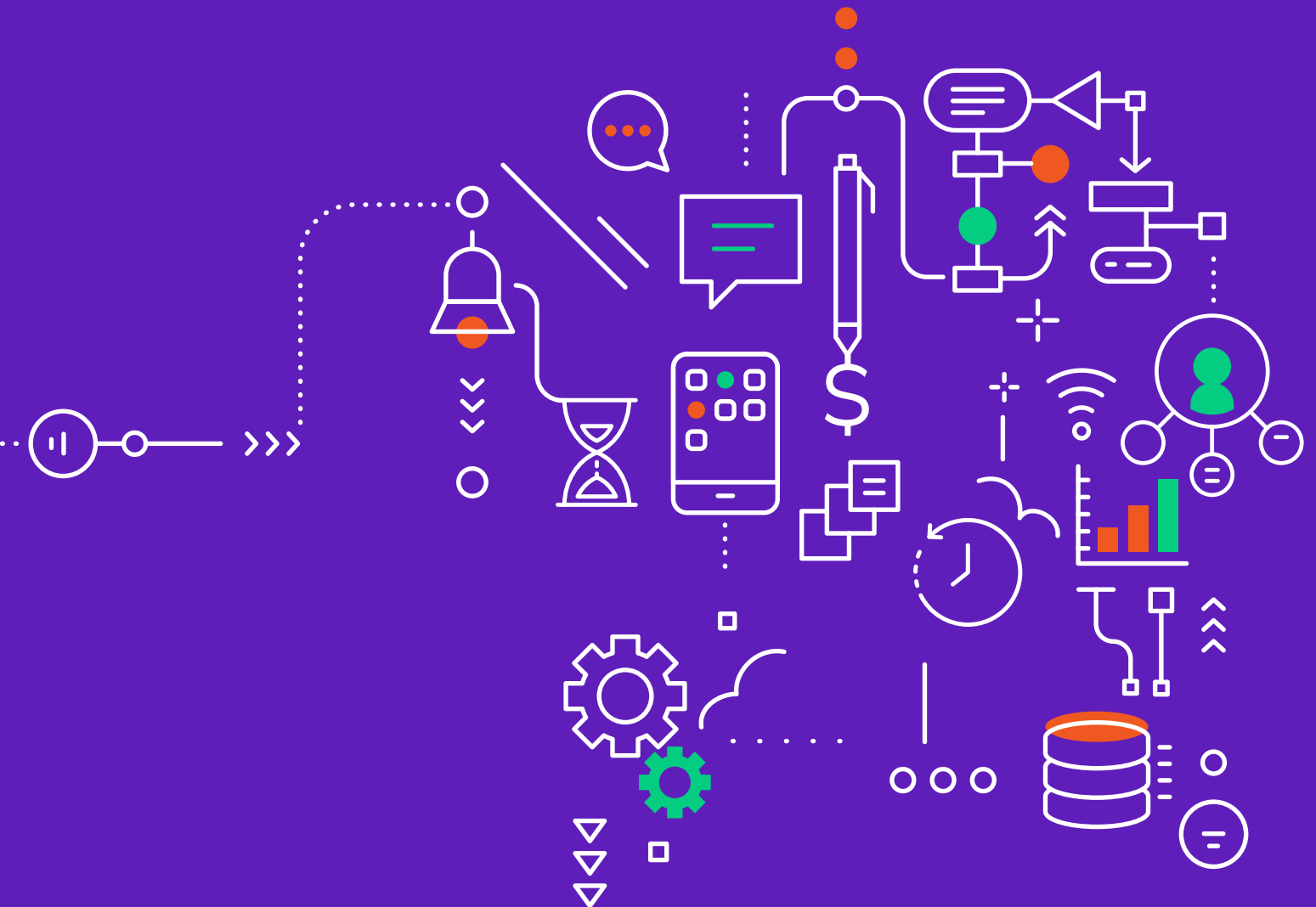
The cost of downtime has increased significantly for 90% of SME and large enterprises, with 44% reporting that a single hour of downtime could potentially cost over \$1M.

Information Technology Intelligence Consulting

Hourly Cost of Downtime, 2022

Resourcing for enterprise integration

The baseline requirements of people, budget, and time are foundational to the success of every iPaaS implementation.



