



BRIDGING THE COMMUNICATION GAP BETWEEN BUSINESS AND IT

2005 COMPUTERWORLD HONORS CASE STUDY

BUSINESS & RELATED SERVICES

BY IMPROVING THE APPLICATION DEFINITION PROCESS, iRISE'S INNOVATIVE APPLICATION SIMULATION PLATFORM ALLOWS ORGANIZATION TO "TEST MARKET" APPLICATIONS AND VALIDATE BUSINESS REQUIREMENTS WITH CUSTOMERS, PARTNERS AND EMPLOYEES PRIOR TO DEVELOPMENT. [20055302]

A Search for New Horizons



Robert Carrigan,
Chairman of the Chairman's Committee

Ron Milton,
Vice-Chairman of the Chairman's Committee

Dan Morrow,
Chief Historian

SUMMARY

iRise is the world's leading application definition software and services company dedicated to bridging the communication gap between business and IT. By improving the application definition process, its innovative application simulation platform allows organization to "test market" applications and validate business requirements with customers, partners and employees prior to development.

APPLICATION

Over the last 20 years, a great deal of capital (financial and intellectual) has been invested in making IT more productive – and with good reason. The advent of the Internet has caused an explosion of complexity within businesses around the globe. At the same time, technology budgets have remained largely flat. As a result, there is an ever-widening gap between the needs of the business and the high cost of customized, complex technology.

According to Forrester Research, over \$100 billion will be spent on custom application projects this year alone. Yet many of these projects will fail. Poorly defined applications have led to a persistent miscommunication between business and IT that largely contributes to a 66% project failure rate for these applications, costing U.S. businesses at least \$30B every year.

iRise is a "flight simulator" for business software. Like many other industries have already discovered, text is a very poor way to define complex systems. Today's complex business applications are no different. Unlike traditional text-based methods of requirements gathering, the iRise application simulation platform enables businesses to quickly visualize, simulate and "test market" applications prior to expensive coding efforts. For the first time, business analysts, IT managers and systems integrators can validate application requirements directly with stakeholders as early as the proposal process. The iRise simulation helps solidify specifications during interactive review sessions and the visually accurate, functionally rich simulation behaves like the final coded application - acting as a stable blueprint for the implementation team.

"Due to increasingly complex and interconnected business requirements, organizations can no longer afford to invest in development that is dependent on text-based requirements, and prone to failure through miscommunication and misinterpretation," said Melinda-Carol Ballou, senior research analyst at META Group, a leading provider of IT research, advisory services, and strategic consulting. "If large organizations want to maintain their agility to stay ahead of the competition, they need to continue to invest in custom application development, but start changing the way they approach the process. Visual simulation of requirements facilitates communication significantly and is an approach that organizations should consider if they're serious about custom development."

BENEFITS

Historically, business analysts have relied on text-based requirements during the application definition process, often resulting in failed or stalled projects due to miscommunication and inaccurate interpretation. The iRise Application Simulator allows business users to "test drive" web applications and validate their requirements before developers write the first line of code. Users validate business requirements from an interactive simulation that can be modified during review sessions involving customers, business and IT. The visually accurate, functionally rich simulation behaves like the final coded application. The benefits of using iRise are enormous:

- Drive investment decisions that create corporate competitive advantage

- Reduce re-work; save up to 30% of development cost and time
- Reduce the risk of offshore, outsourced development
- Make review meetings more productive and reduce their frequency
- Deliver projects faster through streamlined, parallel activities
- Stop bad projects from getting started
- Optimize process improvement initiatives such as CMMI, Six Sigma and RUP
- Ensure that business applications actually meet the needs of the business
- Make better build vs. buy decisions
- Get user acceptance before hand-off to IT
- Find missing requirements early – when cost of rework is lowest
- Estimate projects more accurately

Easy enough to be used by non-technical business analysts, iRise allows page flows to be sketched out in seconds, page mockups to be created as easily as PowerPoint® slides and realistic sample data to be entered with ease. Interactivity is added by snapping together components in a drag-and-drop environment. Best of all, the analyst can do this without technical skills in HTML, data modeling or scripting. “Before adopting iRise, our highly skilled business analysts relied on tools like MS Word™, MS PowerPoint™ and static screen shots which are not suited to visualizing and validating business requirements for complex, industry-specific applications,” said Phil Lanzafame, product manager of internet products at Sentara. “With iRise, we are empowering our analysts with a sophisticated software visualization platform that allows them to quickly and unambiguously communicate with business and IT ensuring mission-critical applications meet the needs of our employees, patients and physicians.”

IMPORTANCE

Designing and delivering a new commercial airliner without simulating it first would be unthinkable in today’s world. The benefits of simulation technology are well known in industrial manufacturing and other industries. The cost and risks are simply too high. Why not business software? Microchips, buildings and aircraft are conceived, designed and tested before construction begins. With the application simulation platform, iRise is simply bringing the concept and proven approach of simulation to the definition of complex business applications.

