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How the API Economy is Accelerating
Digital Transformation

Executive Summary

In a digital economy characterized by incessant change and uncertainty, agility and innovation have become vital to delivering unique customer experiences, creating new products, and staying ahead of the competition. They will also help build new revenue streams, and create a more connected business ecosystem comprising partners, customers and developers etc. Since the COVID 19 pandemic, businesses have heightened their focus on digital transformation programs, with IDC predicting that organizations will spend $6.8 trillion on digital transformation between 2020 and 2023.

Businesses rely on several applications to deliver connected, digital experiences, and Application Programming Interfaces (APIs) have been used to help these applications and services communicate with each other seamlessly. In fact, with their inherent reusability, API-led digital transformation efforts are on the rise, and will continue to do so in the future. The second annual RapidAPI Developer Survey which analyzed API usage and other technology trends across 1500 developers, executives, and engineering managers, found that API adoption increased across all industries. 61.3% of respondents used more APIs in 2020 compared to the previous year. Financial Services (68.6%), Manufacturing (67.7%), and Technology (64.7%) had the

highest percentage of developers reporting increased API usage. For example, Airbus accelerated its digital transformation journey with an API platform that unifies disparate flight and operational aviation data form multiple sources onto a single platform. This API-enabled data platform allows supplier and airlines to share data with Airbus in real time to reduce maintenance issues and prevent technical delays.

However, creating APIs is not enough, having a holistic API management strategy in place is imperative to succeed. This will mean managing APIs across their lifecycle from design, implementation, testing, publication, consumption, and retirement all in a managed and secure environment. The proliferation of technologies and applications built on the cloud or accessed via the cloud, underscores the need for end-to-end API management. Integrated Platform as a Service (iPaaS), connects cloud and on-premise technologies, to support data exchange between multiple systems such as applications, data warehouses, and other systems. Both iPaaS and API management must work together to achieve an organization's integration goals.

This whitepaper takes a closer look at the role of APIs in digital transformation and how iPaaS such as the Oracle API Platform Cloud Service can support end-to-end API management.

Unlocking value with an API-led digital strategy

Connected experiences are at the heart of almost every digital transformation initiative, whether it is for employees, customers, or partners. APIs are driving these connections, by enabling different systems to talk to each other seamlessly. In the API economy businesses can unify data from across multiple platforms, making it more interoperable and reusable. The result is the ability to create a cohesive and connected user experiences and faster time- to-market through an accelerated development cycle.

According to the State of the API Economy 2021 Report, survey participants report using APIs for a wide array of applications, with

web 57% and mobile 56%

efforts leading the way, followed by

**automation 49% and Internet of Things (IoT) 46% initiatives.**

One of the API platform customers have increased their number of active applications by 53% between September 2019 and September 2020.

Zensar is working with various global organizations to aid digital transformation by implementing API-centric strategies. For one of our customers, who is a leading electrical contractor, Zensar supported API management to track the material life cycle from order till acquisition, which increased revenue by 30% and reduced material wastage by 25%. Zensar also partnered with a retail chain to build APIs for digital finance approvals, credit card transactions and loan management. The solution reduced time to process a loan application by 80%.

By enabling organizations to reuse, share, and monetize their data, an API-centric strategy powers the digital ecosystem. It creates a platform for businesses to build new business models, create new revenue streams and innovate quickly.

Bridging the gap – Why API management and iPaaS must work together

Integration will play an important role as companies look to implement API strategies, and this is being largely driven by the shift from siloed, on-premise software to the cloud and microservices-based applications. In order to meet different business goals, many organizations use a mix of on-premises and cloud infrastructure for hosting APIs.
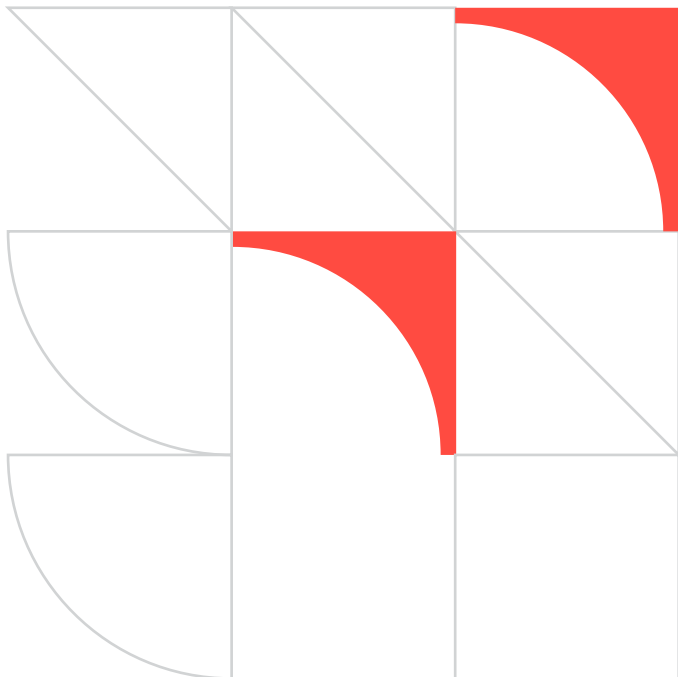
The fourth State of API Integration Report from Cloud Elements, reveals that

