

EXECUTIVE SUMMARY

Companies of all sizes and industries face myriad challenges today—and small and midsize enterprises in particular are struggling with the need to be innovative, agile and competitive while still maintaining sustainable margins as they grow. To this end, savvy enterprises are streamlining operations and increasing the visibility of information through the implementation of ERP. Increasingly, midsize organizations are using the strategy of integrated applications deployed across the enterprise as a way to generate operational efficiencies. But implementing this type of ERP in the traditional way is often too big a bite. For this reason, these firms are increasingly seeking the faster benefits of the rapid ERP implementation approach. By marrying technology with vertical industry expertise, the Oracle Accelerate family of solutions is helping midsize companies become the nimble organizations they need to be today.

W H I T E P A P E R

Rapid Implementation: The New Age of ERP

By Mindy Blodgett

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WHY RAPID ERP IMPLEMENTATION IS IMPORTANT TO THE MIDSIZE ENTERPRISE

For many companies embarking on ERP, the more traditional route, due to the breadth and scope of the functionality needed, is the way to go. But for other companies today, especially those midsize firms seeking more value in a relatively shorter period of time, rapid ERP implementation is the better choice. But how does one decide?

When ERP first came on the scene, most implementations were complex affairs with consulting costs that often ran three to five times the cost of the applications. Scope creep was rampant before an ounce of benefit could be measured.

As ERP evolved and companies began to hold vendors and partners more accountable, consulting costs began to fall more into line and implementation times were reduced. Rapid implementation tools are the logical progression of this evolution, and are why most midsize organizations today can realistically consider taking on sophisticated application integration.

For those companies unsure if rapid implementation is the right choice for them, there are some important factors to consider. The best candidates tend to be ERP first-timers; businesses and enterprises that are small in terms of resources, budget and staff. Midsize companies are often growing fast but are hampered by outdated and fragmented legacy systems. At the same time, they are eager to take advantage of best practices within their industry segments. Deciding which way to go is the goal of the important *discovery* phase of the ERP journey.

DISCOVERY: WHICH SOLUTION IS RIGHT FOR MY COMPANY?

Competing in a fast-changing global environment; being more responsive to customers; grappling with the growing need for data and ways to store it; trying to raise productivity and reduce the complexity of IT infrastructures—these are all necessary, yet very tall orders for IT decision makers. Even in today's tough economic environment, smart companies still need to invest in ERP solutions as the primary tool in getting around many of these obstacles.

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—BILL AREND, REGIONAL MANAGER, ORACLE

With rapid implementations, “go-live” can happen within a few months. Software vendors are now working closely with consulting partners instead of competing with them, and customers can rely on on-time, on-budget implementations. The key is having a deep understanding of customer pain points, particularly within their industry verticals, according to Bill Arend, Oracle regional manager.

“We need to listen very carefully to what the requirements are, their needs, their goals,” Arend says. “It’s not important at first to start a debate on which Oracle solution works best—the Oracle solutions don’t exist in a vacuum. We need to understand their underlying business requirements and challenges before we can decide which product path to go down. They’re looking to differentiate themselves in their industries, and they’re looking to ERP to help them do that.”

Now, more than ever, hanging onto expensive legacy systems that don’t provide the speed and productivity enterprises need can be a costly and risky mistake. To react to changing market conditions and compete effectively in their industry sectors, enterprises, especially midsize ones, need the flexibility and efficiencies gained by centralizing and integrating processes across the organization. But traditional ERP of this sort, which can take months to fully implement, can be too daunting an undertaking for smaller organizations. Oracle Accelerate solutions are industry-specific bundles of integrated enterprise applications that are delivered rapidly with Oracle Business Accelerators. This answers a midsize company’s need for a rapid, low-risk ERP implementation that quickly delivers the benefits of top-tier enterprise applications at a manageable total cost of ownership (TCO).

In the past, many midsize organizations have avoided ERP by cobbling together legacy solutions in their quest to centralize and rationalize IT infrastructures and systems. But as ERP solutions have evolved, more and more midsize organizations believe that deploying a top-tier, integrated application suite is the smarter and more farsighted approach. Top-tier providers, including Oracle, have reworked their development and deployment strategies to make their applications easier to deploy and competitively priced for midsize companies. In fact, the Oracle applications used by midsize companies are exactly the same as those used by the largest customers. Rapid implementation tools and specific methodologies have dramatically reduced the time and cost needed for an ERP migration, providing organizations with the benefits they urgently need in a relatively swift and powerful manner.

