

# The Reimplement vs. Upgrade Decision

There are options

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# A Fork in the Road - Definitions

## Upgrade Path

- Oracle supplied scripts ‘convert’ data from current Oracle Applications release to R12.
  - Supported tools, utilities, and documentation used
  - Entire data and application available after upgrade
  - Clear, straightforward, proven method

*Has been the preferred path to new EBS releases*

## Reimplementation Path

- Configure a new instance
- Write scripts to extract data from existing instance, transform it to new configuration parameters, write scripts to load into new R12 instance.
- Generally bring over a year’s worth of data and maintain “old” instance for history.

*Many experts now advising this path*

# Why Experts are Recommending Reimplementation

- Elimination of customizations
- Difficult to change underlying structures
  - Chart of Accounts, calendar, currency
  - Business Group, Ledger, Legal Entity, OU structure
- Desire to consolidate multiple EBS instances
- Early instability of Oracle upgrade process

# Reimplementation – Not Always a Good Choice

- Long project duration
  - Generally 1-2 years
- Resource Intensive
  - Technical resources to write extract scripts, transformation code, and load scripts
  - Technical resources to unit test the code
  - Functional resources to make all new configuration decisions, understand the new functionality of R12

# Customer: Automotive Parts Supplier

**Client** Major automotive parts supplier

**Profile** 40 distribution centers serving more than 3,400 distributor-owned and independent jobbers in the US, Canada, and Mexico

**Challenges** Multiple instances, each of which resided on separate servers, had created an over allocation of hardware and IT resources, creating operational issues, obstacles to growth, and barriers to improve company-wide efficiencies

**Solution** eprentise Consolidation software for Oracle E-Business Suite to consolidate U.S. and Canadian instances into a single global instance

- Minimal staff involvement: just 5 FTEs
- Zero errors
- Brought over all history
- No configuration required
- Completed in 7 months
- Fraction of the cost of reimplementations
- No coding required

**Results**

- Reduction in infrastructure costs
- Reduction in IT personnel support costs
- Streamlined business processes
- Ability to leverage suppliers
- Strengthened agility to respond to market demands
- Ability to implement new initiatives more rapidly

# Customer: Experian

## Client



## Profile

A global leader in providing information, analytical tools and marketing services to organizations and consumers to help manage the risk and reward of commercial and financial decisions.

- Clients in more than 65 countries and employs more than 15,500 people in 38 countries.
- Oracle 12.0 – All Financials, All HR Modules

## Challenges

Experian needed to change its chart of accounts structure throughout its entire company in order to implement a single global COA. The only other solution was a reimplementation.

- There were 5 distinct COA structures used in 23 different countries. 1 of the structures was golden, but no countries were using it because of the difficulty in adapting to the new structure.

## Solution

eprentise FlexField software for Oracle E-Business Suite to map and change multiple chart of accounts structures to the new golden chart of accounts.

## Results

- Experian made a clone of its production instance and changed the COA's in test environments. After the test environments were verified, which took approximately 2 hours per business user, the changes were applied to the production environment.
- Most of the work was in making the business decisions around mapping source to target and required very little IT support.
- The software simplified the process of making the mapping decisions by identifying when decisions were required, where, and in what order.

# Customer: Cochlear

## Client



## Profile

Operating in 100 countries, Cochlear is the world's leader in advanced hearing technologies.

- 2009 revenue: \$AUS 700 million
- 65-70% market share
- Oracle 11i - GL, AP, AR, FA, PA, OM, INV, PO, MFG, HR, Payroll

## Challenges

Cochlear would have had to cancel orders, revoke invoices, and empty and replace the subinventories if they used the Oracle-provided functionality.

- At times the same account value was used for all the costing accounts (material handling, overhead processing, material overhead, outside processing, and expense) and at other times that same account was used only for one of the costs.
- Cochlear considered the time-consuming and error-prone option of removing the items from each subinventory, changing the account, and then putting the items back into the subinventories. It would have involved cancelling all invoices and orders for each of the subinventories as well as the loss of historical data.
- Changes would have to be coordinated across regions, with a number of people involved over a significant time.

## Solution

eprentise Inventory Costing Change software for Oracle E-Business Suite to change Inventory Costing for each subinventory, including all historical data.

## Results

- Made all account changes at one time, updated the costing balances in the General Ledger, and percolated all changes everywhere in the EBS database.
- Confirmed that all balances tied out and aging data was unaffected.
- Completed the entire process in just a few weeks.

