

Extending the Enterprise

Breaking Down IT Barriers to Collaboration Between Business Partners

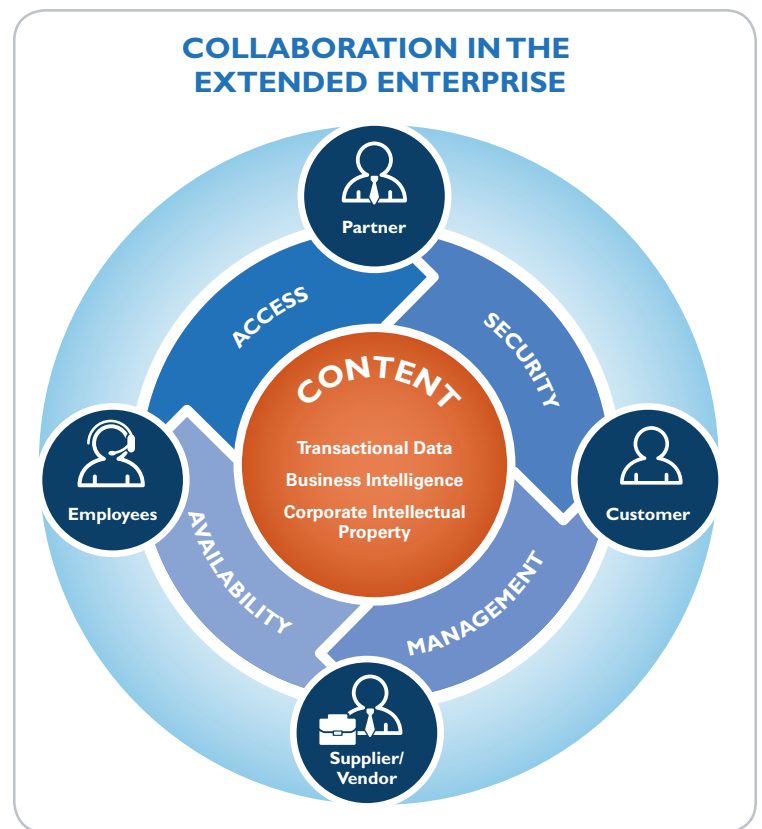
The Extended Enterprise Imperative

In order to maximize current and future market share, drive growth, and increase profitability, companies are increasingly dependent on a network of relationships with other businesses — their extended enterprise. These relationships range from simple ad hoc connections to long-term partnerships. A variety of factors are driving companies to rely on their extended enterprise in new ways.

The barriers of global trade grow smaller and smaller every year as technology serves as a catalyst to continuously extend the reach of businesses in markets around the world. The end result of increasing globalization is heightened competition among businesses due to fragmented supply chains and a larger pool of suppliers. In order to stay competitive, many companies focus on a core set of specialized capabilities, while others form critical strategic alliances.

The first company with a new product always takes a disproportionate amount of market share and profits. In today's business climate, time-to-market is now critically dependent on the success of coordination across organizational and geographical boundaries where team members can work as "one" regardless of their affiliation. Businesses rely more now, than ever on partners and suppliers to innovate, build and deliver valuable products and services.¹ By aligning organizations with focused competencies to deliver products and services, an extended enterprise is formed in order to gain competitive advantage in an agile and cutthroat business environment. At this moment, companies around the world are competing to create the next mega opportunity.

While the concept of the extended enterprise is not a new one, its requirements have shifted in recent years. Historically, the focus was on integrating supply chains. Today, the challenge is how to enable collaboration with partners while increasing security and reducing compliance risk.




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¹ Hamel, Gary and Prahalad, C.K. *Competing for the Future*. Boston: Harvard Business School Press, 1996. eBook Edition.

“The consumerization of IT has forced businesses to consider their communication, collaboration, and security needs to support this dynamic especially when sharing critical business information outside the firewall.”

— Erin K. Taudt,
Research Director
Enterprise Collaboration and
Social Solutions at IDC

To address these challenges, a new category of software-as-a-service solutions systems has emerged that can help these organizations successfully compete and win by working effectively with a wide range of business partners: Extended Enterprise Collaboration (EEC). The EEC solutions that will provide the greatest value in the extended enterprise help to manage the flow of information at the core of coordination among business partners. EEC technology will deliver advantages to businesses by enhancing a firm’s ability to quickly and effectively utilize its entire network of suppliers, vendors, buyers, partners, and customers. By aligning collaboration both upstream and downstream, extended enterprises can bring goods and services to market faster and cheaper as the direct result of rapid access to a broader pool of knowledge and expertise, and closer interaction with customers.

