

How does SOA benefit the business? – Business agility, faster time to market, increased customer satisfaction, faster M&A, enhanced partnering ability and lower business costs, i.e. COMPETITIVE ADVANTAGE. How does SOA benefit IT organizations? – Reduced integration and maintenance costs, increased interoperability, software and asset reuse, faster development time, i.e. IT FLEXIBILITY. Despite all these documented benefits, building a business case for SOA is a challenge. How do you secure buy-in of IT and the business community for an SOA initiative based on premises of agility and flexibility? How do you quantify agility in hard dollars? How do you measure the value of faster time to market? How do you demonstrate the strategic value of SOA beyond the benefits of services reuse? What is the incremental cost to build truly reusable services? Do you derive the SOA ROI at a project level or across a set of projects? The SOA Monitor uses a combination of advanced and traditional valuation methodologies to help you build an SOA business case capable of withstanding scrutiny.

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#### THE SOA VALUE LIFECYCLE

SOA benefits are reaped in multiple phases as an organization persists in its SOA efforts and deepens its capabilities. In the early stages of an SOA, limited ROI is achieved mainly from the creation of services from existing applications thereby eliminating the need to code entire services from scratch. It is not unusual for some organizations to experience negative ROI compared to conventional software development methods because additional investment may be required to achieve reusable services and to build an SOA infrastructure.

IT flexibility becomes a reality once there are enough services in an SOA to stimulate extensive internal and external services reuse and consumption. This combined with IT's ability to create composite services means faster time to market for IT solutions and increased responsiveness to business demands.

But the largest business value of SOA, business agility and competitive advantage, is only harvested once the business starts to use services to orchestrate processes within the enterprise and choreograph processes between enterprises.

#### THE SOA ROI CHALLENGE

Unlike traditional technology investments that tend to be implemented enterprise-wide in big bang fashion, SOA is realized over a long time horizon through many distinct projects distributed throughout an organization. In addition to

the uncertainty associated with future service reuse, quantification of the soft benefits of SOA is often problematic. This is why we combine conventional valuation methods, such as Net Present Value (NPV), with concepts from real option theory to reflect SOA's long-term strategic investment nature, the inherent uncertainty and the managerial discretion involved in SOA investment.

#### ENGAGEMENT DELIVERABLES

The key deliverable is a detailed business case that includes a financial model quantifying the SOA ROI and a description of the key assumptions. The model provides a framework for updating your business case throughout the SOA adoption lifecycle.

#### THE TEAM, PROJECT DURATION AND COSTS

The team consists of SOA business consultants experienced in ROI analysis. Engagements normally last four to six weeks and are conducted on a fixed price basis.

#### BUILD YOUR SOA BUSINESS CASE

[Contact](#) us to discuss engagement details or [visit](#) us online to learn more about our consulting, training and publication services centered on SOA strategy, planning and implementation.