# Customer: Barrick Gold

## Client



## Profile

Gold industry leader, with a portfolio of 26 operating mines and a pipeline of projects located across five continents.

- Large land positions on some of the most prolific mineral.
- Oracle 11i - Financials, HR, Payroll, Procurement

## Challenges

As business requirements changed, Barrick Gold needed to add attributes to reports to improve visibility. It's only other option was a reimplementation.

- 30 different charts of accounts
- Worldwide rollout of new chart of accounts

## Solution

eprentise FlexField software for Oracle E-Business Suite to implement a single, global chart of accounts.

## Results

- Completed the worldwide cutover in only three days, requiring technical assistance from only the database administrator.
- Established a standard Global Chart of Accounts, consistent reporting, and a simplified financial consolidation process.
- Changed all historical transactions to reflect the new chart of accounts, and eliminated the need for an on-going reconciliation process among different countries.



# Customer: Candela

## Client



## Profile

Manufactures and distributes cosmetic and medical laser devices. Markets and services its products in 86 countries from offices and distributors in the United States, Europe, Japan, China and other Asian locations and has an installed base of over 14,000 systems worldwide.

- On September 9, 2009 Candela announced a planned merger with Syneron Medical Limited. Candela's CFO needed to adopt the Syneron calendar by January 5, 2010.
- Oracle Environment (Hosted, 11i) - GL, FA, AP, AR, PA, Inv, PO, OM, BOM, MRP, WIP, Quality, Supplier Scheduling, Cash Management, Service Contracts, Pricing, Capacity, Demand Planning, and others

## Challenges

Candela needed to change their two 4-4-5 calendars (US and Europe) with the year beginning in July in order to adopt Syneron's monthly calendar with the year beginning in January.

- Needed to have 3-4 test cycles and a go-live within a 6 week period

## Solution

eprentise Reorganization Calendar Change software for Oracle E-Business Suite to change the current calendar to align with the parent company calendar.

## Results

- Changed all current and future period dates, the names of all periods (including history, the FA calendar), the 1st period of the year, and the year names.
- Went live December 27 after a project start date of November 24.
- Made modifications between runs to better meet Candela's changing requirements.

# New Route: Remodeling an 11i Instance

- Change Chart of Accounts
- Change Calendar, Currency
- Restructure Business Group, Sets of Books, Legal Entities, Operating Units
- Consolidate Instances

# Pros and Cons of the Two Approaches

Traditional Migration Approach (Reimplementation)		Remodeling Approach (software + Upgrade)	
Pros	Cons	Pros	Cons
Common approach, often recommended by consulting organizations.	No standard extract/transform scripts. Very similar to a custom development project requiring a more formal development and testing methodology including documentation, error handling, and development standards.	Shorter project duration with fewer resources translates to lower costs. Project can easily be completed in 3-8 months. That means that the savings of a single instance are available sooner.	Not widely understood among Oracle professionals. Customer needs strong sponsor.
No need to upgrade Current 11i to New R12 due to straight data migration into an R12 instance.	More risk in extract, transform, and load (ETL) that will not be supported by Oracle.	Only testing that is required is functional testing.	For consolidation, instances need to be at the same version/patch level

# Pros and Cons, Continued

## Traditional Migration Approach – Cons

Requires technical knowledge of all tables and usage in the E-Business Suite.

APIs do not exist for all tables. There is a risk of compromising the data integrity by extracting and loading data incorrectly. Oracle Support not available.

History is generally not converted. Generally a sunset instance is required for reporting, reconciliation, business intelligence, and audits. Every time the sunset instance is accessed, data must be transformed to align with the R12 instance.

Need to configure R12 instance

Scripts are written for the current state of the data. Any changes require re-writing of the scripts.

12-24 months duration

## Remodeling Approach – Pros

Repeatable results, reusable as requirements change. As requirements change, only need to add/change rules, a step that is usually done by a functional user on a specially designed user interface in the software In a very short time.

All data integrity is maintained because the code is automatically generated.

All history is converted so there is no need to maintain a sunset instance for reporting, reconciliation, etc. All the data is complete and consistent.