“

Companies need the flexibility and modularity of a modern digital technology platform to quickly bring new business features into production. These platforms use modern architecture principles such as application programming interfaces (APIs), microservices, and containers, and run on an elastic cloud infrastructure, which can help teams rapidly develop, integrate, and deploy new capabilities and support exhaustive reusability.

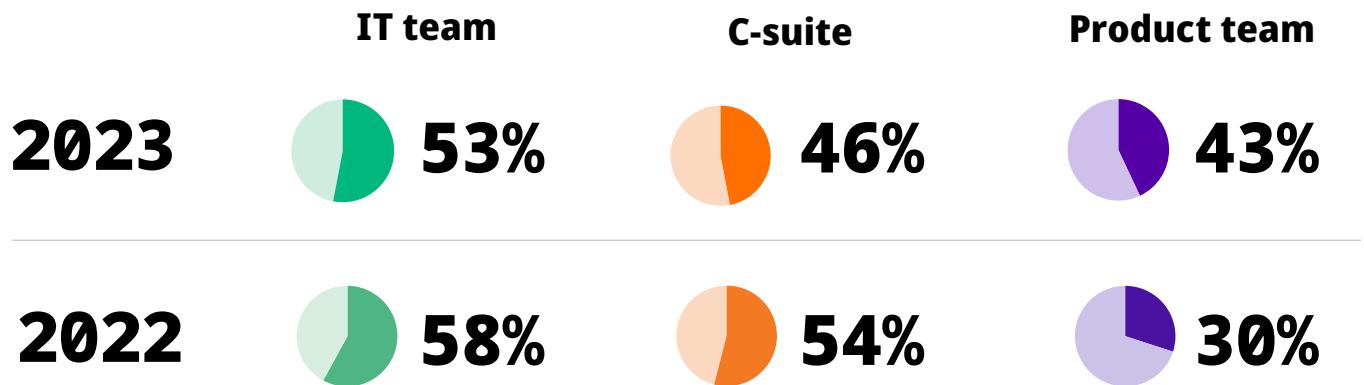
McKinsey

June 2021

The people







Organizations have become increasingly reliant on enterprise integration to aid in the delivery of critical business strategies that depend upon cloud migration, automation, AI, and many other innovations. As a result, the stakeholder group has also expanded:

 **Who are the internal stakeholders, if any, involved in your integration strategy and implementation?**



While year-over-year comparisons show reduced involvement by IT and C-suite, the largest increase (13%) was in the role of the Product team as stakeholders in the process. From vendor and product evaluations through to the actual implementation, Product team members have a growing influence on integration strategy and implementation.

Similar to the 2022 report, we see results skew by respondent group, with C-suite assigning themselves greater involvement in the strategy and implementation, while the people doing the hands-on work (system architects, web developers), attribute a greater share of the work to the IT team.

