PANAYA
Making ERP Easy

HOW TO AVOID AN ORACLE EBS REIMPLEMENTATION

BEFORE YOU FORGE AHEAD WITH A COSTLY REIMPLEMENTATION, DETERMINE WHETHER YOU CAN UPGRADE INSTEAD.

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INTRODUCTION

Oracle E-Business Suite Release (EBS) R12 is now more than 5 years old, as it was first released in February 2007. Yet many customers remain on EBS 11i, a testament to how difficult it can be to take that next step. Indeed, fully 75% of companies participating in a recent Oracle EBS Upgrade survey have not yet upgraded to Oracle EBS R12.[1]

But given how much time has passed since EBS R12 first came on the scene, companies are finding they will soon be forced to make some kind of move. More than half of respondents in the Oracle EBS Upgrade survey (57%), said end of mainstream or extended maintenance was the top reason they were considering an upgrade.

When it comes to making the leap to EBS R12, customers have two basic options: upgrade from their existing version or conduct a full-blown reimplementation. As the name implies, the upgrade option is far simpler, more like upgrading a desktop application as compared to re-installing the operating system.

If business requirements have changed dramatically or there's been a major acquisition, reimplementation is the right choice. But in others, companies reimplement for the wrong reasons, maybe because they can't get a handle on all the customizations that exist in the system or can't tell who's still using which components.

That's where Panaya can help. Panaya's automated, online offering can help companies determine how much custom code they have, how much each component is being used, where third party software comes into the picture and much more. In many cases, companies that thought they'd have to reimplement will find that upgrading is a viable option. That means a significant savings because, from Panaya's experience with customers, it costs about five times more money to reimplement Oracle EBS R12 as it does to upgrade to it. And when using Panaya, companies can further reduce the cost and effort of an upgrade by 50%.

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[1] Oracle EBS Upgrade Benchmark, February 2012, Panaya Inc. http://go.panayainc.com/2012-Oracle-EBS-Upgrade-Report.html

UPGRADE VS. REIMPLEMENTATION

Oracle EBS R12 includes many changes from EBS 11i, including 11 new applications, from Profitability Manager to Service Desk and Production Scheduling. It's a significant step forward from EBS 11i, making it worthwhile for many companies to extend the effort to upgrade or reimplement.

Upgrading to EBS R12 involves using Oracle's upgrade toolkit to essentially convert data from the current release to EBS R12. While there are a number of pre- and post-upgrade steps to take with respect to the database and applications, it's a far easier process than reimplementing. Reimplementing means essentially starting from scratch, installing all the R12 software and configuring all the modules. It involves taking a look at all your business processes and ensuring they fit with the new applications. Then you need to convert some or all of your transaction data from the old version to the new.

4 VALID REASONS TO REIMPLEMENT

Given how much more time, effort and cost goes into it, companies need to be sure they really do need to reimplement before diving in. Following are four situations where reimplementing could be the right path to take.

1. MAJOR CHANGE IN BUSINESS PROCESSES
Many companies first implemented Oracle EBS 5 or 10 years ago and defined business processes that made sense at the time. But businesses change over time and processes may well need to change with them. Perhaps a company decides to outsource some or all of its manufacturing, enters new markets or experiences significant changes in its organizational structure. Any such large changes that drive a need to reassess business processes can present a valid reason to reimplement Oracle EBS R12.

2. MERGERS AND ACQUISITIONS
If your company buys another since you last implemented Oracle EBS, or gets acquired, that obviously represents a significant business change. That's especially true if it changes the scope of your business, in terms of the countries where you now play or the country where your headquarter is located. All of these can be valid reasons for going the reimplementation route.

3. MULTIPLE PRODUCTION EBS INSTALLATIONS EXIST
Some companies find themselves with multiple production installations of ERP systems. It could be the result of mergers and acquisitions over time or different business units implementing their own ERP systems, perhaps because they're in different countries or

simply have varying requirements. Instead of upgrading each installation, this can be a valid reason to reimplement with the idea of merging into a single Oracle EBS instance.

