LTI

Let's Solve

Perspectives:

To Move or Not to Move – What's Your Plan for Oracle E-Business Suite Upgrade?

Author : Ravichandran J

Contents

Executive Summary

A few years ago, when Oracle launched the E-Business Suite 12.2, there was a worldwide scare about the longevity of the product, right until Oracle published a roadmap that promised E-Business Suite support until 2030 at least. With new upgrades on the horizon and Oracle itself pushing Oracle Cloud, is it wiser for existing customers to continue upgrading their Oracle E-Business Suite, to move to the Cloud, or choose to entirely re-implement E-Business Suite?

There is no one true answer because each option is based on an organization's unique needs. In today's customer-driven marketplace, can service providers push what they know how to do best, or create a hybrid model that delivers the best customer experience?

With Oracle announcing a 'Continuous Innovation' release model that distinguishes between technology stack updates and applications code updates in 2018, it has become easier for the company to offer ongoing technology stack and application updates without requiring a full-scale upgrade. This means that Oracle E-Business Suite (E-Business Suite) customers already using 12.2.x can continue to access new functionalities and separately upgrade later versions of the underlying technology, without requiring large investment of time and money of a major release upgrade.

However, though an upgrade is a critical step forward, most Oracle E-Business Suite customers are faced with dilemmas. Is an upgrade the only viable option to realize maximum returns on their Oracle investments, and to take advantage of Oracle's offer of greater value and new advantages with each new version of E-Business Suite being released? Several organizations prefer to upgrade because it's the path of least resistance. But when you consider factors like the new architecture of the financials package and concerns about product quality, some organizations may choose to re-implement E-Business Suite entirely, to make sure they eliminate any obsolete fundamental setup configurations and multiple instances.

As customers look at whether they should re-implement or upgrade, here are some points to consider:

• Each Oracle E-Business Suite version comes with a set of new features and capabilities, sparking the concern over transition complexities.

• Compared to re-implementation, most E-Business Suite customers and software vendors prefer upgrades, to completely new implementations.

• There are also some organizations who are unhappy with their E-Business Suite implementation and its restrictions, and prefer to re-implement to begin afresh with Oracle, and are open to the additional expense and effort.

• Some existing E-Business Suite implementations may require structural changes to configurations, such as significant customizations to the data and forms in the current instance, that will be redesigned or replaced by newer versions.

• There could be significant business process re-designs or changes to the underlying technical infrastructure and architecture.

• Oracle customers are increasingly looking at leveraging their apps to deliver superior end-customer experiences, and hence, boost their own bottom line. This means each Oracle implementation must be result-driven and profitable for the customers.

• **Latest developments and enhancements in Oracle E-Business Suite –**

– Enhanced User Experience: Oracle has attempted to give a fresh look and feel, with a visually appealing UI. It is HTML UI which has been optimized to suit mobile devices as well. E-Business Suite also comes with Enhanced Information Discovery that helps optimize business processes.

– Operation Efficiency: Online Patching (ADOP), Oracle E-Business Suite now supports faster middle-tier start-up and shutdown. ADOP allows for easy and quick online patching. Developers can also rapidly apply and test code changes.

– Technology Updates: Oracle now offers E-Business Suite mobile apps on iOS and Android smartphones to allow customers to perform E-Business Suite-related tasks on their mobile devices. Oracle has also introduced Command Centers such as the Oracle Procurement Command Center, which allows increased visibility and access to purchasing activities for more value creation; and the Oracle Contract Renewal Command Center which helps improve visibility to service and lease renewals for better loyalty.

Option 1: Re-implement Oracle E-Business Suite

Re-implementing E-Business Suite gives "greater flexibility in your setup and in how you migrate your historical data using supported public interfaces." This means that you have the freedom to make significant decisions for your IT infrastructure and works well if you are unhappy with older E-Business Suite versions. If you upgrade, Oracle may not offer this flexibility. However, Oracle also points out that re-implementation, when compared to an upgrade, is harder, more complex, and requires more budget & resources. It will also need you to hire an external service provider to complete the implementation.