No need to configure R12 instance

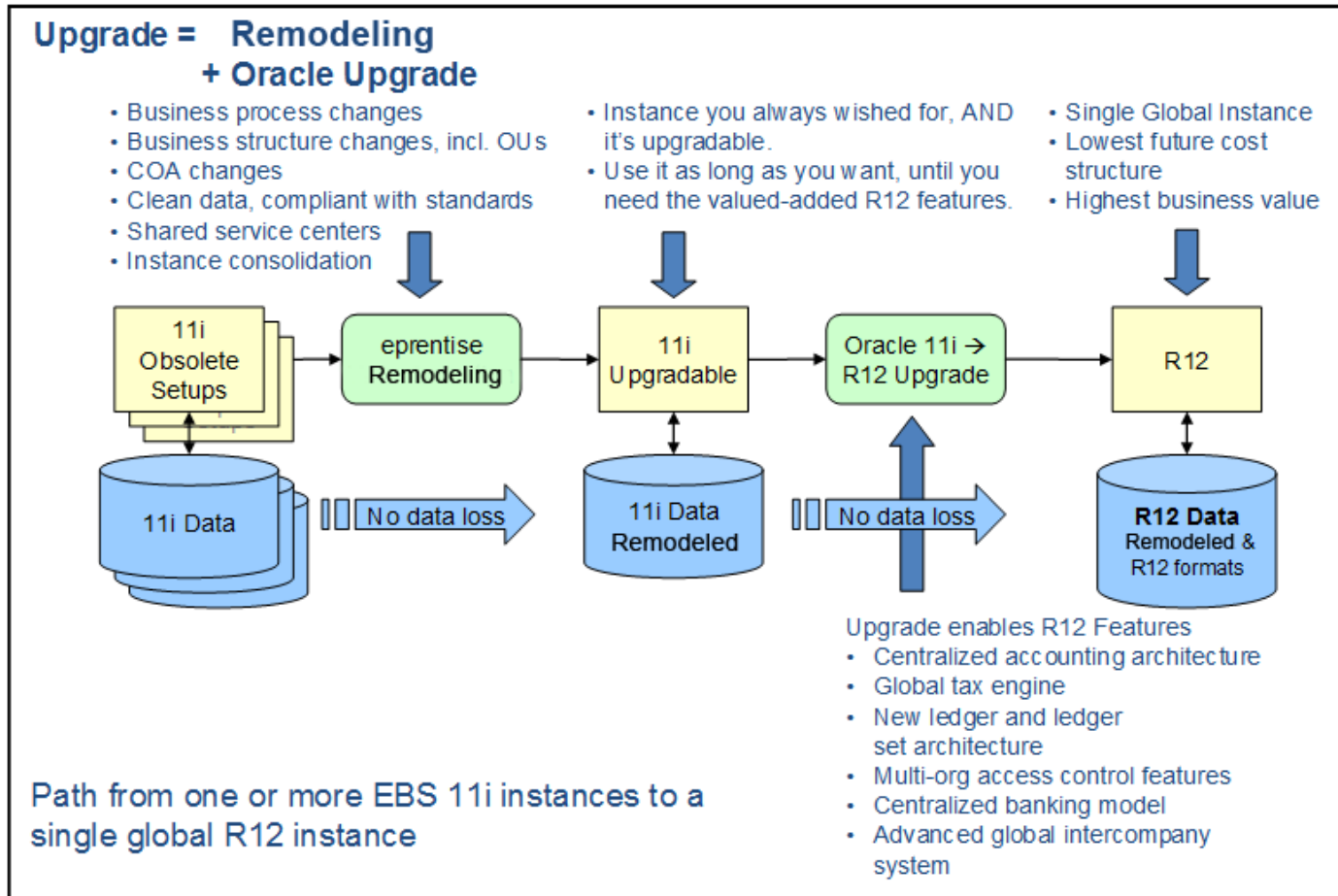
Full documentation of existing instance including comparison of instances

