



ENTERPRISE INTEGRATION

Managed Service Provider for the IT Industry Using Digital Robotics with Machine Learning and Intelligence



Michael Locher
CEO
Enterprise Integration

CEOCFO: *Mr. Locher, what is the focus at Enterprise Integration today?*

Mr. Locher: The main focus is within the IT industry. It is certainly changing the economic model of IT operations and making IT the most efficient onshore capability at a better price point than was previously experienced over the last twenty years.

CEOCFO: *How are you able to do that?*

Mr. Locher: We are doing a great majority of that through what we call, “digital robotics.” Focusing on the IT industry, many people are talking about the next ten years as being a new industrial revolution. However, that industrial revolution will be digital in nature, as opposed to mechanical in nature. Therefore, we are focusing on a very important number which has remained consistent over the last thirty years in the technology industry, that number is eighty percent. Eighty percent of all corporations’ IT operational spend is maintaining legacy IT equipment. That has been a substantially high cost spend over the previous years. We are working directly with C-level persons to provide them our big fat claim, which is our contractual promise to lower their eighty percent maintenance on legacy IT spend. We can reduce IT legacy spend by ten percent year over year by identifying placeless work or menial tasks through our digital robotics and automation. Not unlike what you’ve seen in the manufacturing industry of what Tesla has done with robotics. We are doing the same thing in the IT industry with machine learning and intelligence.

CEOCFO: *Would you give us a couple of examples of where it would be applicable?*

Mr. Locher: For example, let’s say you have a large enterprise comprised of ten to fifteen thousand servers. In the middle of the night, a server-related problem occurs which triggers a multitude of alerts flooding your mobile devices. Your enterprise monitoring system sees this problem and everything downstream of it, causing what I will call a ‘thunderstorm’ of event data. It is a data thunderstorm where there may be one hundred thousand sensors on the other side of that server constantly alerting and informing a group of people that they’re experiencing problems. Realistically, there is no one human that can decipher that amount of data in a short amount of time because we are talking terabytes and terabytes of data alerting personnel. Therefore, what we are doing via digital robotics is incorporating artificial intelligence to aid in identifying exactly where the failure occurred and in many cases, resolving the issue via a digital robotic program script. So what could have been an ‘all hands on deck’ conference call in the middle of the night to ensure your enterprise is fully functional by morning, we now automatically handle. If it does have to go to a human, it presents a holistic picture of what happened with all its’ corresponding data and enables the human to make an immediate decision on what they need to do to get those systems back up.

CEOCFO: *Why a separate function, not just part of standard management systems?*

Mr. Locher: Let me give you a scenario. We drilled back down to this eighty percent of IT operating cost going towards the legacy of that almost every organization enterprise that we go into, especially at the larger size, do not lack having all of the necessary tools to monitor and manage their equipment. Why does this matter? Ten years ago data was going from say a mainframe, to a server, to your desktop at work and it was important that you were up and productive. However, now we have a scenario where we call it the ‘IT supply chain.’ It is very similar to a manufacture goods supply chain where I have parts and pieces coming from all over the globe in a just-in-time capacity, to then be assembled and given to that manufacturing point where I need to do it as fast and as efficiently as I possibly can. The problem with today is that companies have purchased millions upon millions of dollars of monitoring tools and they can monitor everything from the firewalls to the routers; all of the communications equipment that makes up this digital economy. How it has progressively differentiated is with a new layer of complexity referred to as the ‘Cloud.’ You have difficulty with monitoring endpoint

devices being carried around in your pockets and businesses are using just about any and all devices to carry data from many different spots. Now it is even going to customers where customers are receiving the same data that you get or going directly to our customers. Therefore, it is not just the fact of internal IT. There is no such thing anymore as internal IT. With this new digital industrial revolution, it is going to be everything as external IT. Now, how are you going to provide it safely, securely and on time for that customer to do their job? Such as in Amazon's case, that can mean one million dollars a minute. Just think about if Amazon goes down for an hour; what does that cost them?

CEOCFO: Are there particular types or sizes of industries that are understanding this concept and that are willing to take on Enterprise Integration or at least listen and understand what you are offering?

Mr. Locher: Any industry where I go to the CEO and CFO and tell them that "I will contractually reduce your IT operating costs by ten percent year over year," they will listen. It is their fiduciary responsibility to listen. We have a basis of success that says the economic model does not have to go offshore anymore to reach an efficiency point to lower labor costs. If I can automate and add digital robotics to the equation to where I am feeding in this holistic enterprise data, we can solve sixty-five percent of our customers' IT problems through automation. This is a new equation to many organizations. We are able to bring their thunderstorm of event data into a correlation engine, feeding it into a digital robotics engine and automatically solving their problems quickly and efficiently. By the way, sixty-five percent of one million calls; that is a lot of money being saved on my side and being passed down to my customer. Now I am a cut-rate, robust onshore company with enhanced customer experience. We are in America. There will be offshore companies popping up all over the world over the next twenty years and they are all going to bring a twenty cents on the dollar equation. However, we are beating that equation by utilizing intelligent automation.

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CEOCFO: Are companies paying more attention to being in the US today? Is it becoming more important?

Mr. Locher: It is huge! We are very strong in the logistics and supply chain railroad industries. People will tell you in these industries that there's a shipping recession right now and they are looking at every single way to drop a cost model. When you go year-to-year and say "I am going to spend three hundred million every year, whether we are innovating or not, so my customer can get ahead," you have to question whether someone comes in and says, "I can save you ten percent of that." That is thirty million dollars. I do not know a CEO or CFO that will not want to talk to us with that equation.

