ACCELERATED CHANGE:
GETTING FASTER AT
IMPLEMENTING
ENTERPRISE SYSTEMS

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The transition of enterprise apps to the cloud model has moved from an 'if' question to a 'how' question—how to do it quickly and expertly? ERP software leaders such as Oracle and SAP are squarely focused on giving customers the right product and service mix for their cloud transitions and for their digital business transformations. While these are mission-critical applications at the heart of the business, transition speed is of the essence. As businesses transform to digital enterprises, the lengthy ERP software implementations of the past do not fly. Business model changes, product innovations, and customer service improvements have to happen quickly. The company that ignores this reality will watch its rivals, both established companies and nimble up-and-comers, race right by.

For companies to capitalize on cloud-based enterprise systems, they must significantly reduce the time it took in the past to implement traditional enterprise systems. However, one size or approach still does not suit all companies in the cloud environment: many use hybrid solutions that combine on-premises and cloud tools, and even within cloud, companies have the option of public versus private cloud model approaches.

The right tools and techniques help companies ensure successful, fast implementations of cloud-based enterprise systems and harmonize them as needed with existing installed systems.

Among the key elements for companies seeking cloud transition speed—a new approach to gathering requirements and doing testing, a willingness to use automation tools and standardized processes, and a willingness to look at cloud tools as part of a holistic technology strategy that includes mobile and analytics tools. Leaders of today's effective enterprise software projects stay focused on digital business goals and seek out ways to reach them faster.

WHERE TRADITIONAL APPROACHES FALL SHORT

Companies are moving away from the on-premises model for ERP apps and to the cloud model for several reasons, related to business digital transformation. In the past, the best product at the right price typically won the marketplace, but today, speed to market and agility win, as customers press for continuous innovation. Thus companies face unprecedented pressure to transform business processes and business models—and do so at high speed.

This kind of marketplace speed creates heightened business expectations for ERP software tools. At a time when Amazon can make hundreds of changes to its core business systems in a week, business teams want more from their own ERP systems. IT's reputation, as the department of 'no', must evolve for a digital business to thrive.

Companies also have a newfound need for agility. When companies free up cash by shifting from the CapEx-intensive, on-premises IT model to an OpEx model with cloud services, this adds flexibility. In turn, this flexibility can speed a company's time to market for new products and services.

Finally, a digital business seeks to share the newest data (even real-time data) broadly throughout the organization, to enable faster decision-making. Yesterday's ERP tools were not designed with that mindset. However, broad access to data goes hand-in-hand with cloud and mobile technologies. For all these reasons, companies are taking a critical look at which cloud-based ERP tools could help them solve key business problems.

A FRESH APPROACH

How are companies embarking on this significant software transition with an eye to speed? Keys to a successful enterprise software cloud transition include a new approach to requirements, openness to automation, speedier testing, attention to data migration and tool coexistence, iterating during software development work, and taking a holistic technology approach focused on business goals.

For many companies, the solution involves a hybrid cloud approach, for example, involving a customer's private cloud, Oracle-provided cloud services and third-party cloud services. In another example, SAP is making it easier for customers to run its S/4HANA apps on public cloud services. The right planning and tools can ensure cloud-based tools and remaining on-premises tools coexist productively.

Let us delve into the keys to success, starting with a new approach to the requirements process.
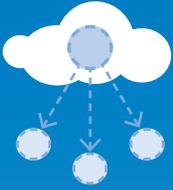
In the traditional, on-premises software world this process starts with gathering requirements from customers and trying to map to the on-premises product to those business wishes. In the cloud world, the requirements process is product-led. Fast companies choose to use best-in-class business processes available via cloud tools, instead of doing tons of customization work.

For example, U.S. financial company TD Bank did a 2015 project to solve HR-related business problems. The company's HR information was too distributed, since regional HR apps kept data siloed. Also, each region had its own HR processes, creating inefficiencies. Seeking to reduce TCO around HR, the company chose to move to Oracle HCM Cloud. The company utilized Oracle HCM's standardized HR processes for workforce compensation, saving implementation time. Embedded analytics helped the company define individual software dashboards for various employee roles.
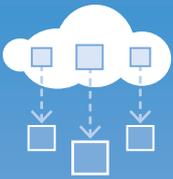
Next, companies should look for opportunities to use automation tools and pre-configured tools wherever possible, for example, business process frameworks for particular industries. Automation can significantly speed the configuration process, doing tasks that once required weeks of hands-on work from IT.

For example, South African telecomm company Cell C transitioned from on-premises Oracle software to cloud-based versions in 2016, with two business goals—enabling an online education curriculum to improve employee engagement and thus decrease turnover rates; and shifting software licensing costs from CapEx to OpEx. For implementation speed, Cell C used a TCS configuration tool to realize a 25% to 30% reduction in implementation time (compared to industry average benchmarks from Oracle) and a 10% business process improvement (as it got rid of extraneous business processes).