3-8 months duration

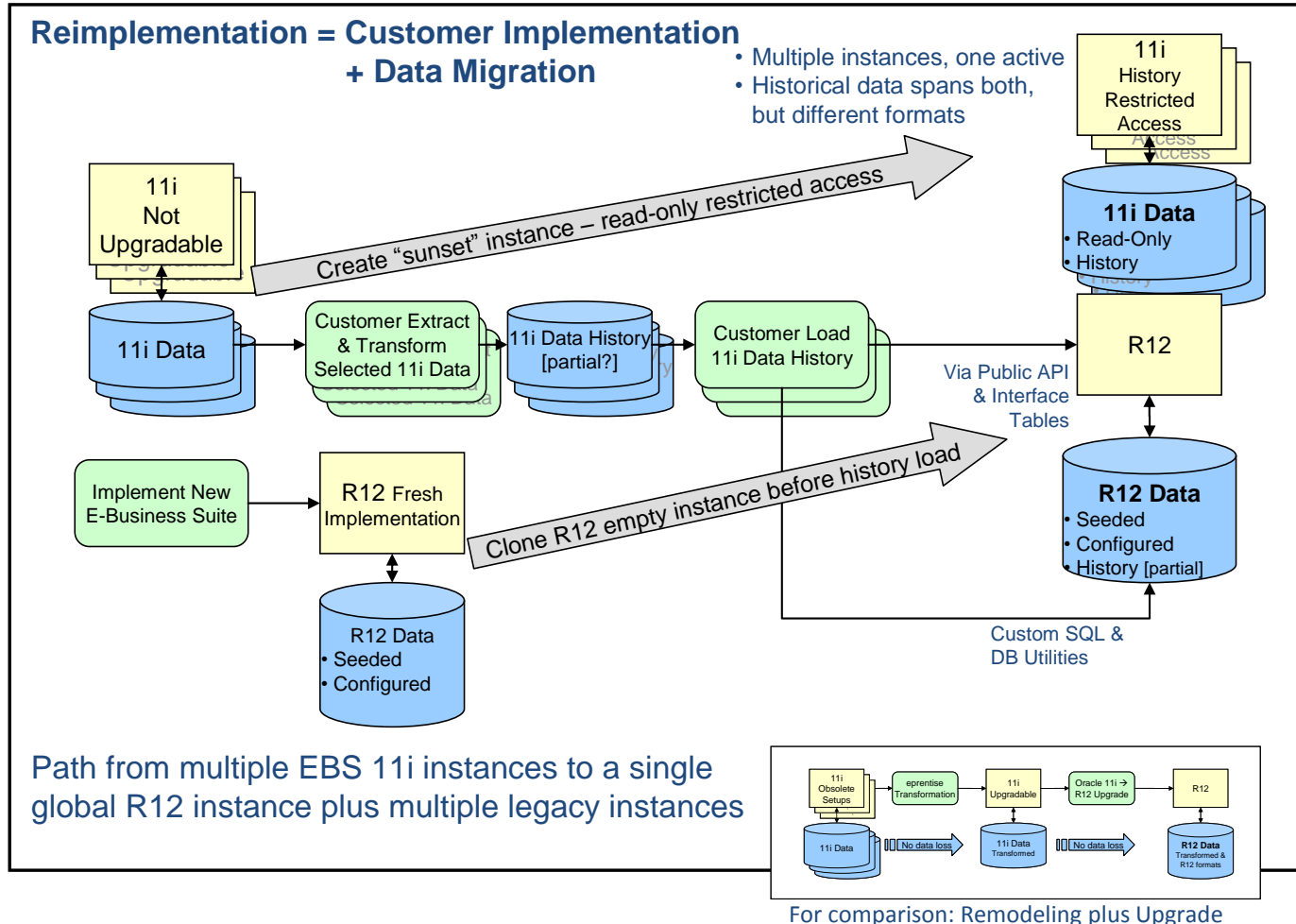
# Upgrade Considerations: *What Needs to Change?*

- Fundamental Configuration Setups
- Legal Entity, Set of Books, Calendar, and Operating Unit structures
- Org Units structure
- Number of E-Business Suite Instances
- Chart of Accounts Structure (COA)
- Number of COAs
- Business Processes
- Data cleanliness and standards
- Customizations and enhancements
- Obsolete data
- Business Intelligence environment