CEOCFO: How are you reaching out, given that you have got a huge market?

Mr. Locher: We are talking to a lot of people like you. We are talking to some of the industry consulting firms. We have been featured in a Seattle-based magazine as being one of the top twenty global robotics companies. However, we are taking it a step further where we are not just doing robotics. We are doing the whole managed outsourcing piece. There are some companies out there that are achieving a lot of venture capital in the data correlation intelligence mode. They are growing and they are in a place of huge need. We have been doing that for over six years. Granted, we have not had to go out for any venture capital, but what we are doing with the event correlation is just as important as the enterprise monitoring, because if you cannot get the data up front holistically then it does not matter what you correlate. You will never get the right information in your digital robotic engine. We have been doing that extremely successfully for six years now. Talking about a supply chain that now encompasses about every mode of communication and type of equipment; it is pretty important that you get your eyes on that data and make it real.

CEOCFO: How do you overcome some of the challenges in automating so many different scenarios?

Mr. Locher: The biggest change is changing the mindset of the corporate culture that we work into. That culture is what I would call a "Dilbert" approach to managing IT in an extremely siloed environment. Everyone protects their own bit of turf. Back in the mainframe days, you could do that and you could do that in somewhat of a client-server environment. However, now that we have got this added complexity of any end point device, any iPhone, any iPad, any device you want to use is now receiving the data. Your customers are now hooked right into it. That complexity is so great that you cannot survive in the next ten years by having a siloed operating environment that does not have some workflow management and data intelligence to it. Sooner or later a CEO or a CFO has to make an offshore decision just based on costs. What do they lose sometimes? They lose the customer experience. Customer experience is one of our top three things that we do in this industry. One being to change the economic model, two is to really adapt our customers to this

new digital revolution and three is to never waiver on customer-rating fan experience. Especially, since your experience now goes from your internal customer all the way to your “who pays the bills” customer.

CEOCFO: *Would you tell us about security. There are so many approaches. How do you help?*

Mr. Locher: It goes hand-in-hand with everything that I mentioned. If you are talking about a large and complex asset-intensive IT supply chain, it is a defense in depth approach. Our multi-layer approach incorporates real-time security countermeasures that must be taken in order to protect the integrity of our customers’ assets. Knowing in real-time what is occurring up and down that supply chain truly resonates with our international shipping and transportation customer companies. I will give you an example. If I am shipping a product from, say, China or somewhere in China, I am shipping that to Cincinnati, Ohio; it may hit ten to fifteen modes of transportation to get to Cincinnati; all the way from ship to train, to truck to rail to; it could be a delivery service, it could be a courier, warehousing; everything that is involved. The big challenge is how to secure and make sure that every one of those international places is secure to achieve my goals of getting that equipment in X amount of time. The only way that you can do that is to be able to monitor holistically and manage that in real-time. What we have done is taken all of this data that I just talked about and introduced a product called ‘Indication of Compromise.’ This is a real-time interface that reflects wherever that product or data resides and turns it into data. Therefore, you are able to listen, report and detect at each modal point on the safety of that data. We also write algorithms and check data real-time via digital robotics that says, “This data came through and it is falling in this parameter” and it kicks off to a human. That is because humans do not have the abilities to really track these terabytes of data that are occurring daily. The only way that we are going to achieve that safely is via some machine learning and the ability for a machine to say, “Stop this packet, do not let it go through and alert my main person, put this back, it was bad.” In a nutshell, that is global security today. For example, we have an automated ability to stop a CryptoLocker virus before it ever hits into an organization. We were one of the first companies to do that. Additionally, we have automated the security process to where it allows people to do the same things to make sure the organization is safe.

CEOCFO: *How do you manage to stay ahead of the curve at Enterprise Integration to make the process easier, safer, better and cheaper for your clients?*

Mr. Locher: Our charter, almost twenty years ago, was to “deliver the promise of IT” and that had everything to do with what you just said. Whether it’s our customers’ legacy components, skillsets, automation, equipment or monitoring, we see their struggle with the complexity of technology. We know it keeps CIOs, CFOs, and CEOs up at night. Through this movement towards more system intelligence and better data analytics, you can win this battle. We are winning it every day. We just brought on a new customer ninety days ago that is an international print manufacturing company and in ninety days they will tell you that it has become much quieter. Their people are not contacted during church. They are not contacted at night. Their infrastructure is securely monitored by an intelligent digital robotics engine allowing our industry experts to do the human capital intelligence work that we should be doing. Like it or not, this is the way the industry has to be for the next ten years and we have chosen to embrace this concept well ahead of the curve. It is not rocket science. It is about getting the right data in front of them to make the decisions faster, stronger and better. It has happened in every other industry except the IT industry. Take a look at Tesla and what they are doing from a manufacturing capability. They have beautifully designed robots that deliver a perfect car! Believe me, I own a Tesla and I love Tesla! Perfection is an important driver behind automation and it is being done everywhere. It is just the IT industry that lacks. They say the cobbler’s son has the worst shoes. Companies tend to focus so much on that new product release, they forget about the eighty percent that is dragging them down every year.

CEOCFO: *Now we have Enterprise Integration!*

Mr. Locher: Thank you!

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine



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