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Why Businesses Should Outsource

By Ian O'Sullivan

In today's rapidly changing business world, companies of all sizes are downsizing, right-sizing, or reprioritizing. The strong have profited from identifying and building on their strengths while outsourcing non-essential functions. The results of outsourcing have been dramatic for some, enabling them to reduce their workforce and associated overhead while simultaneously boosting productivity. For Information Technology (IT) to be successful within the organization, it must learn how to be effective in using outsourcing in alignment with the organization's objectives and strategic initiatives.

There Is An IT Deficit

According to a recent survey conducted by the Information Technology Association of American (ITAA), “employment in the hardware and software industries has practically tripled in the past 10 years”. ITAA's 1998 survey on the IT workforce issue found 346,000 unfilled jobs for programmers, systems analysts, and computer scientists in American companies. The expansion of technology into virtually every level of our lives has led to a market where IT skills are constantly in demand across all industries: healthcare, finance, manufacturing, insurance, etc.

According to the U.S. Department of Labor, Bureau of Labor Statistics, the IT industry is experiencing a

deficit as the demand continues to grow while the supply is lagging seriously behind. “In the U.S., it is expected that more than one million new computer scientists, engineers, system analysts, and programmers will be required between 1994 and 2005, an average of 95,000 per year.” A study by Coopers and Lybrand found that nearly half of America's fastest growing companies are experiencing an inadequate supply of IT workers. An *Information Week* survey revealed that 655 of its IT Manager participants were experiencing a similar shortage.



The expansion of technology has led to a market where IT skills are constantly in demand.

To help alleviate this crisis, Washington recently increased the immigration limit for temporary foreign IT workers, which formerly stood at 65,000 per year. The problem is not a U.S. only predicament. Companies around the world are experiencing the same high turnover rates and increased demand for IT skills. This shortage is particularly harmful for small and medium-sized companies, which are

not equipped to offer perks like stock options and lush retirement programs to attract the cream of the technology crop.

Why Build When You Can Buy?

Top Ten Reasons Companies Should Outsource:

1. Stabilize information systems costs by reducing operating and personnel costs
2. Reduce technological obsolescence and future development risk
3. Increase flexibility, allow internal resources to focus on critical functions
4. Increase access to new technology and skills unavailable in-house
5. Help with Legacy Systems that are difficult to manage or out of control
6. Improve IT responsiveness which will improve business and customer service
7. Improve overall quality of the organizations Information Systems
8. Implement New Architecture when needed IT resources are not available internally
9. Free up capital funds
10. Works well with reengineering effort

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Request For Proposal (RFP)

By **S. Vicki Bochstein**

This issue's RFP focuses on a utilities company. Readers are invited to submit real or hypothetical challenges to vbochstein@deltacorp.com.

The Client

The client, a large regional telephone company, had recently upgraded its enterprise resource planning software to the latest version of PeopleSoft.

The Problem

The client was struggling with the problem of how to distribute the application to users in the most efficient and effective manner. Two methods being considered were the traditional 3-tier method and a browser-based HTML/Java application. Both methods would solve the distribution problem, but involved significant overhead costs. The client required an alternative to these methods; one that would provide easy access to the PeopleSoft application without incurring large infrastructure and development costs.

Delta's Solution

Delta, a Citrix Gold Solution Provider, was in the position to supply its client with an innovative solution using Citrix's MetaFrame product and Windows NT Terminal Server Edition. The solution had been certified for use with PeopleSoft 7 and 7.5, and relied on server-based computing to overcome many of the problems associated with the traditional 3-tier and Java solutions, as well as, the challenges of application deployment.

Delta initiated the implementation of the Citrix/PeopleSoft solution by conducting a full inventory and assessment of the enterprise network infrastructure. The next step involved performing a technical

review of the PeopleSoft environment, focusing on the network requirements in terms of server size and location, in order to gather additional planning information for the Citrix implementation. Utilizing this information, Delta was able to present the client with several cost alternatives for the rollout. Finally, network integrators designed the Citrix/PeopleSoft architecture including bandwidth requirements and scalability/clustering issues.