Extended Enterprise Collaboration: Common IT Challenges

Risk and compliance issues associated with enterprise collaboration are even more significant in the extended enterprise. In many cases, internal tools such as e-mail, content management systems, or wiki sites are not secure or robust enough to facilitate sharing beyond a company’s firewall. To complicate things further, people join and leave teams, technology changes, etc. These problems increase exponentially across distributed business relationships that include partners, supply chains, service providers, contractors, consultants and temporary workers.

All of these relationships have collaboration needs within an organization and access documents across networks. Without a central hub for document sharing, information exists in printed documents, information silos, unsecured inboxes and on disparate systems. This also means there is no versioning for documents, lack of visibility and control over documents, inability to find information, increased storage costs, and overall higher risk. In the absence of a single system solution for effective collaboration, IT organizations also face the challenge of employees taking matters into their own hands and using collaboration tools that lack enterprise-grade security and safeguards.

“In today’s business climate, people are more connected by the availability of Internet access and the technologies that are supported,” said Erin K. Taudt, Research Director Enterprise Collaboration and Social Solutions at IDC. “The consumerization of IT has forced businesses to consider their communication, collaboration, and security needs to support this dynamic especially when sharing critical business information outside the firewall.”

One example of the lack of security around traditional means of data sharing ripped straight from the headlines includes a data breach in the state of Texas, where unencrypted files were posted on an FTP server.² Other risks include those related to peer-to-peer file sharing that aren’t vetted or approved by an organization’s IT department. The risks are so significant that the Federal Trade Commission developed guidelines related to file sharing risk and the potential impact on organizations. They advise that organizations exercise due diligence to ensure that customers, suppliers, contractors, vendors, service providers and other third parties that access networks use appropriate security policies and procedures to address risks associated with peer-to-peer file sharing programs.³

Another incident related to a lack of security and control over data includes an instance where a contractor for a large insurance company e-mailed files to a home computer and lost 27,000 data records associated with customers.⁴ In yet another incident, five million records of military personnel

² See Forsyth, Jim, *Private Records of 3.5 Million People Exposed by Texas*, Reuters, April 11, 2011.

³ See *FTC Peer-to-Peer File Sharing: A Guide for Business*, <http://business.ftc.gov/documents/bus46-peer-peer-file-sharing-guide-business#remote>.

⁴ See <http://datalosssdb.org/incidents/222-contractor-emails-27-000-names-and-social-security-numbers-to-home-computer>.

were compromised because they were stored on a laptop that was stolen from a car.⁵ All of these examples involve accidental leaks caused by users who were simply trying to do their work in a fast-paced, rapidly changing environment.

In addition to managing the challenges of governance and protection in the extended enterprise, compliance obligations are another area of concern for IT departments. As information flows through the extended enterprise, it is subject to compliance standards that vary by industry and geographic location. Government regulations from Sarbanes-Oxley to European Union directives are in place to dictate how certain types of information may be handled and stored by an organization. The proliferation of non-centralized web-based or e-mail based collaboration tools can leave information security teams blind to transactions and thwart compliance efforts. The end result is limited reach of corporate audit and governance measures, leaving enterprises exposed and at serious risk of noncompliance and loss of highly sensitive corporate information. Further, failure to comply with various regulations can result in costly fines and reputational risk from unwanted media exposure.

Information and Opportunity: Extended Enterprise Collaboration Systems

The convenience and business value of “information anywhere” comes with risk. While companies want to support multiple devices, software and applications that enable employees to get the job done faster, they need to choose the right set of tools for the job. They also must carefully monitor and manage business risks related to the use of information and IT.⁶

Historically companies have used collaboration tools and content management systems, like e-mail and SharePoint. These systems have fallen down completely when it comes to content sharing in the extended enterprise. Workers across the extended enterprise often end up doing essentially the same work, with similar forms and documentation, and similar checks and balances, due to lack of integration among critical business systems and lack of visibility into work processes.

Some additional challenges with traditional enterprise collaboration tools include:

- Lack of accessibility by multiple parties in the extended enterprise, hindering collaboration
- Inability to facilitate secure content sharing due to different information security and governance standards between organizations
- Inability to integrate content management systems in a multi-enterprise ecosystem
- Difficulty addressing the range of collaborations that take place between businesses ranging from simple, ad hoc file sharing to complex document exchange and workflow

With those challenges in mind, take the day-to-day headaches of an IT department related to managing evolving requirements of their respective organizations in the face of changing technology and growing regulatory requirements around document retention and extend them to a vast business network. IT then has the daunting task of managing various documents and content across the enterprise and extended enterprise for business users and ensuring that data is stored in locations that are accessible to all appropriate parties. When you sum it up, it is a tall order.