Pre-configured transition tools can also assist companies in industry verticals when there is a functional gap between the Oracle on-premises and cloud products. For example, a tool for employee engagement plugs into Oracle HCM SaaS, allowing bi-directional communication with employees. In another example, you may need to add a procurement solution for tasks like comparing products, using information from social media and product websites. For companies moving to a tool like

Oracle HCM cloud, it is important to know where such functional gaps are, in order to address them and keep the project's go-live date on track. (TCS has pre-built solutions to fill in these functional gaps, built on Oracle PaaS.)

ERP implementations involve considerable testing, of course, but automation tools can help here as well. For example, to shorten the testing cycle on Oracle implementations, an automated testing tool can cut a four to six week testing cycle to a few days to two weeks. Another benefit of automated test tools, in a cloud implementation, Oracle offers customers new feature functionality in small drops, every two to three months. With each drop, the customer has to test again to ensure compatibility. Automated test scripts speed up the work. The same is true for Oracle patches.

Data migration and on-premises tool co-existence matter significantly to companies pursuing speedy transitions. Getting data from existing systems into the new cloud-based system is perhaps the most underestimated task in these projects, requiring much time, energy, and effort. Companies should seek opportunities to speed repetitive tasks here in particular. For example, a retailer that was rapidly adding stores in Asia used TCS QuickConfig utility to reduce the time needed to add a new store into the company's SAP ERP system from eight to nine days to a few hours.

Cloud ERP transitions often happen in pieces, targeting focused digital business problems. Companies do not have to tackle all the data at once. In TD Bank's case, mentioned earlier, the company wanted to keep using PeopleSoft 9.2 software for all other HR functions other than workforce compensation. So, the TCS Oracle Cloud Integration Layer was used to integrate the Oracle HCM Cloud tool with PeopleSoft tools, giving the bank a fruitful on-premises/cloud tools coexistence.

In another example, Global Glory, an ATM manufacturer, sought an Oracle cloud-based tool but only for supply chain work. The company uses on-premises J.D. Edwards software tools for all other ERP functions. To save time during this 2016 project, Global Glory leveraged TCS pre-built adapters (built on Oracle's Integrated Cloud Services on PaaS) for on-premises products like J.D. Edwards and PeopleSoft. (Oracle's ICS offering lacks the pre-built adapters.) Pre-built equaled time saved for the company.

Where are the time sinks on your cloud tools migration roadmap? Take a close look at what preconfigured and automated tools exist to conquer those issues.

MAKE WAY FOR ITERATION

Along with these keys to success, companies that achieve speedy transitions to cloud tools use some elements of the agile development approach (not a sequential, waterfall approach). Iteration is central to the agile approach.

As part of this effort, business teams should see the end stage goal for the software very early in the development cycle. (In the old world, months or years of work would happen before business users saw a skeleton of the software interface that they would be using.) Today, business goals change, regulations change, people change, too quickly for that old world development model. The business could get stuck with a big disconnect by the time software development work ends. An iterative approach allows development teams to adjust rapidly to changes.

Looking ahead to the future, companies will have access to additional techniques to further speed such implementations. For example, visualization technology can help companies with testing assumptions about ERP implementations. TCS, in concert with academic researchers, is experimenting with some companies to do simulations of ERP implementations, and gamify the simulations.

Here is how it works: teams use an ERP simulator tool to construct a business model, say for selling a product like cereal. The simulator fast-forwards quarters and years to show how each business model choice plays out for the business. The team that produces the most revenue and profit, and least leftover inventory, wins the exercise. In a short amount of time, a business team can visualize how an ERP plan will succeed or fail. It is easy to envision both startups and established companies finding value from such simulations.

DEALING WITH SPEED BUMPS

Even companies that commit to trying tools and techniques like the ones explored above can face significant speed hurdles during transitions to cloud-based ERP tools.

First, companies can not underestimate the importance of user experience to the success of these projects. Usability can still be a factor with ERP tools. With SAP for example, the user interface for cloud-based tools is still in transition and can pose a barrier for quick user acceptance of the software.

In ERP, the focus traditionally has been on business processes—user experience played a subordinate role. But today, in the age of mobile and handheld devices, we all expect more from software tools and their UI. That is another reason to ensure business users see what they are getting for UI early in the development process.

Second, companies can suffer from a lack of business focus during cloud transition projects. The companies that fail at ERP implementations are typically the ones that try to do everything all at once for the business. The companies that succeed are the ones who know where to focus. TD Bank, for example, zeroed in on inefficient HR processes and siloed HR data and correcting those problems, before they became a competitive, operational, or financial liability.

Companies need a clear roadmap of desired digital business outcomes so the ERP plan can be matched up to it and executed accordingly. This also requires true respect for technology project scope. If you keep the scope fluid, the quick path to the business outcome can vanish.