Benefits To The Client

The Citrix/PeopleSoft implementation gave the client a number of benefits over the traditional 3-tier Java solutions. First, the client did not have to upgrade many of its legacy workstations. The Citrix system could support all versions of Windows from 3.x upward, Windows CE, DOS, UNIX, Mac OS, Java, and OS/2 Warp, as well as, a range of hardware including: legacy PCs (386 and 486, Pentium), Windows-based terminals, network computers, wireless devices, and information appliances.

Second, MetaFrame applications could be deployed, managed, supported, and executed on the server, which would allow for less time-consuming, centralized management.

Third, since very little customized application development was necessary, the Citrix/PeopleSoft application could be deployed very rapidly.

Finally, the client was able to connect end users it thought would never be able to access the PeopleSoft application, without a significant outlay in network devices, since the new solution was able to work very efficiently over low bandwidth connections such as dial-up or even the Internet. ▲

S. Vicki Bochstein is Delta's Executive Director of Corporate Marketing and Managing Editor of the *Delta News*.

Did You Know?

The idea of daylight savings was first conceived by Benjamin Franklin during his sojourn as an American delegate in Paris in 1784, in an essay, "An Economical Project"--a discourse on the thrift of natural versus artificial lighting. Over two centuries later, nations around the world use a variation of his concept to conserve energy and more fully enjoy the benefits of daylight.

The idea was first advocated seriously by a London builder, William Willett, in the pamphlet "Waste of Daylight" that proposed advancing clocks 20 minutes on each of four Sundays in April, and retarding them by the same amount on four Sundays in September.

A bill was drafted in 1909 and introduced in Parliament several times, but it met with ridicule and opposition, especially from farming interests. Generally lampooned at the time, Willett died in 1915, but a year later Daylight Saving Time (Summer Time) was adopted in England in May 1916, following the lead of Germany. The motivation was to conserve coal.

The main purpose of Daylight Saving Time today is to make better use of daylight. Daylight Saving Time also saves energy. Studies done by the U.S. Department of Transportation show that Daylight Saving Time trims the entire country's electricity usage by a significant, but small amount, of less than one percent each day. We save energy in both the evening and the morning because we use less electricity for lighting and appliances.

source: www.webexhibits.org/daylightsaving/b.html

Leveraging Strategic Planning for Improved Performance

By Carl Schulz

Companies are increasingly relying on strategic planning to guide the allocation of capital and other resources. Strategic planning helps identify and prioritize opportunities for financial improvement. When applied to the information technology resource it helps ensure IT initiatives are aligned with the business goals.

A Four Step Process

Strategic planning involves a four-step process. First, it is necessary to assess the organizations current circumstances (Current State Assessment). This step begins with a review of the business' or organization's mission, philosophy, and culture to establish a basis for decision making throughout the planning process. The Current State Assessment also represents a baseline of performance against which changes and improvements can be measured. From an information technology perspective, the assessment includes an evaluation of the current systems portfolio, the planned projects, and the underlying business processes. The results of the evaluation will hi-lite specific strengths, weaknesses, opportunities, and threats for the organization. During this phase, the organization must also define its desired future state. It must envision how and where the business will be operating at some specified future time. The difference between the current situation and the desired future represents a gap to be filled through the judicious implementation of strategic initiatives.

Make A Determination

The second step involves making a determination. This is based on the results of the gap analysis, regarding what the organization's direction should be and the amount



Have you spent time thinking about how your business will be operating in the future?

of research that can be allocated to strategic information initiatives. A focused list of initiatives must be developed. Depending on the circumstances and the areas of focus, organizations may direct their efforts towards expansion, stabilization, or contraction. A financially strong organization may be capable of pursuing an aggressive strategy; whereas, a weaker organization may need to take a more measured approach.

