

Q&A



ERP APPLICATION UPGRADE

What you should know about ERP upgrades

If you are operating on version 8.9 or lower of Oracle's PeopleSoft application or version 11i10 of Oracle eBusiness Suite, it may be time to consider your upgrade options. By choosing to upgrade your ERP, you can take advantage of new functionality that streamlines processes and reduces costs while boosting operational efficiency. On the other hand, putting off the upgrade could lead to loss of support—a risk that can bring application failure, expensive third-party support, and loss of functionality. But is now the right time for you to upgrade?

Should you choose to upgrade your ERP platform, you may face numerous challenges such as:

- Understanding the new functionality in the release and how it impacts you
- Getting a firm grasp on your customizations and handling them properly
- Allocating enough time from users so they can perform their tasks in the upgrade
- Managing the upgrade while supporting production
- Managing the scope, timeline, and tasks associated with the upgrade
- Creating a solid first pass upgrade environment
- Retrofitting your customizations properly and testing them adequately
- Managing change and acceptance of the new software within the organization

With proper planning, you can create a roadmap for tackling these common upgrade challenges. By assessing your upgrade options early and exploring critical questions, you can develop a long-term vision for your ERP platform.

Benefits of an ERP Upgrade:

- **Application will continue to be supported by the vendor**
- **Hundreds of new features that can streamline your business and reduce costs**
- **Development and integration tools that reduce the total cost of ownership**
- **New modules released with each new version**

Q Do I need to upgrade my ERP application?

The short answer is no, but if you intend to stay with ERP as part of your enterprise architecture, you probably should. The following illustrates Oracle's support tiers as they relate to expiration date.

Tier	Expiration Date	What You Get
Premier	5 years from the general release date of the product	Complete Oracle support
Extended	8 years from the general release date of the product	Complete Oracle support Less certification with new third-party products
Sustaining	Indefinitely	Major product and technology releases Technical support Access to online support tools Pre-existing fixes to your solutions

What this means is that if you are on PeopleSoft version 8.8 or lower, you are already ineligible for Premier Support. For organizations on version 8.9, your Premier Support is set to expire in December 2009 (HCM) or August 2010 (Financials). If you are on Oracle eBusiness Suite 11i9, you are already ineligible for Premier Support. For organizations on 11i10, your Premier Support is set to expire in November 2009.

With Applications Unlimited, Oracle has committed to evolving the PeopleSoft and eBusiness Suite applications with additional functionality releases and supporting your release indefinitely. Fusion Applications is Oracle's long-term enterprise application vision, however, it appears that Oracle Fusion will evolve alongside Oracle's legacy ERP packages: eBusiness Suite, PeopleSoft, and JD Edwards.

Q What other options do I have besides upgrading?

Option 1: Purchase Extended Support from Oracle. Extended Support can be purchased for another three years after the Premier Support end date and then you can go onto Sustaining Support after that.

Option 2: Go off Oracle support. If you go off support, you can either support the application yourself or you can purchase third-party support from various aftermarket vendors. However, both of these options have risks:

You or your third-party provider will need to create the fixes and tax updates (for organizations using Payroll) while receiving no support from Oracle.

Supporting your enterprise back office application with a smaller third-party company can be risky because they may not provide the same guarantees and level of quality as the original vendor. Also, the No. 1 provider of third-party support, TomorrowNow, recently went out of business, leaving many customers with a significant risk.

If you choose to go off Oracle support, it is usually a costly effort

to get back onto support and upgrade the application at a later date. Also, staying on your current release indefinitely is not a particularly feasible option. In addition to the application itself, your application consists of other hardware in the technology stack such as databases, servers, and other third-party software. Each of these pieces of technology is also supported by vendors. Eventually, you will want to upgrade this technology to continue support and address any vulnerabilities, such as security. Within a few years, these other vendors will not certify their new hardware and software with your old version. You will be left with the decision to either upgrade or take on the significant risk of running your Financials or HR systems on non-vendor supported products.