83% of IT specialists consider API integration critical to their business, and that 'connected experiences' **are a crucial impetus for 68% of platform providers.**

Cloud based application adoption are one of the key driving forces behind this trend.

According to the 2020 Connectivity benchmark report, the average organization has 900 applications and only 28% of them are currently integrated. API management and iPaaS solutions must work together to bridge the integration gap. Infrastructure service providers' revenue share from API-enabled services will increase from 15% in 2018 to 65% according to Gartner.

Scale quickly and cost effectively with end-to-end API management

API management on a cloud hosted platform can help organizations harness the full power of APIs in driving digital transformation. Today's dynamic environment requires a scalable and unified platform, which offers the agility to support changing business needs, alongside better control and security. Zensar supports customers in implementing the Oracle API platform and Integration Cloud Service for managing the full API lifecycle from design and standardization to documenting, publishing, testing, managing and integrating APIs.

A Not-for-Profit Organization Leverages API Management Solution for Digital Transformation
Zensar recently implemented an end-to-end Oracle API and integrated cloud platform for one of the key not-for-profit organizations and helped them realize the value of their digital initiatives.
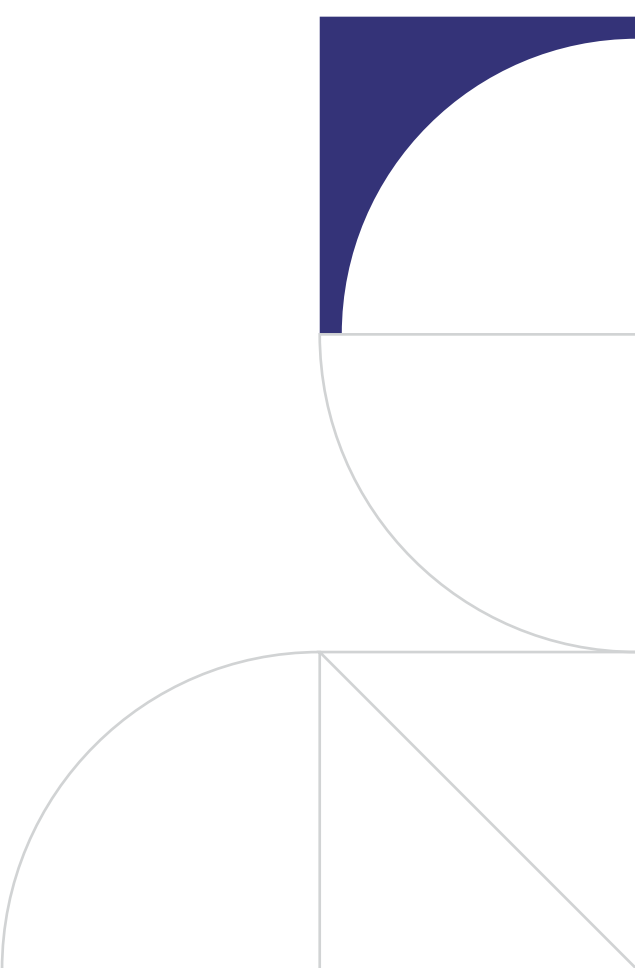
Business Challenge -
Legacy Data Integration Architecture

Data duplication

Lack of enterprise business rules

Lack of data integrity and security

Solution - End-to-End iPaaS Platform

• Oracle API Platform cloud service

• Oracle Cloud infrastructure

• Oracle Identity Cloud Services (IDCS)