Identifying Opportunities

The third step is to identify which opportunities are most compatible with the organizations business goals (Alignment Assessment). The process begins with an evaluation of each potential investment initiative and its ramifications for the organizations future considering the organizations goals, culture, history, and overall capabilities. As part of the evaluation, initiatives must be assessed for their overall financial viability, time to implement, and potential for return on investment. As this point, companies can also assess whether to pursue a multi-sourcing strategy: whether to outsource or use or develop in-house capabilities to pursue the initiative. Once the initiatives are identified and assessed they must be prioritized.

Final Step: Begin Implementation

The final step is to begin implementation of the initiatives. To ensure the goals are met, however, a rigorous management process must be followed to continually monitor the portfolio of investment initiatives. Implementation plans and a management control and monitoring



Financially strong organizations can have an aggressive plan.

process must support the process.

Keep Looking Ahead

The preceding outlines an approach for creating a strategic plan. However, the process does not stop with implementation. The plan, the environment within which the corporation exists, and the business goals must be reviewed periodically to ensure alignment continues. Further, the organization must track the results of each initiative to evaluate its effectiveness. The results of the evaluation will provide useful insight into improving the implementation of future initiatives. ▲

Carl Schulz is a Service Manager at Delta. He has professional experience directing large-scale telecommunications, data networking, and software development/programs. He has spent the majority of his career managing and organizing many initiatives, including business process re-engineering, information strategy planning, application development, information engineering, and application outsourcing.

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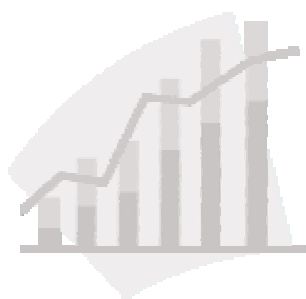
...Outsource (continued from page 1)

Major Areas of Consideration

Many IT departments consider application maintenance to be drudgery. Tasks such as release control and user support are crucial, but are often undervalued as companies adopt a frantic focus on new development. It's no wonder maintenance is often viewed as a technology backwater. But nothing could be further from the truth.

Watching over existing applications means shouldering a daunting list of responsibilities: Error correction, testing, quality assurance and measurement, user support, and disaster recovery, to name a few. For these reasons, IT application maintenance is a very good candidate for outsourcing. Outside providers can impose new controls on the process. In place of informal requests for support and enhancements that come via voice mail or hallway chats, outsourcing firms substitute formalized requirements. As a result, they can bring needed discipline to the process.

By outsourcing the maintenance of IT applications, internal resources can better focus their energy on more strategic items. It is best to off-load testing, user support, and error correction to outsourcing firms so that more



Outsourcing can increase productivity from your internal IT staff.

productivity can be obtained from internal IT staff, who are being asked to do more on a tighter budget. The key to a successful outsourcing initiative is knowing which applications to relinquish and which to keep in-house. Hand off the less critical systems and retain responsibility for the ones more central to the business. For example, a commercial

bank might outsource its legacy HR applications so it can focus on a system for personal on-line banking.

Outsource Initiative Drivers

The following are many driving forces behind the need for outsourcing:

Organizationally Driven

- Enhance effectiveness by focusing on what the organization does best
- Increase flexibility to meet changing business conditions, demand for products and services, and technologies
- Transform the organization
- Increase product/service, customer satisfaction, and shareholder value

Improvement Driven

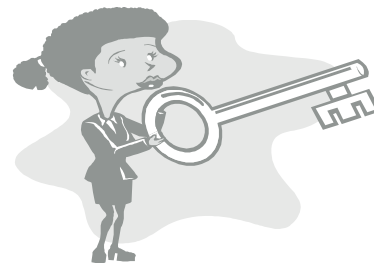
- Improve operating performance
- Obtain expertise, skills, and technologies which would not otherwise be available
- Improve management and control
- Improve risk management
- Receive innovative ideas for improving the business, products, services, etc.
- Improve credibility and image by associating with superior providers

Financially Driven

- Reduce investments in assets, freeing up these resources for other purposes
- Generate cash by transferring assets to the provider

Revenue Driven

- Gain market access and business opportunities through the provider's network
- Accelerate expansion by tapping into the provider's developed capacity, processes, and systems
- Expand sales and production capacity during periods when such expansion could not be financed
- Commercially exploit the existing skills



Consulting is the key to driving down costs.