Q If I do upgrade, what type of new functionality is available to me and how can I quickly learn how to use it?

Oracle is constantly evolving its ERP applications to improve automation, incorporate best practices, and enable you to deliver high-value tasks to your organization. For example, in Accounts Receivable, PeopleSoft version 8.9 offers the ability to upload payment information from an Excel file, enabling you to take data from a bank or other entity and automate the deposit entry if you don't have a lockbox. Another example in HR is the new Profile Management capability. Profile Management allows organizations to track the skills, experiences, and talents of their employees more accurately. Using this data, HR can perform more high-value tasks such as Career and Succession Planning, Internal Recruiting, and identification of star performers and their skills.

In fact, if you are a PeopleSoft HCM user on version 8.8 and use Core HR, Payroll, Benefits, and Time and Labor, there are more than 91 new features for you to explore. If you are on Financials 8.8 and own General Ledger, Accounts Payable, Accounts Receivable, Billing, and Purchasing, there are more than 60 new features that you can take advantage of straightaway. There are similar new features available in Oracle eBusiness Suite.

The key to learning these features quickly is to bring together your key stakeholders and rank each feature in terms of its value to the organization. Create a value board that identifies which features will help you streamline a business process, reduce costs, or give you new capabilities. MorganFranklin offers a two-day upgrade planning session during which we go through each of the features and act as your guide. To learn more, contact ERP@morganfranklin.com.

Q How is an upgrade different from other types of ERP projects?

Upgrades are significantly different from other ERP projects, especially in the early stages as follows:

Creating your first pass. As part of your upgrade, your system administrators will take a copy of your production environment and merge it with the new release. You must determine which of your customizations to carry forward to the new release and how your data will convert to the new data architecture. The output of the first pass is a development environment, where your developers will retrofit your customizations.

Retrofitting your customizations. Your developers have a lot of work to do during an upgrade. In addition to supporting the first move to production, they must convert every customization, interface, and report that you have developed over the years. Sometimes this is a

straightforward task, but there are two instances where the retrofit work can be complex.

If you created your customizations by modifying code delivered by your ERP vendor. The ERP vendor has probably also modified this same code and in this case, your developers need to start with the new version and complete the whole customization again from scratch.

If the ERP vendor has made significant changes to the application and the data architecture. For example, PeopleSoft modified the data model for the Core HR application by introducing functionality to more easily track contractors and other persons of interest. Although this is great functionality, it may cause your developers to re-engineer a lot of your pre-existing customizations.

Test moves to production and testing. After creating your first pass, your system administrator will take additional copies of your production environment and do test moves. These test moves let the administrator refine the upgrade process by tuning and adjusting the process to fit your environment. They also produce additional environments where you can complete system, integration, and user acceptance testing. Since each test move is its own event and is wrought with potential new and different scenarios/errors, your functional team and user community must perform comprehensive testing of each environment.

Q How can I keep my upgrade costs down?

The No. 1 way to keep your upgrade costs to a minimum is to keep your customizations in check in the years leading up to the upgrade. The amount and type of customizations that you have are the primary factors in increasing the time, cost, risk, and complexity of your upgrade. Here are a few pointers:

Keep customizations low. Complete a thorough business case for each and every customization: Is it really required? Can you change your business process instead of modifying the software? If you go ahead and customize, is the long-term cost of the customization less than the cost to your business if you don't customize?

Do not modify the delivered code. Create your customizations as a bolt-on by creating your own code—even if the initial development process is longer because of it.

Document your code. Make sure that every object is documented and developed in accordance with your System Development Standards. Ensuring that every piece of code has comments and is built to your standards will make your application easier to support and upgrade.

Keep your documentation up to date. Maintain a “business view” of your customizations: For what reason are you modifying the code? Who requested the change? How often is it used? When was it developed? What was the business case for the customization? After answering these questions, attach all of the development objects that are part of this business view of your customizations. This provides a clear record of the business need and the technical impact of the customization. Remember to save design documents, test case logs, and other documentation for each customization.