4. MAJOR CHANGES IN EBS SETUP

Major changes in the way a company does business can also drive the need to reimplement Oracle EBS. Maybe your company changes its default currency or expands into countries that have new regulations to deal with. Such changes can prompt a need to change the chart of accounts upon which Oracle EBS is built, which can be a valid reason to reimplement rather than upgrade.

HOW TO AVOID REIMPLEMENTING

Clearly valid reasons exist to go the reimplementation route, but many companies reimplement for the wrong reasons. Consider these three situations where upgrading can be a viable alternative to reimplementing.

1. LOTS OF CUSTOMIZATIONS

Customers who have heavily customized Oracle EBS over the years often think they need to reimplement simply because it's too difficult to identify all the custom code. Custom code is often not well documented in Oracle EBS so it's hard for companies to find all of it and to determine which customizations are still relevant.

SOLUTION

That's where Panaya's Oracle Upgrade Automation service comes in. Customers can upload their Oracle code to Panaya and Panaya will analyze it. Within 48 hours, customers get a report with a full mapping of their customizations. With that in hand, companies can far more easily upgrade Oracle EBS; there's no need to reimplement.

2. LACK OF USAGE DATA

Companies with lots of Oracle EBS custom code also have a problem determining how much of it is still being used. Since they can't determine who's using what code, companies may be tempted to simply start over and reimplement.

SOLUTION

Here again, Panaya can help. Panaya's Oracle Upgrade Automation service not only maps customizations, but provides a full usage analysis. That enables companies to focus their upgrade efforts on code that is being used – and ignore areas that are no longer in use. That can be a big number. Based on the more than 100 Oracle EBS systems Panaya has analyzed to date, we've found about 50% of custom code is no longer used.

3. HEAVY USE OF THIRD-PARTY SOFTWARE

Many Oracle EBS users also implement lots of third-party add-ons. Indeed, almost all respondents to the Panaya survey, 95%, had at least one interface from Oracle EBS to another system while 64% had more than 10 and 24% more than 50. All of those connections have to be validated and managed during an upgrade process. That can be a difficult chore, since it's more than likely that some of the third party vendors have not upgraded their software to be compatible with EBS R12. Indeed, some may be out of business altogether. It's a big enough problem that it leads some customers to take the reimplement path instead.

SOLUTION

As part of Panaya's analysis, we map third party components, identify required fixes and manage them during the upgrade process. Customers can run the analysis again and again to determine whether their third party vendors have applied the necessary fixes – no more guesswork.

UNDERSTAND THE UPGRADE IMPACT

Once you've decided that an upgrade will work, the next issue is to understand the impact of the upgrade so you can plan accordingly. Here again, Panaya can help. After analyzing your code line by line, Panaya will show you what will continue to work as expected and which code needs to be tweaked. With that data in hand, you can plan what resources will be required to get the job done.

DON'T RUSH TO REIMPLEMENT

Reimplementing Oracle EBS R12 is a decision that needs to be thoroughly vetted. Before you rush in to a reimplementation project, let Panaya help you decide whether an upgrade is a viable option. And if you do opt to upgrade, Panaya can help you cut the time and expense of your upgrade in half. It takes only about 20 minutes to get your system set up for evaluation by Panaya, and only 48 hours to get a detailed report on your systems.

See for yourself what Panaya Oracle Upgrade Automation can do by requesting a free trial. Visit: www.panayainc.com/products/request-a-trial.html

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ABOUT PANAYA

Panaya's software-as-a-service helps companies that use SAP or Oracle reduce 80% of their upgrade and testing risk and effort. Utilizing a cloud-based supercomputer, Panaya simulates the upcoming upgrade, automatically pinpointing which custom programs will break as a result of the upgrade and automatically fixing most of these problems.

Panaya's testing solutions dramatically expedite ERP testing and eliminate the need for manual test script maintenance. Seamlessly capturing business knowledge in the background, as users work with the ERP applications, Panaya automatically generates plain-English test scripts that are rapidly executed and continually self-adjust based on test results.