Cost Driven

- Reduce costs through superior provider performance and the provider's lower cost structure
- Turn fixed costs into variable costs

Employee Driven

- Give employees a stronger career path
- Increase commitment and energy in non-core areas

With proper planning and effective management, IT outsourcing can and should lead to improved business application and resource cost reductions. ▲

Ian O'Sullivan is a Senior Consultant within Delta's consulting business services group and a Field Staff Manager. Ian holds a Masters of Science degree in Information Management from the Stevens Institute.

Funny Thoughts...

Ever notice how it's a penny for your thoughts, yet you put in your two cents?

If man evolved from the apes, why do we still have apes?

Can vegetarians eat animal crackers?

Why do banks charge you an "insufficient funds fee" on money they already know you don't have?

2B or Not 2B

By Mike Myrose

The B2B (Business-to-Business) craze, which was expected to explode as the next post "dot com" wave has gotten off to a slow, but steady start. What seems to be at the forefront of technology and rapidly gaining acceptance is "Biz Talk Server 2002." This is the latest offering from the Microsoft Corporation in its premier .Net technology suite. I will spend some time discussing this product and the underlying technologies which make this the one to "keep an eye on", for the future of B2B technologies.

Biz Talk Server 2002 is Microsoft's main offering in the B2B arena. The purpose of this software, as stated by Microsoft, is to "help companies exchange data between applications residing inside and outside of their corporate firewalls". The idea is companies will now be able to manage their "trading partner relationships".

What Does Biz Talk Server Do?

To discuss what it is supposed to do, we must start with a discussion of EAI or Enterprise Application Integration.

Over the last three decades, IT organizations embraced multiple types of technologies for solving business problems. The evolutionary result of these mutually exclusive development endeavors resulted in a mixed mosaic of technology solutions. With companies diversifying into centers of excellence, problems started to arise with interoperability. Dissimilar systems could not talk to each other. Great expense was taken to build interface applications that could bridge these dissimilar systems together.

With the proliferation of the Internet and the World Wide Web, application integration became increasingly critical to success. EAI is the industry buzz term

describing efforts to make these dissimilar systems talk to each other; Biz Talk Server 2002 addresses an approach to an EAI solution.

How Do They Communicate?

The concept is very simple; instead of building interfaces between dissimilar systems, application developers build an interface to a set of agreed on specifications. As long as everyone maintains strict adherence to the specifications, the dissimilar systems should then be able to talk to each other via the common interface standard.

The benefit is the reduction of development cost since only one interface has to be built. It's a one-size fits all approach as long as everyone else builds to the same standard.

Sounds good doesn't it? Except when problems arise in deciding who gets to determine the specifications of the interface. An organization with a large investment in a particular type of technology would want to leverage existing efforts to create an interface specification; and, of course, opt for their approach to be adapted. This would leave other companies in the dust if no one else bought into their specifications. The best-case scenario would be for the biggest players in the industry to come to an agreement, endorse a standard set of specifications everyone could live with, and create an independent organization to maintain it.

And so was born the W3C, or World Wide Web Consortium. This is the

organization maintaining the underlying architecture specification for Biz Talk Server 2002, also known as the Biz Talk Framework. This includes the architectural specifications for SOAP (Simple Object Access Protocol) and XML (Extensible Markup Language), both key ingredients in the product.

An article by Carol Sliwa on *Computer World's* website discusses how Biz Talk can be used by an organization to manage its trading partners. "An auto manufacturer might use the rapid integration technology to create an XML document with the configuration information a small parts supplier needs to set up its Biz Talk Server to exchange data. The supplier would simply have to open the XML document and use a series of wizards to extract configuration information, test the system, and notify the automaker that it was ready to do business".

What Is The Difference Between Biz Talk Server and Biz Talk Server 2002?

A Biz Talk Server is a server whose design adheres to the W3C specifications addressed in a Biz Talk Framework document. Biz Talk Server 2002 is a suite of products sold by Microsoft that includes a Biz Talk Server.