Third, moving ERP tools to a cloud model requires a great deal of change management inside the organization. Given the mission-critical status of these tools, support from the top proves crucial. The CEO needs to invest time to make sure everyone understands how this ERP software change furthers the company business strategy. Additionally, transitions of this sort may create significant cultural upheaval within the IT department, which cannot be ignored. IT's role changes in the cloud-based model, offloading administration tasks and freeing up time for business innovation work. But what exactly does the new SaaS product handle? What does IT handle? What does your systems integrator handle? For some companies, IT's role is still evolving. Strong executive support for IT's role in the digital business transformation is mandatory.

HOW THREE COMPANIES MOVED TO THE CLOUD

COMPANY	DESCRIPTION	CLOUD DRIVERS AND STRATEGY	BENEFITS
TD Bank[28] *U.S. retail bank*	• One of 10 largest U.S. banks ($272 billion in assets) • Based in Cherry Hill, N.J. • >1,300 retail stores • 8.5 million customers in the Northeast, Mid-Atlantic, Washington DC, the Carolinas and Florida • Subsidiary of Toronto-Dominion Bank in Canada	HR processes, applications and data varied by region, creating big inefficiencies. The bank needed to centralize regional HR applications and data. Decided to centralize the regional HR applications and related data for workforce compensation to Oracle's HCM Cloud. It used HCM's standard HR processes for workforce compensation.	Faster transition from regional workforce compensation applications to a centralized system. Shorter testing cycle for the bank's new ERP implementation.
Cell C[29] *South African mobile phone service provider*	• Third-largest GSM mobile phone service provider in South Africa • 21 million customers	Accelerating new product launches prompted firm to improve training and development of franchisees and customer service agents. Existing training capabilities hampered such training and contributed to employee turnover. Implemented Oracle Taleo Learn Cloud Services.	Shifted software licensing costs from capital expenditures (CapEx) to operating expenditures (OpEx). 25-30% reduction in implementation time. 10% improvement in business process.
Global Glory Solutions[30] *Manufacturer of ATMs and other technologies for handling cash*	• Formed in 2013 from combination of Glory and Talaris businesses • Makes automated teller machines and other cash-handling technologies • Based in the U.K., subsidiary of Japan-based Glory Ltd. • >3,000 employees • R&D and manufacturing in Europe, Asia and North America	Used pre-built adapters to connect its new cloud-based Oracle supply chain system to Global Glory's other ERP systems (on-premises systems).	Faster shift to cloud-based supply chain system. Tight integration with company's other ERP systems (J.D. Edwards on-premises applications).

[28] TD Bank fact sheet and other pages on TD Bank website: https://www.tdbank.com/exc/pdf/company_fact_sheet.pdf and https://www.tdbank.com/aboutus/about_us.html

[29] Two TCS case studies on Cell C. http://www.tcs.com/SiteCollectionDocuments/Case%20Studies/cellc-delivers-seamless-cx-0716-1.pdf and http://www.tcs.com/SiteCollectionDocuments/Case%20Studies/CellC-cloud-learning-management-system-1215-1.pdf

[30] Glory Global website and press releases. http://www.gloryglobalsolutions.com/en-us/Pages/default.aspx and http://www.businesswire.com/news/home/20151109006110/en/Glory-Global-Solutions%C2%A0Beyond-Bank-Pioneer-World-First-Technology

Finally, companies that make this transition quickly fight the urge to customize too much. This represents a big change for managing ERP tools. For decades, business has dictated requirements and customization was widely expected. Now, in the interest of speed, companies opt for more standardized business processes. How do you know where to draw the lines around what still deserves to be customized? Some companies will set limits around customization tied to revenue; for example, setting rules such as "if the business process affects less than $5 million in revenue, we will not customize it. If the business process affects more, we will review it for possible customization." But the bottom line is that any customization requires a strong business rationale.

ACTING ON THE BIG PICTURE

Today's default business model is a digital business model. Thus, to be competitive, companies must take a holistic view of technology and shape a clear roadmap to the digital model. Cloud transitions and cloud strategy should be considered integral to the overall digital business journey. Winning companies consider mobility and analytics along with cloud transitions, and not as an afterthought.

Additionally, business user expectations of enterprise software tools will only grow, and your rivals can and will use their ability to move fast with these tools as a competitive advantage. So it is time to let go of older ideas about the requirements process, testing, and data migration that will slow down implementations. Use automation tools as much as possible and stress an iterative approach.

As you explore where any functional gaps exist between the on-premises and cloud ERP tools, seek out data analysis tools to solve related business problems. For example, during this part of its cloud migration work, chip manufacturer Knowles solved a quality issue where faults on chips were surfacing too late in the production process. By staying ruthlessly focused on digital business goals, companies can make the most of critical software transitions.