Once an enterprise has decided to take on ERP, and to do so through the rapid implementation approach, it needs to choose partners that understand the needs of midsize organizations and have expertise in its particular industry. In this way, users gain not just advanced technology solutions, but access to the latest thinking on integration best practices for a specific industry.

The Accelerate solutions represent a cohesive approach to having experienced partners deploy Oracle's proven application suites with rapid implementation tools and methodologies. Oracle has forged relationships with consulting partners in specific geographies that are well versed in the local challenges of any given area. Another core strength is that Oracle sales teams develop strong ties to and involvements in their local business communities. Once customers decide that they want to implement rapid ERP, they realize the applications need to be adaptable, scalable, easy to implement, simple to maintain, and easy to use.

DOWN TO BASICS

Oracle Accelerate solutions are available for many Oracle applications, including best-of-breed products like Agile and Demantra. But in terms of full enterprise application suites, the following offerings are available:

- Oracle's E-Business Suite
- Oracle's JD Edwards EnterpriseOne
- Oracle's PeopleSoft Enterprise

For companies with enterprise-wide needs for sales force automation, customer relationship management and marketing, Oracle's Siebel CRM might also be consid-

ered when developing an enterprise application strategy. With all of these solution packages, the key differentiator is the combination of Oracle and partner experience with the implementation best practices and knowledge of industry-specific needs.

Even when midsize organizations decide to take the rapid implementation approach to ERP, choosing the vendor and products that make the most sense for them can be difficult and complicated. One of the foundations of the Accelerate approach is the relationship the prospective client and the Oracle sales and partner teams forge in order to help midsize enterprises pick the solution that works best. Oracle sales managers, in concert with the local partners, take customers through a relatively speedy and simple discovery process aimed at narrowing down the choices according to their particular industry-specific business challenges and goals, helping them to ultimately select the best solution.

The first hurdle for an enterprise tackling rapid implementation ERP is maneuvering through the process of choosing the right solution. Many prospective customers find the whole idea of enterprise-wide application integration a daunting task.

PICKING THE RIGHT SOLUTION FOR THE MIDSIZE ENTERPRISE

Midsize organizations choosing to tackle an integrated enterprise application suite must be clear on what their underlying business goals are, and how ERP will facilitate this strategy. With rapid implementation, enterprises can take an incremental approach, thereby getting immediate benefits, rather than waiting for the big bang of the traditional long-term rollout. To this end, Arend says that a key tenet when approaching a potential Oracle Accelerate customer is "to keep an open mind."

Oracle uses a "tag team" approach, which comprises both partners and sales managers. They come to client meetings ready to share specific examples of how particular Oracle clients—in the same industry segment and with similar needs—have implemented the Accelerate solutions, and what the benefits were, Arend says. The rapid implementation tools are built around specific industries, such as food distribution, commercial real estate management or homebuilding.

"The whole concept of Oracle Accelerate is wrapping the applications around the vertical solutions that we are bringing to the marketplace," Arend says.

Arend adds that some prospective customers are intimidated by the thought of engaging with Oracle, fearing that Oracle is only about large and very complex ERP implementations that can take months or even years to build out. By using the “tag team” of Oracle and partner resources, it’s easier to explain how the Accelerate suite of solutions has been specifically configured for midsize businesses in vertical industries, and how the rapid implementation tools can be effectively utilized.

“We literally go to market with a team of resources—industry experts, advanced technology consultants, solution architects—dedicated to the needs of midsize businesses,” says Arend. “Our main competitors don’t have that and it shows when we’re interacting with potential customers.”

To illustrate how the process works, Arend describes one such situation in which a client had drawn up a short list of prospective vendors to work with on ERP implementation. Oracle wasn’t on it. Nonetheless, Oracle set up a one-hour presentation on the Accelerate story, including the business segments and their various Business Accelerators.

“The meeting ended up being a four-hour meeting—at that point, there were eight companies under consideration, and we weren’t one of them,” Arend says. “Then they narrowed it down to three, including Oracle, and in the end we were chosen. Once we have an opportunity to share our story, we are given the chance to earn the business. No one has ever told us that our strategy doesn’t make sense. It’s more like, ‘I had no idea Oracle had a great solution for a company our size.’ We are often misunderstood due to our success with larger enterprises.”

Often, customers fear that they aren’t ready for a tier-one provider, Arend says. “But once we can make the argument that we do have the Business Accelerators they need, and that as a tier-one provider we are highly scalable and will grow along with their business, they come to believe that it would be riskier to not go with a tier-one company like Oracle.”