The power of the iRise Application Simulator platform lies in its ability to facilitate stakeholder review sessions in real-time. Decisions can be made quickly when the right customer, business and IT representatives are in the same room at the same time, either physically or virtually, and all are using the same language to communicate – the visual simulation. The short turn-around time between validation sessions keeps business users engaged, and their requirements top-of-mind, as they see the simulation evolving quickly based on their feedback. With iRise, requirements can be gathered in the morning, and an interactive simulation can be validated with stakeholders in the afternoon.

The impact of simulation in defining business applications is clear-cut. Only users can ultimately validate that an application meets business requirements. Prior to iRise, however, the only opportunity to do so effectively was after the application was developed and deployed. A review of the change request backlog in any application development queue confirms that there is no shortage of missed or misinterpreted requirements. Considering that the time and cost of implementing a change is dramatically lower in a simulation than in code, iRise allows users to do what they will always do – validate business requirements by interacting with a functional application – but do it earlier and more effectively.

"We expect the application definition space to evolve and grow rapidly through 2009," said Matt Light, Research Director with Gartner Inc., the world's leading IT research advisory firm. "Innovators in this space have developed and enhanced their products over the last few years, targeting business analysts with application simulation that will become almost a must for large, Web-based development projects."

ORIGINALITY

iRise’s application simulation platform grew out of the company’s consulting services history. iRise was founded in 1996 as a consulting company focused on helping companies translate the needs of the business users into mission-critical business applications. As the consulting practice grew completing over 300 engagements for 100 customers, the founders came to the conclusion that there had to be a better way to define these applications. They saw too much variability in the requirements definition process, resulting in systems that did not yield the results that people had hoped.

The “aha moment” arrived when iRise management recognized that the real issue was the ambiguity of text requirements combined with an acute need for customer and end user involvement in the application definition process. Words needed to be translated to data, business logic and the user interface, and then shared with the business stakeholders for approval. iRise embraced simulation as the answer and in 2002 formally launched the

SUCCESS

iRise recently announced the securing of \$15.8 million in late stage funding led by Morgan Stanley Venture Partners (MSVP). Since 2001, iRise has raised over \$28 million from a broad range of private investors and now MSVP, the first institutional investor to become involved with the company. With nearly 50 Fortune 500 product customers and the company's application simulator platform in its fourth generation, iRise will use the capital to accelerate market leadership in the fast growing application definition space by expanding sales, marketing, business development and product efforts.

iRise counts UBS Wealth Management, Wachovia, SunTrust, Heath Net, Checkpoint Systems, and Sentara Healthcare among its customer base.

iRise received the prestigious eWEEK Labs Analyst's Choice award in 2003. In the Oct. 27 article entitled "iRise Application Simulator Earns Analyst's Choice Award" eWeek Technology Editor Peter Coffee gave the product a score of "excellent" in the areas of usability, capability, manageability. eWEEK Labs' Analyst's Choice award acknowledges products and services for innovation and outstanding performance relative to competing offerings.

A Quick Customer Story:

The auto insurance market leader in Northern California, CSAA – the American Automobile Association Member for Northern and Central California, Nevada and Utah – adopted the iRise application simulation platform to validate requirements for a large-scale project that would merge web-based automotive insurance and membership applications.

Using iRise, the CSAA business stakeholders were able to visualize a set of clear, complete and correct set of requirements that included complex business rules part of the existing insurance processing application. During a series of validation sessions, the business users were able to identify missing and incorrect requirements by viewing the functionally rich, visually accurate simulation. By interacting with the iRise simulation -- as opposed to static Visio diagrams -- the stakeholders were able to ensure that the resulting application would be completely in sync with their business and customer needs.

For CSAA, application simulation with iRise meant faster buy-in, faster time to market -- and a 25 percent time and cost savings (as well as an end to surprises). Throughout the project, CSAA focused most on the quality of the resulting application and was able to avoid "definition ping-ponging." At the same time, iRise expedited a variety of business-critical tasks that traditionally can't begin until a finished project is in hand. iRise helped with pre-sales of the application to various stakeholders, and enabled training and documentation to begin before the application was even out of development. With iRise Application Simulator, CSAA can now initiate more processes and projects simultaneously and vastly improve communication with its offshore integrators.

"If we can catch an error or a better idea earlier in the process, at stage one, that might be a 20-to-1 or even 100-to-1 type of cost savings," said Andrew Goldsmith, VP, Business IT Development.

DIFFICULTY

The communication gap between business and IT has been a well known and fundamental problem associated with custom software development. To make matters worse, this endemic problem has long been believed to be unsolvable.

iRise is bringing a truly disruptive technology to bear on this very old and very expensive problem. The biggest challenge facing iRise today is the reliance on text as the primary method for defining applications. As a first of its kind platform, iRise has had to create an awareness that there is now a better way to communicate business requirements.