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Seven Reasons to Buy a Portal

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According to Meta Group, 90 percent of companies are going to deploy an enterprise-wide portal in the next few years. So why do it now? You can always wait to deploy any type of software. But waiting on an enterprise-wide portal strategy costs money. Until you have a strategy for all the resources you want to deliver via the Web, you're wasting money on dozens of initiatives.

Here are the main scenarios that may necessitate moving forward with portal deployment:

1. Your organization is developing and deploying separate Web sites, applications and portals for every part of the organization. Merrill Lynch bought an enterprise-wide portal because it could afford to fund all the Web sites and portal sites being built across the company.
2. You're faced with training employees, partners and customers on the applications and Web sites of every business unit. Guess bought a portal because it had become too expensive to train its retail partners to use all the applications it wanted to roll out from headquarters.
3. You're attempting to move to a single development environment, with purges of existing infrastructure and education of developers, rather than adopting a more cost-effective, open Web model. Chevron bought a portal because it wanted an integrated Web environment but couldn't afford to convert every system of newly merged units of Chevron and Texaco into Java.
4. You're deepening your dependence on custom applications hosted by platforms such as Lotus Domino or Microsoft Internet Information Server. Procter & Gamble bought a portal because it did not want to spend money building its Web applications on an outmoded development platform, Lotus Domino.
5. You're maintaining an intranet for your sales force or an extranet for your partners and customers. Guess bought a Plumtree-powered portal because the security and content changes that poured into its intranet day overwhelmed the Web producers and developers who built the site.
6. You're supporting paper-based processes for everything from benefits open enrollment to supplies. Starbucks bought a Plumtree-powered portal because it was the most comprehensive way to eliminate the amount of paperwork required to keep its retail outlets humming.
7. You're supporting overlapping Web technologies for content management, search and single sign-on for different parts of the business. Washington Mutual bought a portal so that every business unit could share a common set of foundation services for building Web applications within the portal at a lower cost. The portal centralized knowledge management and content management and created consistent business processes that could span different departments.

These scenarios illustrate the costs of a Web strategy without a portal. In place of one-off investments that

enable just one function, for just one audience, in just one business, a portal can act as an enterprise-wide organizing, securing, administering and delivering electronic resources to all the constituencies served by an information technology group.

Who Benefits?

A portal creates an economy of scale for all the information technology it brings together on the Web. A primary business reason to deploy a portal is revenue growth, because the portal's employee audience is more productive and its customer audience gets better service:

- *Driving sales:* By bringing together all the information that a sales force needs to win business, the portal is the ultimate online competitive resource. Beringer Wine Estates estimates that its salespeople spend half the time in the field each week meeting wine retailers because the portal enables them to easily find everything from headquarters. And Ketchum Communications attributes \$10 million in new business to the portal in the first year of deployment.
- *Improving customer service:* The portal allows customers to go to one site to get information and to perform a variety of transactions, driving new revenues. Some 59 percent of the oil and gas customers of Halliburton's portal to monitor drilling projects indicated that the portal increased their likelihood of future business with Halliburton.
- *Lowering employee support costs:* A portal lowers the cost of delivering information and services to the audiences of employees, and it supports collaboration among people in different parts of the business. It credits the portal with productivity increases worth millions of dollars by bringing together information that employees really need. FirstEnergy plans to eliminate millions from its training budget for HR self-service by delivering the key HR functions in a portal that is already widely used.
- *Increasing return on assets:* A portal increases the return on systems that have previously been limited to entry clerks and highly trained analysts, and the entire organization benefits. Eli Lilly's CIO estimates that the company will save billions over the next decade by allowing scientists to search its molecule library from the portal.

Key Deadlines

Here's a list of the nine deadlines whose presence or absence has indicated whether portal projects should be a priority for an organization:

1. *Green-lighting Web development:* Are you approving new expenses for Web development? Before those expenses, CIOs are asking tough questions about how the project fits into an enterprise-wide strategy, both for economies of scale and simplicity of user experience. A portal increases the return on investment and lowers the total cost of ownership for all the Web properties managed by an organization.
2. *Go-live date for a major application:* Are you rolling out a major application to new audiences of employees? A portal lowers training and rollout costs by combining the most useful services in a simple user experience that is already well established as a destination among users for many different types of communications. The application will be integrated into users' daily lives and more widely adopted. This has been true of Siebel, SAP and PeopleSoft deployments.
3. *Consolidation of business units:* Is your organization consolidating operations and information technology services across all business units? The portal provides a "loose-tight" model that allows each business unit to share a shared service across all business units?

to contribute its own resources to the portal without having to host separate, competing sites with security, search, content management and application integration infrastructures.

4. *Open enrollment*: When is your next mass communication to employees? The portal eliminates paper materials, automates HR transactions and creates a broader, more modern platform for corporate communications.
5. *Customer service goals*: What are the major deadlines for new partner and customer service initiatives? A portal provides an extensible, organized way to deliver information and services from many parts of the organization, giving partners or customers one site, not five, for doing business with your organization.
6. *Maintenance due for proprietary Web platforms*: Are you paying to maintain software you don't need? Organizations re-evaluate their investments in proprietary Web platforms when software maintenance is due, often deciding to move to an open portal environment that allows development and hosting of multiple platforms.
7. *Infrastructure decision*: Are you re-evaluating server platforms? Before attempting to retool the business to a single platform, many organizations embrace a portal that can support heterogeneous infrastructure, minimizing disruptions to operations and information technology costs and maximizing return on assets.
8. *Budgets*: When are budgets set in your organization? A portal provides a major opportunity to eliminate expenses associated with a large number of customized Web sites.
9. *Mergers and acquisitions*: Are you closing a merger with another company? A portal provides a central place to communicate about the newly formed company, and it integrates key information, processes and data from the two organizations, reducing the time required to align operations.