“Our discussions with clients are around the fact that they need to build a good foundation in the beginning, but that they don’t need to do everything at once,” Arend says. “With the Accelerate solutions, they can begin to get the benefits and speed they are looking for—with the potential to add on much more, but gradually.”

It’s easier to make these arguments with the tightly integrated relationship between the sales staff and the Certified Oracle Partners. “With our tag team approach with partners in specific verticals, such as real estate, we

can strategize and get together on a solution very early,” Arend says. “Jointly, we make the case on the role we play and how we can help them.”

HOW ORACLE PARTNERS HELP THE ACCELERATE STORY

Certified Oracle Partners are selected according to their level of industry segment and Oracle product expertise. Additionally, they must have a proven successful implementation track record. Skip Blades, JD Edwards practice manager with Certified Oracle Accelerate partner Lucidity Consulting Group, says that more and more, “Oracle is getting at bats with the customers ... and they’re deciding that Oracle and, say, JD Edwards, are not too big and complex for them—and that’s because the Accelerate messaging is getting out there.”

Key to this messaging is coordination between sales managers and Oracle Partners, Blades says, in showing prospective customers how quickly they can get up and running with the rapid implementation approach and how soon they will see benefits.

“We listen closely to what they are all about, but right away we can show them the expertise we have with understanding the process flows in their particular industry,” Blades says. “We can take that initial conversation and map it right back to a best practices discussion around solutions.”

Blades says that the power of the Accelerate solutions comes in the fact that while some 80% of the applications are universal and are “common practices,” Oracle has also built in components that can be configured to address the uniqueness inherent in any given enterprise or industry.

“We show them that we can validate our resources and their resources, and we can understand where they are unique and how to help them gain a competitive advantage,” Blades says. “And we’re not afraid to configure our applications to their specific needs. The way Oracle applications are designed, this does not require customizations that are costly to build and maintain.”

The pressures of the difficult economy are complicating buying decisions, Blades says, especially for midsize businesses concerned with simply staying in business. But it is that fear of losing a critical business edge that is driving the decision to invest in ERP in the first place, and the determination that using rapid implementation tools is the way to go.

Investing with a tier-one vendor like Oracle, Blades says, is increasingly seen as less risky than a tier-two or tier-three provider. “The visionary companies are seeing that

they want to own this solution for 30 years,” Blades says.

Blades cites a wholesale distribution company that was considering a tier-three vendor versus the Oracle/JD Edwards solution. “They decided this was a one-time decision, and they didn’t want to be redoing this in a few years to get something that is more scalable,” Blades says. “We did the discovery and we demonstrated the flows, and with the rapid implementation approach we had Accelerate up and running within a few weeks. Within four weeks, they were testing and starting to learn it, and now they are on their own running the scripts. They were surprised with how quickly it could happen, and they were surprised by the pricing, which was about the same as a tier-three vendor.”

Central to the success of the rapid implementation

approach for midsize companies is the promise of a relatively swift and easy integration of applications in the enterprise. At the same time, the challenging economy is complicating IT budget decisions for companies of all sizes and industries. But for many midsize companies, not acting on the need for integrated applications is a risk not worth taking. The Oracle Accelerate Integrated Enterprise solutions, with knowledgeable Certified Oracle Partners working in close concert with local Oracle sales managers who are well versed in the industry and geographic segments of the customer, can help a midsize enterprise become more agile and responsive to customers, thereby gaining critical competitive advantage.

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5 Rapid Implementation Decision Factors

Is rapid implementation the smart choice for your enterprise? Here are five factors to consider when deciding which approach to take:

URGENCY: Companies with an immediate need threatening their viability or an issue that relates to customer responsiveness and competitive pressures should consider rapid ERP.

COST: Fast implementations by definition should cost less. The time needed to gain benefits is also reduced and the resulting efficiencies mean lower cost.

SCOPE: The best candidates for an enterprise keeping an implementation well within the scope of the project are willing to align their expectations with industry best practices, are not expecting to fix everything at once, and are looking for flexibility for future expansion. Such

enterprises know exactly what issues they are seeking to address to drive their business forward.

INTERNAL READINESS: Enterprises must be well aware of how much training will be needed by the implementation. They must be willing to commit high-quality internal resources to the project and should be aiming at not interrupting operational resources.

VENDOR EXPERTISE: Enterprises should be looking for vendors and partners with deep industry segment and geographic knowledge, as well as expertise with mature and proven tools and methodologies.