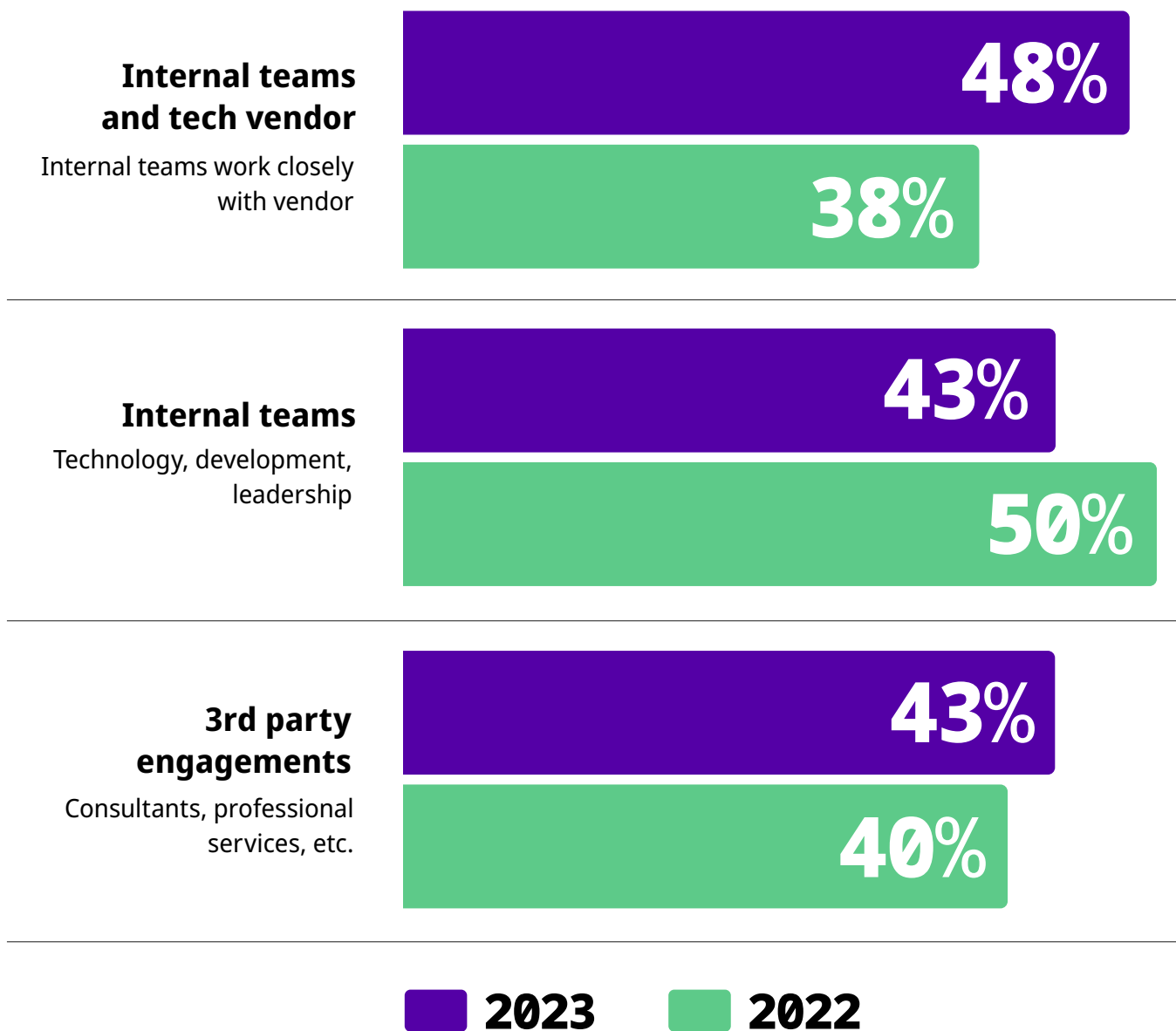
	IT team	C-suite	Product team
CIO/CTO respondents	 49%	 51%	 45%
System architect and web developer respondents	 58%	 42%	 42%

The people

Enterprises recognize that internal resources alone are not sufficient to manage integration implementations, especially if the work can only be done by highly skilled (and often certified) people. While some businesses intend to hire consultants and professional services specialists, others will leverage low-code iPaaS technology so that more employees can perform the work, with implementation support provided by the vendor.



Who will manage your integration implementation?



■ 2023 ■ 2022

The process

Healthy IT environments incorporate a variety of tools and applications that work together to support the business. When planning an iPaaS implementation, all of these components must be considered and incorporated into your integration strategy.

Here are three questions to help inform your project:



What is your existing integration model?

Whether built and maintained in-house, a legacy on-premises solution, or nothing at all—how you currently manage integrations is a key consideration in your strategy. Examine the entire process. Make sure all workflows are supported within the new model to ensure a seamless transition with zero downtime.



Which applications will you migrate? Which will you extend?

Most organizations have at least some legacy applications that will still be around after the iPaaS implementation. For example, if your on-premises ERP platform isn't ready to migrate and is coming along for the ride, be sure all the necessary preparations are incorporated into the strategy. Whether your objective is to move everything off servers and into the cloud or a more phased approach, iPaaS lets you decide what you want to migrate, including when and how.