Having said that, if you need to customize or change more than 70% or major part of your Oracle Applications/ E-Business Suite, then a re-implementation with the latest release is the better option to go with. So, if you're re-implementing, here are some key points you need to consider:

• Fresh installation of version R12.2.x will be required

• Historical data will need to be procured from any of the legacy instances

• For any data, the user will need to decide what history to load and how to store the rest. A policy for each different type of data, such as the current fiscal year, current year, and only open transactions will also be required

• It will be a challenge to manage historical data because it is resource intensive, even with help from experienced programmers and powerful conversion tools

• The previous E-Business Suite instance will need to be kept in the "legacy" mode, and will have to be restricted with a read-only access

• Reporting mechanisms will have to be designed to include the legacy version as well as the operational R12.2.x instances. This spans translations, reconciliations, mappings, and external reporting

• Any BI or DW environment will require a plan to incorporate the frozen legacy and operational R12.2.x environments during the re-implementation

The re-implement vs upgrade debate re-emerged a few years ago due to the size of upgrades, the number of application changes being announced, and the need to move to the next version. The good news is that the upgrade process and tools are far easier now and is probably a better choice over re-implementation. A re-implementation project, in comparison, is vast and complex, and asks for more money, time, effort and resources.

That said, there could be specific situations that make a re-implementation necessary, such as:

• The business or organization structure has undergone a complete change, and the current ERP configuration is no longer relevant
• For simplicity of future upgrades, it may not be possible to retain all the customizations made over the years. Re-engineering and changes to the process will be required
• The original E-Business Suite implementation was not up to mark and was not meeting expected objectives
• Tons of bad data has accumulated over the years and must be eliminated and not carried forward

But the question is whether your organization should go through the tedious effort of a re-implementation to clean up the data or perform data archiving and cleaning up activities and then upgrade. Moreover, with enterprise resources being focused on the re-implementation, other priority tasks and customer deliveries get impacted?

Option 2: Upgrade to the Next Version

Conversely, to what we said earlier, an upgrade is usually simpler, cheaper, and faster than a re-implementation. Yet, upgrading E-Business Suite can still be a challenge, because in E-Business Suite 12.2.x, an upgrade is more tedious and prone to errors due to the move to WebLogic and ADOP (online patching). So, if you're upgrading, here are some essential challenges you should be aware of:

• Several E-Business Suite customizations may not have followed the required Oracle standards, which is a problem because in R12.2 the ADOP process enforces these standards. Past customizations, thus, may need modifications during/before an upgrade.

• As with any software upgrade, production-outage time is a concern, and significant upgrades to the version could lead to several days of production downtime.

When an upgrade process is not managed well, there could be issues related to speed, quality, and cost resulting from human error, poor technical expertise, and lack of visibility into the deployed changes. With that in mind, here are some recommended best practices to follow if one is going for an E-Business Suite upgrade:

• Global Standards Compliance Checker (GSCC) and Readiness Report will help to identify the issue quickly with oracle standards.

• Automating the deployment of customizations could save time and minimize the risks involved. Especially with ADOP, it is wiser to opt for automated deployments. Some customizations may require some form of human intervention, which can then be repeated and automated across multiple environments.

• Third-party plugins such as FlexDeploy are useful for managing the ADOP lifecycle and for easy patching with minimum manual effort.

• IT teams will be able to troubleshoot better if they have visibility of changes made via reports and dashboards, as well as access to real-time and historical information. They can also better manage compliance and audit requirements.

• As opposed to a re-implementation, an upgrade is less likely to cause a prolonged disruption to business operations. This means one can continue with delivering uninterrupted services to their customers.

