

Oracle Consulting Derives Business Value For ERP Systems Integration Clients

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About This Research

Performance Monitor LLC is an independent research firm that monitors the field and marketing performance of the leading Oracle systems integrators. Performance Monitor has compiled a database of 864 Oracle projects that were completed between 2004 and 2006. Each of these projects was led by one of the following Oracle systems integrators: Accenture, BearingPoint, Capgemini, CSC, Deloitte, IBM, or Oracle Consulting.

Performance Monitor self-funded this research and the systems integrators were not involved in developing the research framework or methodology.

Introduction

Performance Monitor interviewed 298 Oracle clients completing a systems integration project in 2006. Forty-eight of these projects were led by Oracle Consulting. One of the key findings of this research is that each systems integrator has their own respective strengths, weaknesses, and patterns of performance. This paper will examine the performance of Oracle Consulting.

Performance Measurement

Performance is examined from a variety of angles to identify delivery patterns. Clients assessed their systems integrator's performance in the following ways:

Performance Ratings: Clients rated their systems integrator on 12 performance criteria that span the project lifecycle. Ratings were provided on a 10-point scale (1 is low, 10 is high).

Engagement Problems: Clients identified the types of problems they experienced during their project. The frequency of problems is compared to industry averages. This research reveals that certain problems have a greater impact on delivery performance and client goal attainment.

Goal Attainment: Clients rated the effectiveness of their integrator in meeting their expectations on ten different goals common to Oracle projects, as well as providing an assessment of their Overall Goal Attainment. Responses are classified into three groups: fell short of expectations, met expectations, and exceeded expectations.

Keys to Effective Delivery

According to this research there are two key factors that drive successful Oracle systems integration projects: strong project management and planning ahead for the post-go-live environment. Projects with effective leaders that plan ahead for the post-implementation are more likely to report higher levels of goal attainment.

Project Management

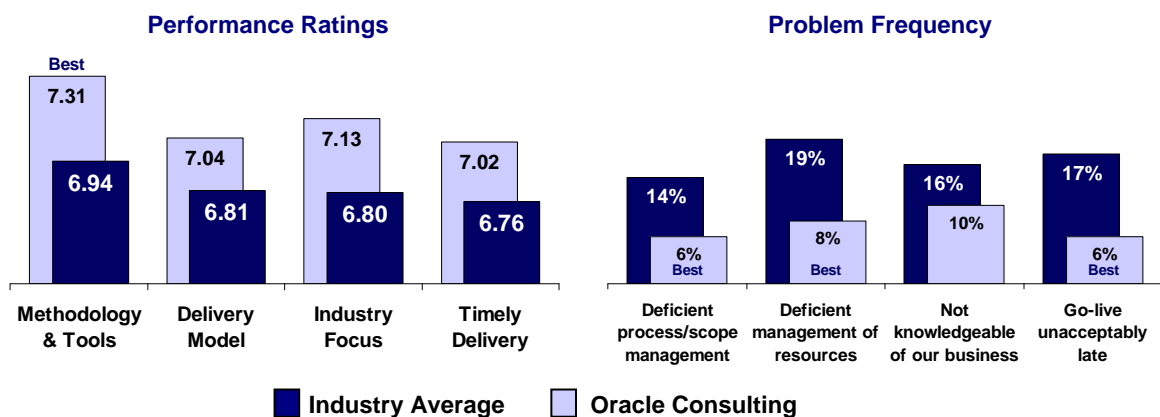
Project management is a rather broad subject, but for the purposes of this paper it breaks down into a handful of relevant components: methodologies and tools, process/scope/resource management, domain knowledge, and schedule adherence.

Clients provide strong performance assessments for Oracle Consulting in each of these areas. Performance is evaluated using two measures: performance ratings on a scale of 1 (low) to 10 (high) and the frequency with which clients report problems.

Comparing Oracle Consulting's results with those of other leading systems integrators reveals that Oracle Consulting is outperforming the industry norms in each of these areas.

Oracle Consulting...

- Receives the highest performance score for Methodology & Tools
- Outperforms the industry average for each of these criteria
- Clients report the fewest problems related to deficient process, scope, and resource management
- Clients report the lowest frequency of late delivery
- Is among the leaders for being knowledgeable of their client's businesses



One of the ways Oracle Consulting works to ensure such high levels of delivery performance is by having a dedicated Project Management Office (PMO) to ensure their methodologies and delivery practices are consistently applied by properly trained and certified project managers. Further, Oracle Consulting's Quality Management System ensures that projects are being managed in line with client expectations throughout the engagement, helping to reduce engagement issues, keeping projects on schedule and improving overall customer benefit realization.

Like all large service providers, Oracle Consulting employs offshore resources as part of their delivery strategy. Optimum Shore is a program that matches appropriate skills at appropriate phases of the project to most effectively leverage resources at the right cost. Performance Monitor research shows that when Oracle Consulting employs offshore resources delivery effectiveness improves 93% of the time, one of the highest success rates in the industry.