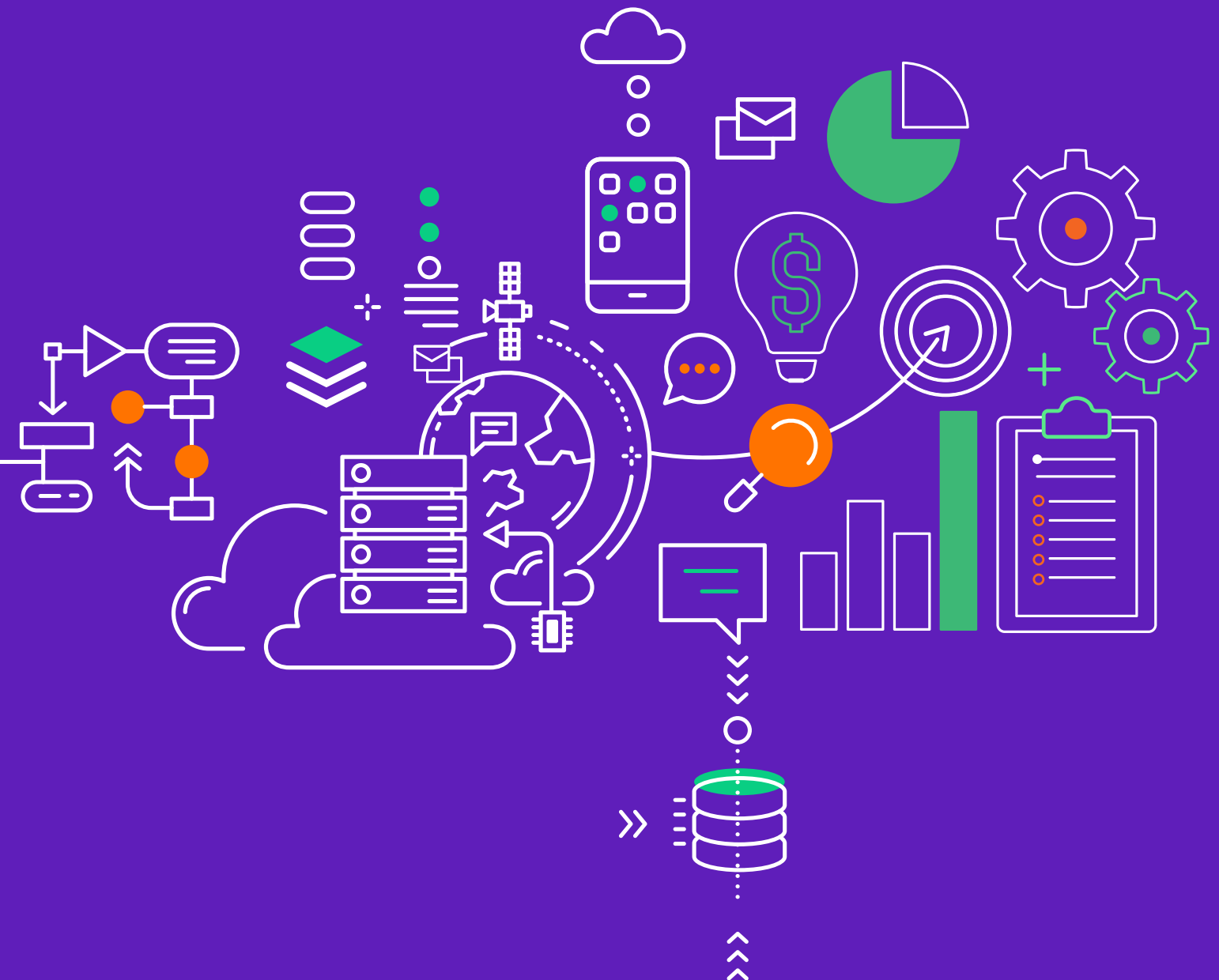


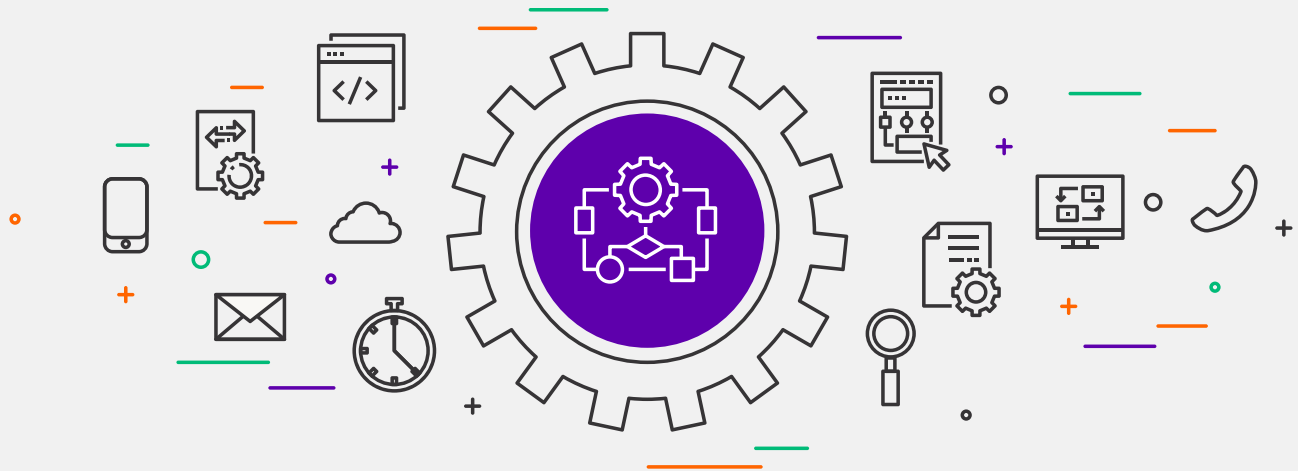
What is your timeline and is it adequate?

On paper, an integration strategy is deceptively simple. But given all of the variables, the reality is often much more complicated. Be sure your plan considers all of the unique attributes of your IT environment as well as available resources, then build your timeline accordingly. If you have a specific deliverable with a hard date, focus on those integrations critical to the outcome.

Key takeaways

Enterprise integration is no longer an option. It's an imperative, serving as an established technological requirement in the support of business innovation, resilience, and profitability.





Ineffective integrations impede profitability.

The lack of a contemporary integration strategy correlates directly with the company's ability to innovate and prosper. Without iPaaS, innovation initiatives queue up in ever-expanding IT backlogs. Downtime is chronic, resulting in unnecessary disruptions to the business that are costly to the bottom line and devastating to the customer experience.

Significant investments in maintenance and training are unnecessary

The research identifies two aspects of excessive IT spend related to enterprise integration: maintenance and training. With a low-code integration model, iPaaS enables the entire IT team with no need for specialized training or costly certification. With many iPaaS vendors, maintenance is included in the subscription fee.

Without integration, there is no cloud.

The majority of respondents intend to leverage iPaaS to support cloud migration/upgrades and digital transformation. Enterprise integration is critical to achieving these outcomes, bridging the divide between what the business has today and what it wants to do in the cloud.