• Oracle SOA cloud service

Business Outcome- Digital Transformation

• API- enabled enterprise system with end-to-end security

• 50+ services implemented

• Real-time data integration without duplication

• Creation of new business streams

The API movement is here to stay

As digital disruption continues across industries, having the right API strategy in place will be crucial to address the needs of a changing market place. With customers demanding digital-first, connected experiences, organizations need to be quick to adapt and create new solutions and services that continue to delight customers. When managed well, APIs can expand the digital ecosystem and propel businesses into the future through integrated customer experiences, robust partner networks, and new revenue streams. Long term, sustainable business transformation will require a clearly-defined API strategy which aligns with the overall business goals.
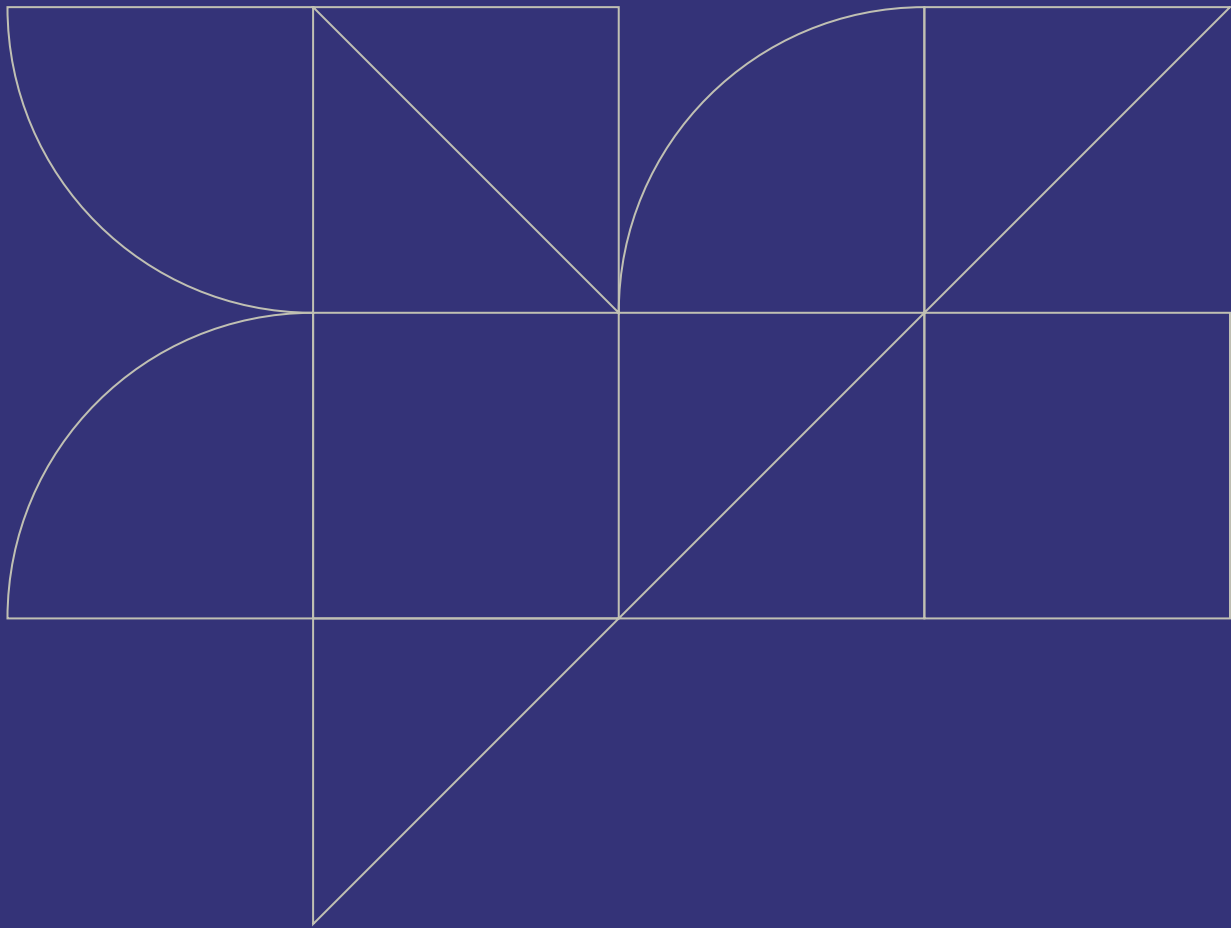
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We conceptualize, build, and manage digital products through experience design, data engineering, and advanced analytics for over 130 leading companies. Our solutions leverage industry-leading platforms to help our clients be competitive, agile, and disruptive while moving with velocity through change and opportunity.

With headquarters in Pune, India, our 10,000+ associates work across 33 locations, including San Jose, Seattle, Princeton, Cape Town, London, Singapore, and Mexico City.

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