Information technology should be a key enabler of seamless integration, not a tool that serves to further complicate business processes. A new breed of Extended Enterprise Collaboration solutions may provide the answer that firms have been looking for to solve the persistent challenge of document management and sharing across the extended enterprise.

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⁵ See Vijayan, Jaikumar, *Update: Data Breach Affects 4.9M Active, Retired Military Personnel*, ComputerWorld, September 29, 2011.

⁶ Jim Hurley, *What Color is Your Company's Information Risk Today?* ComputeWorld, January 24, 2011.

A League of Their Own: Extended Enterprise Collaboration Systems

THE CLOUD ENABLES CONTENT MANAGEMENT ACROSS THE VALUE CHAIN



EEC solutions work with existing content management solutions and current IT infrastructure to make it easy to extend collaboration from within the enterprise to external business partners. By leveraging cloud computing, EEC products create a compelling venue for organizations to manage the flow of information to the right people, in the right form. This helps organizations extend the boundaries of their enterprise cheaper and get work done faster because it can enable any member of a business team across the enterprise value chain to access content via any platform with the same security and process that they would behind a firewall.⁷

“Within a business community getting the right people connected and communicating in a business relationship can be challenging,” said John Mancini, President for the Association of Information and Image Management (AIIM), also known as the Enterprise Content Management Association. “An effective solution for extended enterprise collaboration can unite disparate business systems that exist in the extended enterprise and facilitate the flow of information through the value chain.”

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Key Extended Enterprise Collaboration Capabilities

To enable secure, compliant, effective extended enterprise collaboration, IT leaders should look for an enterprise grade, secure workspace that supports highly regulated, collaborative business processes. At the same time, the solution should give business users the freedom and flexibility to efficiently address their needs. Features that support Extended Enterprise Collaboration include:

- **Agility**
The right solution should adapt to an organization's unique needs quickly, providing ad hoc file sharing, structured document workflows, and everything that is needed in between to collaborate effectively. It should also be quick to deploy and integrate seamlessly with existing systems.
- **Control**
The right solution should offer capabilities to control information that can be applied to specific roles or group functions assigned to participants in a business ecosystem, as well as applied at the document level.
- **Security**
The right solution should reinforce the security policies that exist behind internal firewalls and extend them beyond the firewall. Further solutions should be approved and controlled by IT while supporting ease-of-use.
- **Accessibility**
The solution should extend the critical business value of enterprise collaboration across devices and applications by providing multiple access points and integration options.
- **Auditability and Compliance**
The right solution should provide full audit trails by tracking all collaboration actions and changes made by individuals and organizations. Further the solution should support document retention policies to support compliance capabilities.

⁷ Evans, Bob, *Global CIO: The Top 10 CIO Issues For 2011*, Information Week, January 10, 2011.

- **Intelligent Insight**

The ability to view performance via dashboards and custom reports can provide unparalleled insight into activities across the extended enterprise, and are key features in an enterprise content management tool.

- **Service**

The unique challenges that come from servicing external users means companies should look for solutions that have the capacity to provide customer support without dragging down internal resources.

Bringing It All Together

Most textbooks on the management of innovation and new product development assume that a company controls most of the resources needed for the commercialization of that innovation. Such an assumption is increasingly likely to be wrong. Many of the most exciting new opportunities require the integration of complex systems, rather than innovation around a stand-alone product. Not only does no single business unit have all the necessary capabilities — neither does a single company.⁸

In order to partner effectively companies need to leverage an EEC solution that is secure, and provides ease-of-use and accessibility to business users while eliminating the burden of deployment and support from an IT perspective. The right platform will make employees across the extended enterprise more productive and give them the agility to help them succeed in a complex distributed business environment. The ability to bring together and harmonize widely disparate technologies to support alliances with the suppliers of complimentary products and co-opt potential rivals gives businesses access to the widest possible array of distribution channels.