The entire journey is supported by iPaaS technology, from the migration of critical applications, through to the extension of existing technologies that must remain on premises (for now).

“

Digital transformation means applying the right technologies to create or update internal processes or customer experiences that rise to the changing business demands and new customer requirements.

Forrester

March 2023

Methodology

The Digibee 2023 State of Enterprise Integration Report is based on responses from a pool of 1,000 participants in the United States and Canada, including Chief Information Officers, Chief Technology Officers, Web Developers, and Enterprise Architects in companies with over 500 employees.

Respondents are representative of three industries: Finance, Manufacturing, and Retail. The majority of respondents are from companies in the mid-market (\$50M — \$500M) and enterprise market (\$500M+) based on annual company turnover.

The fieldwork was carried out between February 7, 2023 and February 20, 2023 by Censuswide. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based in ESOMAR principles.



About Digibee

Digibee enables organizations to build flexible, highly scalable integration architecture. Founded in 2017, the Digibee team is based throughout the Americas with offices in Weston, Florida, and Sao Paulo, Brazil.

Our platform allows enterprises to compete and excel in today's rapidly changing digital environment. The technology is cloud native, low code, fully recyclable, and discoverable—connecting applications, processes, and people for faster time-to-market without a major investment.

Ten times faster than other systems, Digibee is the preferred iPaaS solution for 250+ corporate customers including Assai, B3, Barkley, Bauducco, GoPro, Oobe, Payless, and others.

To [arrange a demonstration](#) or for more information, [visit our website](#).



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