# Getting to R12: Remodeling + Oracle Upgrade

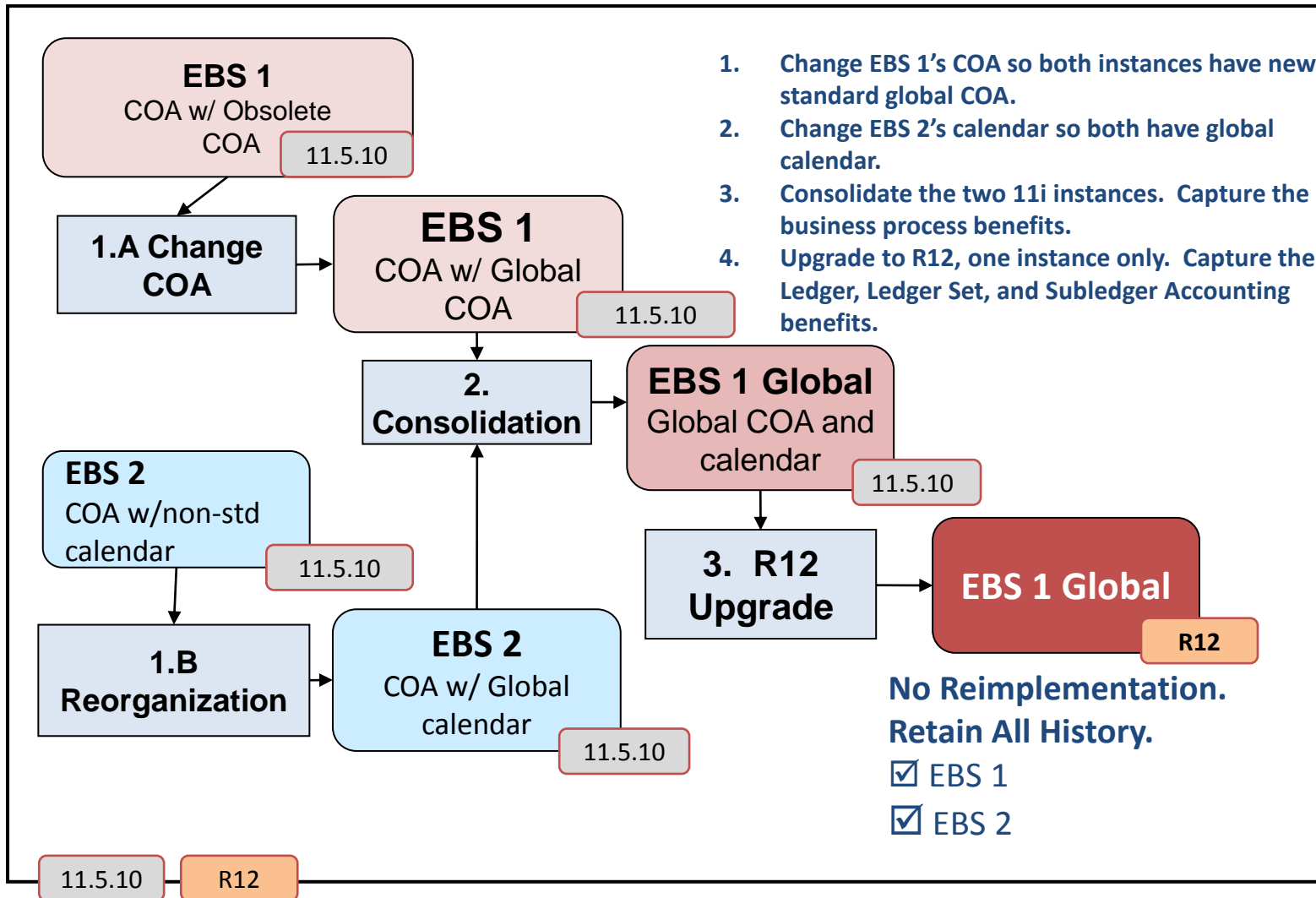


# Getting to R12: Reimplementation + Migration



# Getting to R12:

## Example Consolidation Scenario with Different Versions of EBS





# 10 Reasons to Choose Upgrade

1. Reduced schedule and technical risk.
2. You can change your Chart of Accounts.
3. You test new EBS setups in familiar 11i.
4. Transaction data will be changed, too.
5. Your history matters.
6. Avoid custom data conversion.
7. True single instance for past and future data.
8. Avoid multiple custom conversions and legacy instances.
9. Upgrade offers the most direct path and shortest time to single instance R12 business value.
10. Upgrades cost less.

# You Don't Have to Reimplement

Reasons That Customers Used To Think That Reimplementing Was The Only Option	Condition Removed by Remodeling Approach
Correct or update prior 11i setups “that are not easily changed.”	✓
Multiple instances.	✓
Obsolete non-global COA. Want global COA.	✓
Multiple COAs and want a single one or fewer COAs.	✓
Multiple different business processes. Want to realize benefits of standard global business processes.	✓
Data is inconsistent or dirty. Data administration standards have not been enforced .	✓
Many customizations and enhancements.	✓

# End

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