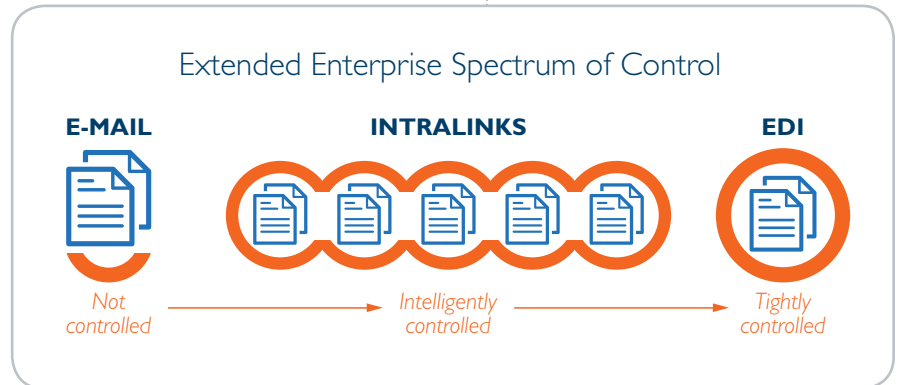
IntraLinks® is already providing Extended Enterprise Collaboration for leading global organizations, including Claris Lifesciences. The company operates in 76 countries and chose the IntraLinks Extended Enterprise Collaboration solution to simultaneously conduct regulatory and product-related technical diligence with business alliance partners and advisory companies on a global basis. Claris Lifesciences turned to IntraLinks when the prospect of using e-mail and regular mail to distribute its confidential documentation was not only determined to be unsecure but also incurred massive costs, lengthened timelines and inhibited ease of access to information.

“We have been very impressed with IntraLinks and its solution. The corporate repository offers the highest level of security and has allowed all parties access any time and any where to our critical business data,” said Roopesh Madan, Vice President of IT, Claris Lifesciences.

Intelligent Control for the Extended Enterprise

Your company doesn't exist in a vacuum — it is a part of a complex ecosystem of employees, vendors, partners, contractors and customers — and it is more important than ever to get information sharing right. You need to be able to collaborate and communicate securely across extensive networks of people in a controlled manner. Geography and physical location no longer determine team structures or partnering agreements. You could have your front office in one location, your technical support team in another and your customer service and back office teams in yet another. You may also have contractors and partners that do business with you around the world in different jurisdictions with different sets of compliance rules under which they have to operate.

⁸ Hamel, Gary and Prahalad, P.K. *Competing for the Future*. Boston: Harvard Business School Press, 1996. eBook Edition.



To maximize the agility of your business you need to be able to collaborate and communicate securely across extensive networks of people.

IntraLinks offers the extended enterprise capabilities that ease collaboration while maintaining control and security over data, scale quickly across the enterprise, and reduce risk.

Key benefits that organizations should keep in mind going forward as they deploy collaboration platforms include:

- **Control**
 - **Policy-based controls** that enable organizations to meet information governance, regulatory, and e-discovery requirements.
- **Integration**
 - **Greater efficiency** enabling ease of collaboration and information management across all sources allowing teams to make decisions faster and drive revenue.
 - **Minimizes cost and risk**, speeds business velocity, and provides benefits associated with the cloud.
- **Governance**
 - **Lifecycle management** of the collaborative process pertaining to content, which is crucial to managing risks and storage costs.
 - **Team-administered workspaces** enable reduced IT support, and do not require IT to launch or maintain them.
- **Access**
 - **Ease-of-collaboration** across firewalls — both internally and externally without IT involvement.
 - **Scales across the enterprise**, is accessible from remote locations, handles high volumes of content and interactions while maintaining performance, and easily integrates with existing systems.

On a day-to-day basis across a single enterprise, data changes hands in many forms including e-mail, flash drives, paper, and virtual documents. Extend those practices to a network of businesses and your organization's intellectual capital is now more at risk than ever. IT has to constantly wrestle with trying to close Pandora's Box of security problems that is opened by employees who try to bypass approved network access points and applications, or by doing work with personal gadgets. With the right tools for Extended Enterprise Collaboration, organizations can provide trusted alternatives to consumer-grade services like personal e-mail or unapproved third-party application collaboration tools that are not enterprise grade, while managing information across the extended enterprise and maximizing competitive advantage.



About IntraLinks

For more than a decade, IntraLinks' enterprise-wide solutions have been facilitating the secure, compliant and auditable exchange of critical information, collaboration and workflow management inside and outside the enterprise. For simplifying business processes such as board of director communications, post-merger integration, acquisition management, corporate finance and legal matter management, the IntraLinks platform can help improve operational efficiency and reduce time and costs while adding increased security and control to processes. More than 1,000,000 users across 50,000 organizations around the world rely on IntraLinks, including 50 of the 50 top global banks, 10 of the top 10 life sciences companies, 25 of the top 25 law firms, and 14 of the 15 largest private equity firms.

To learn how IntraLinks can transform your business, visit www.intralinks.com or contact us at:

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