The suite of products bundled in the Biz Talk Server 2002 package include the following:

- *Biz Talk Editor*: Biz Talk Editor is an interactive tool for defining and editing document schemas for any type of structured document type; including XML, electronic data interchange (EDI), and flat files.



Companies are looking for the best way to get dissimilar systems talking.

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What's Happening at Delta

By Jodi Henkel

Internal Promotions Announced

Jason Fritzs has been promoted to the position of Internal Technical Support. He previously held the position of Junior Internal Technical Support.

The promotion of Alliance Manager was made to *Todd Glassberg*. His main responsibility is to be an advocate for partnering and seeking ways to increase Delta's value to its clients through such partnerships.

Beth Struble vacated her seat at the receptionist desk to fill the position of HR/Training Assistant.

Delta Employee Honored By TWIN

Cindy Onnembo, Group Manager, Recruiting and General Consulting, received the 2002 Tribute to Women and Industry (TWIN) award by the YWCA of Central New Jersey. Over seventy women from a variety of backgrounds were honored for the outstanding contributions they made to business and charity.

Consultant Promotions Announced at Annual Cocktail Meeting

On April 25th, Delta held its annual cocktail meeting at the Somerset Hills Hotel. It was a great opportunity for co-workers to catch up, and for Delta to announce its consultant promotions.

Promoted from Associate Consultant to Staff Consultant are:

Diana Caternicchia
Virginia Erianne
Sean Jerzewski
Keith O'Sullivan
Ed Schwillie
Brenda Stewart



Promoted from Staff Consultant to Senior Consultant are:

Jyothsna Anne
Jennifer Barnes
Alan Hirst
Matt Kelly
Frank Votapek
Tonya Wenner
Robert Wilson

New Associate Principals are:

Michael Myrose
Teresa Byron

Two Added to Field Staff Manager Program

A Field Staff Manager is an experienced Delta employee who takes an active role in the development of the career of a less experienced Delta consultant by offering guidance, support, and advice. In addition to their day-to-day responsibilities, each Field Staff Manager fosters a mentoring relationship with 3-5 Delta field consultants.

Congratulations to *Robert Szpila* and *Dan Kemp* for being named Field Staff Manager.

March Madness Infects Delta

For the first time ever, Delta held its own version of March Madness. Sixty-four clients and prospects were randomly selected from our database to play "coach" to a team in the NCAA

basketball championship. Each week, the coaches were updated on their standing via letters. In the end, it was a great showdown between Maryland and Indiana.

Howard Rosenblatt, of WPLJ, walked away with the title and the grand prize: an evening in New York City. *Todd Collins*, of Johnson & Johnson, didn't walk away empty handed; he was awarded tickets for two to a Broadway show of his choice. Congratulations to our winners and we are looking forward to next year.

Joe Petriello Academic Scholarship Awarded

Congratulations to *Jennifer Krups*, daughter of Delta employee *Mark MocarSKI*. Jennifer, a senior at Lyndhurst High School in Lyndhurst, NJ plans on attending Monmouth University. The scholarship provides her with \$2,500 a year, for up to four years (maximum of \$10,000).



Delta Expands Presence By Opening a New Office in Arlington, VA

On March 1, 2002 Delta opened a new office in Arlington, Virginia.

Delta established its presence in the Washington, D.C. area after acquiring TMS, a division of CIT, in June of 2001. This new location will allow Delta to strengthen its relationship with customers and prospects. It will also allow Delta to dedicate more time to expanding business in this region and to work on strategic alliances, in addition to serving government contracts more fully.

The new address is 1530 Wilson Blvd., Suite 640, Arlington, VA 22209 and the new phone number is 703-312-8304.

Jodi Henkel is the editor in chief of the *Delta News* and a member of the Delta marketing team.

2B or Not 2B (continued from page 5)

- *Biz Talk Mapper*: Mapper enables companies to build document maps that allow business parties using different document definitions to communicate with each other.

- *Biz Talk Messaging Manager*: Messaging Manager is a graphical user interface, which can be used to manage the exchange of documents by configuring the Biz Talk Messaging service. This is done through a series of wizard-based tools, which can define partner-trading relationships.