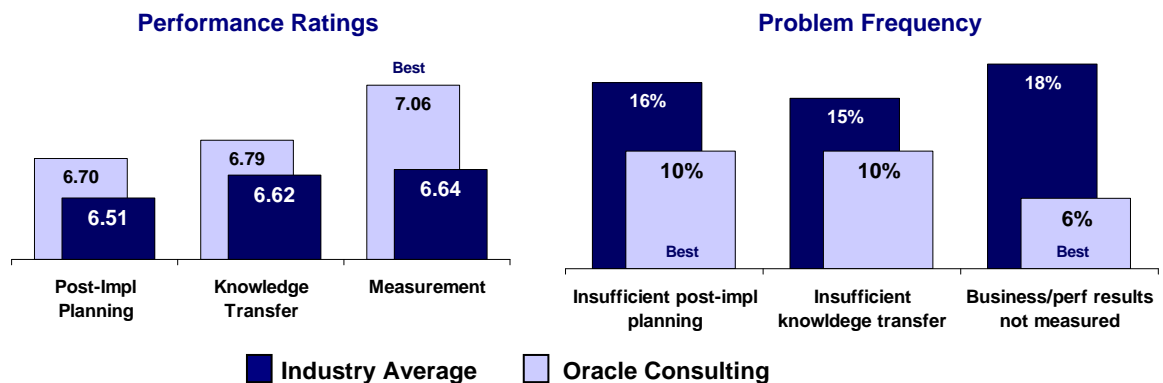
Preparing the Organization for the Post-Go-Live Environment

Sometimes clients are so focused on the project schedule they skip critical planning stages. According to these findings insufficient post-implementation planning is the single biggest goal attainment killer in Oracle systems integration projects.

Oracle Consulting has an excellent track record of keeping the client focused on their long-term objectives. This research examines three components of readying an organization for life after go-live: post-implementation planning, knowledge transfer, and measurement.

Oracle Consulting...

- Receives the highest performance score for Measurement
- Outperforms the industry average for each of these criteria
- Clients report the fewest problems related to insufficient post-implementation planning
- Clients report the lowest frequency of problems related to measurement



Effective measurement is a critical component to determining business value. Oracle Consulting is adept at helping clients put in place the necessary measurement program for their organization, as is evident by receiving the highest performance score for Measurement in the industry. Compared with the other leading systems integrators, Oracle Consulting clients report the fewest problems of this nature.

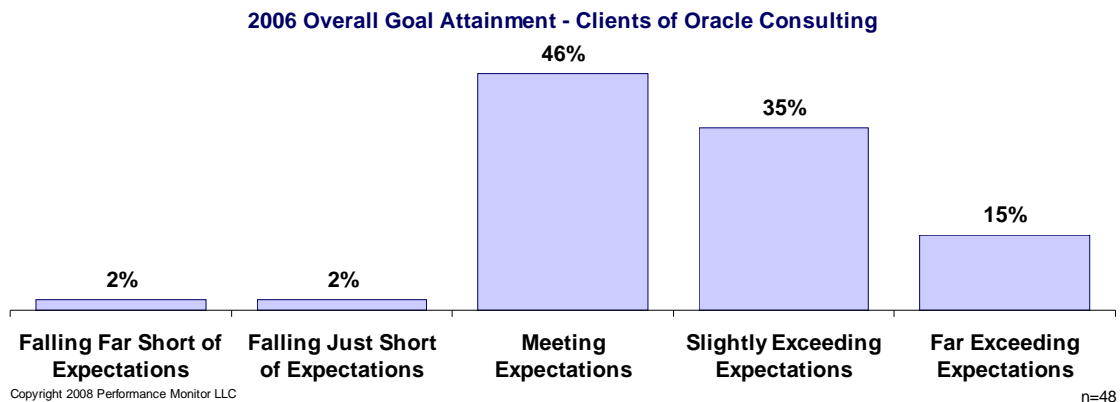
Just as planning and measurement are critical, so is preparing a company's end-users and support staff on the updated systems. Sometimes companies will make cuts in this area by educating a handful of users and expecting them to train the balance of the staff. In order to most effectively operate and maintain the systems over time, proper training is a must. Oracle Consulting exceeds the industry average for their ability to effectively transfer knowledge to those using and maintaining the systems over time.

Deriving Business Value

This research reveals that Oracle Consulting has knowledgeable and effective project managers who are focused on helping clients derive long-term business value from their Oracle systems. In addition to understanding delivery effectiveness, this research measures client goal attainment. Oracle Consulting's strong focus on process, planning, and domain expertise yields results for their clients.

Client Goal Attainment

In total, 96% of Oracle Consulting clients reported that their overall goals were attained – the highest percentage of the leading systems integrators studied. This equates to only one in 25 clients reporting their goals were not attained. For comparison, the industry average is one in 10 clients reporting their goals were not attained.



The two most difficult goals in Oracle systems integration projects are reducing IT costs and improving business processes. Clients report that Oracle Consulting met or exceeded expectations at rates higher than the industry average for both of these goals.

The table below compares Oracle Consulting's performance to the industry average for each of the ten goals studied in this research.

Oracle Consulting Performance on Specific Goals	
Client Goals	Performance
Meet regulatory requirements	Best
Streamline financial management	Best
Reduce IT costs	Best (tied)
Reduce production costs	Best (tied)
Reduce supplier costs	Best (tied)
Improve business process	Above Average
Increase revenue	Above Average
Consolidate or replace IT systems	Above Average
Implement scalable, adaptable systems	Above Average
Reduce other business costs	Above Average

Clearly Oracle Consulting is delivering business value for their clients.

Client Loyalty

One final metric this research studies is client retention. As one would expect there is a relationship between delivery effectiveness and client loyalty. Based on these results it should come as no surprise that Oracle Consulting clients report the highest retention levels in the industry.

Summary

Oracle Consulting clients report very strong performance in many aspects of systems integration delivery, including two key areas: strong project management and post-implementation planning. Oracle Consulting's strong delivery performance translates into results, as clients report industry-best levels of goal attainment in several areas. This high level of delivery effectiveness and client goal attainment results in the highest client retention level in the industry. In short, this research reveals that Oracle Consulting helps clients realize significant business value from their Oracle product investment time and time again.

About Performance Monitor

Founded in May 2005, Performance Monitor is the leading provider of fact-based research and advisory focused on monitoring the field performance of professional services firms.

For more information, please contact Paul Reynolds, Chief Research Officer (preynolds@performancemonitor.net) or visit www.performancemonitor.net.