



**Mission Statement: Meeting the array of needs for the established IT professional while seeking to develop the IT profession and provide a service to our community and society.**

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### **NEWSLETTER INFORMATION**

Published nine times per year (September – June) by the Minnesota Information Professional Society. We welcome materials for publication (articles, news or letters). Submit materials on disk or via email to:

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### **NOTE MEETING INFORMATION**

**MEETING PLACE:**  
**Holiday Inn – Bloomington**  
**35W at 94<sup>th</sup> St.**  
**Phone (952) 884-8211**

#### **Meeting Times:**

5:00 PM Social Hour  
6:00 PM Buffet Dinner  
6:45 PM Meeting & Program  
8:00 PM Adjourn

For a Dinner and Program Reservation, send email to: [reservations@mnips.org](mailto:reservations@mnips.org)

**no later** than 5 pm on  
Thursday, Feb. 15

\$28 Members  
\$33 Non-members

### **Meeting NOTICE**

**Tuesday, Feb. 20, 2007**

**Minnesota Information Professional Society**

**Note: The MnIPS Networking Event has been indefinitely suspended.**

Dinner Topic:  
**“Outsourcing”**

Speaker:  
**Mani Subramani**

### **SPEAKER TOPIC**

Outsourcing - the decision to take advantage of market efficiencies in a make vs. buy choice - is a familiar practice in most firms. Through such an arrangement, firms rely on external vendors to manufacture items or provide specialized services so that the client firm can focus on activities that it enjoys a natural advantage on. Offshoring is the move by the firm to move the execution of an activity to a location that is geographically remote from the client firm. Increasingly, outsourcing and offshoring are being considered for activities beyond just the arena of structured and routine tasks (such as manufacturing) in *knowledge work* - unstructured and non-

routine tasks such as software design and development, medical diagnosis and new product design.

In this talk, Professor Mani Subramani will discuss the factors underlying the recent trends regarding the global sourcing of knowledge work, the different areas in which we observe these changes, and reflect on the implications of these trends for knowledge workers in developed countries such as the USA. He recently led a group of Carlson MBA students on a tour of India to meet managers in firms engaged in providing products and services to US clients and will discuss some of the interesting experiences the group had.

### **SPEAKER PROFILE**

**Mani Subramani** is an Associate Professor at the Information and Decision Sciences (IDSc) Department in the Carlson School of Management at the University of Minnesota. His research focuses on the strategic role of information technology within the organization and in inter-organizational relationships. His current areas of research are knowledge management and the leveraging of organizational capabilities using information technologies. In 2005 and 2006, he taught an MBA

course titled “Managing Globally” in the Carlson School to expose students to the implications of the global diffusion of capabilities. The course included a 2-week visit to India where students had the opportunity to visit the operations of multinationals like Honeywell, Dell and Reuters and global Indian firms such as Wipro, Mindtree and Genpac.

### President’s Letter

Greetings! Here we are in February and soon to hear from Mani Subramani on the subject of Outsourcing at the 20<sup>th</sup>’s dinner meeting. Why does this topic strike a chord with people, even though it is not new? For me, one reason is because, frequently, the missing component when applying this principle is valuing people (or not). That is, that an employee is a “resource” first, human being second. Also, that the knowledge that an individual has accumulated over time is so easily transferable. Yes, a company must look at the bottom line, but the cost of loss of experience has a value that is difficult to measure, but easy to notice when lost.

With those thoughts, let me say that I value those of you who participate in MnIPS’ activities and events, including those serving on the board. I look forward to hearing what is going on, professionally and personally, with everyone who attends and learning your thoughts on topics in our industry.

Also thinking of value, I like to think that the topic of Outsourcing and the other subjects presented at the monthly dinner meetings are relevant and valuable to a significant number of you and another reason that you will want to pay your dues to become a member of MnIPS for the 2007 year.

Remember that, as an additional incentive to join, those who pay their membership dues before the presentation at the dinner meeting on February 20 will be included in a drawing to win a free membership (actually, have their dues money returned).

Regarding another upcoming event, please consider participating in some way in the 12<sup>th</sup> annual Education Seminar to be held on April 25<sup>th</sup> (see the next article in this newsletter). We hope that the subject of infrastructure revitalization is one which is meaningful to a number of you and that you will consider attending, sponsoring, presenting or being a volunteer.

I look forward to seeing many of you at the next dinner meeting.