Option 3: Move to the Cloud

Oracle's Fusion Cloud was launched to offer the best of Oracle ERP features while ensuring that the solutions remain user-friendly, accessible, easier to maintain, and so on. Oracle believes in a co-existence strategy that will allow its customers to increasingly adapt and migrate to Oracle's apps on the Cloud over time. Though this is impressive, several Oracle customers are reluctant to move to the Cloud, especially a full-scale cloud implementation as the cloud apps have varying maturity levels, such as the Oracle SCM Cloud, which is less mature than Oracle Financials cloud. They want to wait until Fusion Cloud adoption has gained more traction and a healthier level of adoption.

But if one's looking at moving their Oracle E-Business Suite implementation to the Cloud, here are the critical points to consider:

• The ERP Cloud does not give many opportunities to customize, and this may impede innovation and customization.

• There may be a need to change the way one's organization functions to get the full value of the cloud solution, which means a lot of effort will go in managing the complexities involved in implementing new features.

• Every organization is unique, and standardizing ERP benefits may not be acceptable to customers. Each company would have, over the years, made certain customizations to E-Business Suite to suit their business requirements and built a competitive advantage. Standardization in the Cloud would mean losing this advantage.

Interestingly, Oracle's initial intent when launching apps in the Cloud was to offer a "like for like" replacement. According to a few Analyst Firms, there is high complexity in switching from E-Business Suite to the Oracle Cloud. That's why much of the growth that Oracle Cloud is seeing is from new customers, and not from transitions from existing customers. Moreover, Oracle continues to invest in Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) which will make it easier for customers to benefit from Oracle's services to move their on-premise E-Business Suite to Oracle Cloud.

Oracle is also continuously adding and developing capabilities to product applications and is helping customers ease into the Cloud. Business agility, efficiency, scalability, reduced costs, better support, and availability continue to be the key benefits of moving to the Cloud and sharing resources. With more resources freed up, you can target your efforts towards delivering market-leading experiences at the lowest cost possible, relying on a customer focus, and efficiently running operations.

Experts' View

A complete move to Oracle cloud, may require significant business process transformation, since Oracle ERP cloud doesn't provide flexibility to customize, is not feasible or appealing to many customers.

That's why we recommend that an organization should first move to the long-term supported version of its current platform. (This assumes that the user has a tolerable implementation without extensive invasive customizations) Post the upgrade; users can benefit from some aspects of the Cloud with the current platform running in parallel.

Conclusion

We believe that for any organization using ERP systems, upgrades are inevitable. Whether it is a limited, less frequent technical upgrade or an extensive feature-driven project, some methodologies assure best results. Any discussion about re-implementation vs upgrade vs Cloud must be seen in the overall context of moving to newer Oracle E-Business Suite versions, and the impact on other project components by any transition.

When planning the transition to the newest E-Business Suite version, one needs to focus on the components that are getting affected by the chosen transition method. A basic cost/benefit and resource analysis will guide in planning the transition planning, especially in selecting the method best suited to your needs and limitations.

LTI recommends a hybrid model that will allow organizations to augment their existing E-Business Suite implementation by adopting Oracle cloud. Since both the on-premise and cloud models use the same underlying technology, hybridization could mean more choice and agility. It will support seamless, uninterrupted customer deliveries and will support the creation of engaging customer experiences that help an organization stand out in a crowded market.

The hybrid model is also recommended because it's within the same ecosystem and has the same architecture, standards, and the same components. For organizations, this would make migration from an on-premise instance to the Oracle Cloud so much easier. And organizations can also enjoy the benefits of an on-premise and a cloud deployment by using an optimal model for each purpose.

LTI
Let's Solve

To Move or Not to Move –
What's Your Plan for Oracle E-Business Suite Upgrade?

Author

Ravichandran J

Head, Oracle E-Business Suite Practice

Ravichandran is an experienced ERP Professional with over 30 years of experience in Manufacturing and IT Industries, with specialization in Oracle E Business. He has been heading Oracle E-Business Suite Practice and delivering Enterprise solutions across Industry verticals, by enabling Business Process & Operational Transformation for Global clients.

A Larsen & Toubro
Group Company