- *Biz Talk Orchestration*: Biz Talk Server allows application developers to visually draw a business process using what they call the "Biz Talk Orchestration Designer Tool". This tool allows the developer to define the business process with the Biz Talk Server instead of the application. Biz Talk Server will then monitor file shares and message queues (MSMQ) and in turn run a business process when it receives a new XML document; for business-to-business (B2B) processes, an ASP page can submit an XML document to Biz Talk Server with an included COM interface.

Why SOAP?

One of the underlying architectures used for Biz Talk is SOAP. This is the interface specification standard dictated by the W3C. SOAP relies on HTTP and XML.

A SOAP document is written in XML and defines an HTTP envelope. The HTTP envelope creates an address wrapper that sends request and response message. This envelope acts as a data delivery system. The data could consist of anything from simple address



Do you know the best way to use SOAP?

information, to complicated EDI specifications. The idea here is that everything is pasted back and fourth in XML documents, which is the interface language specification, also controlled by the W3C.

Like any type of industry standard specification, it only works if all parties involved cooperate. Microsoft's Biz Talk Server 2002, which had its second release in the first quarter of 2002, has already started raising eyebrows with specification deviations. This has to do with the lack of support for the W3C's XSD (XML Schema Definition) standard. The omission of XSD, which became the official standard for the last year, is considered by some to be a mistake on Microsoft's part.

The Biz Talk Editor can work with XSD files, but requires a few extra steps. Biz Talk uses its schema definition specification known as XDR (XML Data Reduced). This new release of the product should allow components to be called back and fourth between itself and Microsoft's lead development suit of products know as Visual Studio.net.

Biz Talk 2002 performance can also be monitored by its event monitoring application known as "Microsoft Operations Manager" or MOM, which could easily be confused with "Message Oriented Middleware" also know as MOM and also used in Biz Talk 2002 technology.

What About Biz Talk Server Accelerator?

In addition to Biz Talk Server, Microsoft is also offering "Biz Talk Accelerators" which are a set of industry specific product enhancements, tools, documents, templates, and samples being marketed to specific industries such as high tech and healthcare. For Microsoft to embrace

solutions for vertical markets reflects a genuine future commitment to this product line.

Microsoft is also offering "Biz Talk Server Adapters" which are canned "no-code" connectivity solutions. Right now, two are being offered: "Biz Talk Adapter for SAP" and "Biz Talk Adapter for MQSeries".

According to www.informationweek.com, Microsoft claims more than 800 customers are using Biz Talk Server 2000. The first release of the product, released over a year ago, included customers such as Ford Motor Co., Merrill Lynch & Co., and Deutsche Bank AG.

The new release of Biz Talk Server 2002, the second version of its application integration software, remains priced at \$25,000 per CPU for Biz Talk Server Enterprise Edition and \$5,000 for the standard edition, which supports only one CPU.

Where Can I Get More Information?

For more information on "Biz Talk Server 2002" and its related technologies, the Microsoft website has product descriptions and offers a 120 day trial of the software.

Also of value is the www.wc3.org website that holds information pertaining to the technologies supporting the product.



Find out more when you visit www.microsoft.com.



Mike Myrose is an Associate Principal and a Field Staff Manager with Delta. He specializes in project management and applications design.

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information and updates at:

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Pass Us Along

Do you have colleagues who would benefit from reading the *Delta News*? Pass their name along and we will add them to our mailing list.

E-mail the names to jhenkel@deltacorp.com or by mail to our Parsippany, NJ office, attention Jodi Henkel.



Thanks Again!

Thanks to everyone who contributed to the *Delta News*. We look forward to additional contributions.

To our readers: we appreciate every response; your feedback helps us make this newsletter more enjoyable for you. We would like to publish more articles, and encourage you to participate. Articles can be submitted to the *Delta News* by e-mail to jhenkel@deltacorp.com or by mail to our Parsippany, NJ office, attention Jodi Henkel.

s. vicki bochstein
managing editor