– Chris Retkwa,  
MnIPS President  
[president@mnips.org](mailto:president@mnips.org)

**Mark your calendar for the 12<sup>th</sup> Annual MnIPS Educational Seminar:**

**“Clean Up Your Act:  
Moving Infrastructure into  
the 21<sup>st</sup> Century”**

**Wed., April 25<sup>th</sup>, 2007  
Univ. of St. Thomas  
St. Paul Campus**

**What:** The primary goal for this session is to present attendees with a comprehensive look at solutions and best practices surrounding revitalizing out-of-date systems to benefit from the latest infrastructure enhancements available to an Information Technology organization. There will be presentations, a Q & A panel and Corporate Lessons Learned with experts, users and vendors on:

- Voice Over Internet Protocol (VOIP)
- Service Oriented Architecture (SOA)
- Project Management of transition projects
- Best Practices for administration of servers
- Release Management
- Single Sign-On
- Website Tune-up

**When:** Wed., April 25<sup>th</sup>, 2007  
8:00 am - 4:30 pm

**Where:** Univ. of St. Thomas  
Saint Paul Campus

**Contact:** Chris Retkwa –  
[president@mnips.org](mailto:president@mnips.org)

**More info:** [www.mnips.org](http://www.mnips.org)

**Cost:** \$148 per registration, with early-bird, student and group registration discounts available

## SOA – Service Oriented Architecture

(Summary of the Jan. 2007 dinner topic presented and written by Cathy Bappe, Software IT Architect with IBM.)

Service Oriented Architecture can be defined as an approach that enables business processes to be assembled from reusable components or “services” that are independent of the applications and the computing platforms on which they run. A service is defined as a repeatable business process.

Rapidly changing business models, regulatory and compliance initiatives, and globalization are requiring businesses to become increasingly adaptable. Businesses are adopting SOA to increase their flexibility at less cost. One of the major barriers preventing businesses from achieving this goal is increasing application maintenance costs. Since the business can only be as flexible as the IT systems that support it, it is necessary to make IT more flexible as well.

In most organizations, IT infrastructure has grown bit-by-bit over the years to handle focused issues with no recognizable roadmap. Linkages between pieces of this infrastructure tend to be inflexible and very difficult, expensive and time-consuming to change. When Verizon began their SOA effort in 2001, they conducted an internal survey of their 2,900 systems.

In this process, they identified 200-500 functions that are needed in more than 90,000 business transactions. They found 5-25 redundant versions of each of these across their systems landscape - that’s roughly 5,000 unnecessary programs that had to be written and maintained.

The desire to make IT more flexible is not new. The Messaging Backbone, which provided point-to-point connections between applications, evolved into Enterprise Application Integration, which connected applications via a centralized hub. SOA blends the best of these concepts into a new architecture, and is the next step in the evolution of flexible infrastructures.

SOA makes it possible for IT organizations to keep pace with the needs of the business. *“In the past, IT would say to business, ‘Here’s what the software can do; now, design your business process to match those capabilities -- or wait two years until we can build you something from scratch.’ Now, business can say, ‘Here’s what we need,’ and the technology can respond.”*

**- InfoWorld, “SOA: Watch Your Steps” November 7, 2005**

Many businesses are unaware of the number of duplicate processes that exist in separate departments and applications - and how much these duplicate processes are costing them. When you examine the costs and lost revenue attributable to redundant function and duplicated effort,

you begin to see the value of centralized services over having to manage multiple competing and overlapping functions. SOA helps solve your business problems in a business-centric way, by taking a project-based approach that ensures that each project will deliver real business value on its own. The SOA lifecycle of Model, Assemble, Deploy, and Manage has been a guiding principle for successful SOA projects. The Model phase begins by gathering business requirements, designing, simulating, and optimizing their desired business processes. Then it is implemented by combining newly created and re-used existing services to form composite applications. The assets are then deployed into a secure and integrated environment taking advantage of specialized services that provide support for integrating people, processes and information. Once deployed, customers manage and monitor the composite applications and underlying resources from both an IT and a business perspective. Information gathered during the Manage phase is used to gain real-time insight into business processes enabling better business decisions and feeding information back into the lifecycle for continuous process improvement. Underpinning all of these lifecycle stages is governance that provides guidance and oversight for the SOA project.

IBM has identified five entry points to SOA to help businesses get started:

**People:** Broward Public School's federal funding was at risk without quick compliance with NCLB legislation to increase quality of education and measure progress. They enabled a SOA-based portal for collaborative partnerships among parents, teachers, students, and administrators to improve the education process.

**Process:** Harley Davidson had poor integration between channels and desired to optimize E2E processing. They materially decreased cycle time to deliver new incentives by Mapping Financial Programs to support Marketing Promotions.

**Information:** Competition and regulatory pressures forced Bell to improve their understanding of

and relationships with customers. They received rapid project payback from reuse – second interface was delivered in 10 weeks, at 2.5% of the cost of the first interface.

**Reuse:** Standard Life wanted to reduce the cost of doing business with multiple channels and make the data in existing systems available to a sales portal. They exposed and deployed business services for reuse, saving 4M GBP to date, 1M GBP a quarter.

**Connectivity:** Xerox had applications in silos that couldn't communicate with each other. They achieved \$720,000 estimated annual savings from Standardized Application Integration and decreased development time by 25%.

Several things have occurred to make now the right time for SOA. At this point, the early adopters have come and gone through SOA, and the IT community has learned from the cumulative experience. A set of best practices has been established for how to adopt SOA and a roadmap for success. Competing companies are adopting SOA for strategic advantage. SOA would be impossible without standards. While there have always been standards proposed and declared in the IT world, we finally have the critical mass of very broad industry support to firmly establish that the standards are real and they're meaningful. Lastly, the software that businesses need to support service orientation is now available.

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