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Home > Blogs > MGILPIN's blog > Want To Join The API Economy? Here's How

Want To Join The API Economy? Here's How [1]

Contributed by Mike Gilpin on Thu, 08/22/2013 - 13:41

You may be delivering web [2]or mobile [3]apps, delivering data or services through an API [4], or looking to monetize your data [5] through the data economy [6], or even all of the above, but if your firm has realized that it needs to go beyond just using and/or providing APIs to enter the *business* of APIs, you need to join the API economy [7]!

The API economy is:

> All commerce generated by the business of providing, consuming, integrating, and adding value to data (and thus often to products and services) via application programming interfaces (APIs) that create economic value.

The data economy and the API economy are closely related, so much so that in a recent conversation with Forrester analyst Eve Maler [8], we found ourselves violently agreeing that "*you shouldn't talk about the data economy without talking about the API economy, and you shouldn't talk about the API economy without talking about the data economy.*" But although the majority of APIs are about data, APIs are also a key foundation for delivering *modern applications* [9] (i.e., web and mobile), so think of the way they all fit together like this:
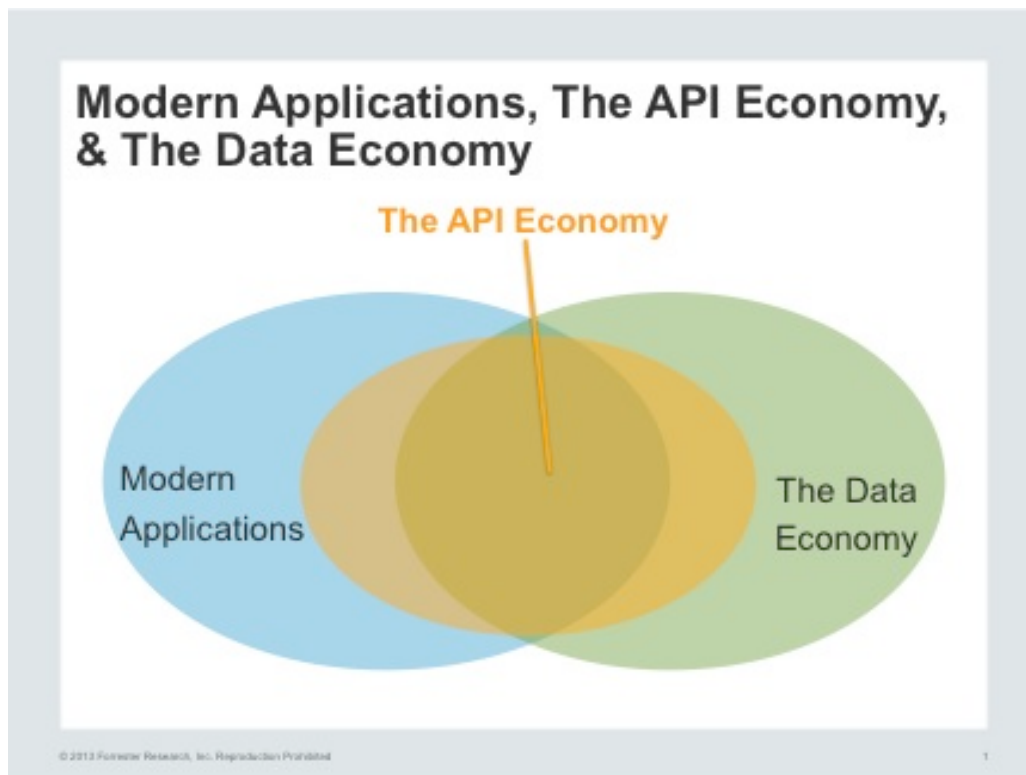
What this means is that:

- Many aspects of the API economy are tightly bound up with both your approach to modern applications and your participation in the data economy, *but*
- Some aspects of APIs are more about modern applications, *and*
- Some aspects of the API economy are mostly about the data economy, independent of modern applications.

So how should you approach joining the API economy? Here's how:

- **Start by understanding your business context**. Many firms are driven primarily by the need to implement <u>adaptive intelligence</u> [10]. CIOs (and other IT leaders) should also learn what <u>adaptive intelligence</u> [11] means to them. Other firms may see <u>open data</u> [5] as a bigger driver of their business context.
- **Understand your firm's role within <u>the open Web</u>** [12]. That's how it all started, and this underlying trend will shape your requirements for building an API strategy.
- **Factor in your objectives for delivering a <u>digital experience</u>** [13]. Understanding your overall <u>digital experience strategy</u> [14] will add more specific requirements for your API strategy.
- **Factor in your goals for delivering <u>mobile apps</u>** [15]. Forrester's advice for delivering mobile apps? Don't! Instead, you should be delivering *<u>modern applications</u>* [9], which are by nature <u>omnichannel</u> [16]. This means your <u>mobile application delivery strategy</u> [17] is really a modern application delivery strategy.
- **If you will provide APIs, then develop your <u>API design strategy</u>** [18]. OK, now you're really ready to get going on this API stuff – and to do that you have to first translate all that context into your design strategy for APIs, which will very much reflect the shape of your business strategy as it relates to APIs.
- **Choose your <u>API management solution</u>** [19]. Now that you have a strategy, you know your requirements for this important part of your API technology platform for developing, delivering, and monetizing your APIs, including sustaining the communities of developers who will consume your APIs.
- **Get your security pro colleagues on board**. APIs and security go together like, well, love and marriage, a horse and carriage. You get the idea. But seriously, <u>API management for security pros</u> [20] will be a critical element of your approach — you can't succeed without your colleagues' active participation.
- **Design and deliver APIs consistent with your design strategy**. <u>Randy Heffner</u> [21] has just published an important new series of four reports on how to design your APIs. You'll begin by <u>choosing the technology and protocols</u> [22] you'll use to deliver APIs. Then <u>decide which messaging styles</u> [23] you need to support, consistent with what the developers you're targeting will want. Next, figure out your approach to <u>transactions and error handling</u> [24], then determine how to <u>future-proof and secure your APIs</u> [25], to ensure you can sustain the APIs and the business they enable.

Whew. Yes, that's a lot to think about. But firms that are fastest and best at navigating this path to the API economy will reap the greatest rewards.

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