

ERP to the Power of Three—
The Exponential Value of
Packaged Applications,
Technology, and Services for
Midsize Businesses

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If midsize companies want to harness all the power of a complex information technology platform, they face the seemingly illogical task of doing so with a fraction of the resources. And, if they fail, the risk is more than just a footnote in the annual report. It's more like a career limiting move for everyone who touched the project and a potentially fatal blow to the business itself.

EXECUTIVE OVERVIEW

Virtually all the experts agree that growing companies in the midmarket face the same challenges as their large competitors. Yet they must face those challenges with smaller budgets and smaller staff while being exposed to greater risk. That's a pretty way of saying that, if midsize companies want to harness all the power of a complex information technology platform, they face the seemingly illogical task of doing so with a fraction of the resources. And, if they fail, the risk is more than just a footnote in the annual report. It's more like a career limiting move for everyone who touched the project and a potentially fatal blow to the business itself.

This paper represents a discussion of both the daunting challenges midsize companies face when deploying an industry-leading technology infrastructure and the tried and true solutions provided by Oracle, HP, and their mutual network of partners. This perspective on the landscape reflects decades of experience and thousands of successful joint projects.

Simply put, Oracle and HP direct their vast resources—products, strategy, and development—through a shared partner network to shrink-wrap the cost structure and suck the complexity out of top tier enterprise application and technology deployments. The result is a comprehensive, turnkey information technology backbone that delivers benefits on an exponential curve.

HOW CAN A MIDSIZE COMPANY DEPLOY THE SAME INFORMATION TECHNOLOGY AS AN ORGANIZATION TEN TIMES ITS SIZE?

The challenges may be the same, but it's a vastly different playing field for midsize companies when it comes to Enterprise Resource Planning (ERP) deployments. As a percentage of revenue, a smaller company's IT budget is similar to that of a large company. But dissect that budget and you'll

see that infrastructure—the platform itself—is the largest single expenditure for a smaller company. For large companies, it's staff.

It's that clear—smaller companies have to deploy their budgets differently. With fewer staff, they must look to trusted partners and leading information technology vendors for expertise.

Thousands of midsize companies have successfully implemented the applications and technology offerings from industry-leading vendors. Yet many of these organizations settle for stripped down versions of products “designed for the mid-market” to make them more palatable. We'll get into that later. Others might be considered by their peers as mavericks—Web 3.0 pioneers with an IT death wish.

Thankfully, there is another category. They are an elite—but growing—band of IT decision-makers that have simply found their way to the right combination of partners who understand their needs and how they can be addressed on a limited budget.

Ask any CIO of a midsize company that has successfully deployed industry-leading solutions and they'll tell you it's foolish to ignore the benefit side of the equation. Inherently, if you reduce the cost and complexity of an IT project you shorten the time to value. Smaller companies must measure implementations in weeks, not years. Return-on-Investment expectations are typically exponential to the cost. Thus, it stands to reason that the faster you start realizing benefits, the sooner you get what you need—profitable growth, greater process efficiency, positive cash flow, improved governance and compliance, and risk reduction.

That's where the Oracle/HP story begins. It's an account of how two industry leaders teamed up to simplify, lower the cost, speed time to value, and lessen the risk of a net-new ERP deployment.

"The combination of Oracle and HP have been a perfect fit for Colorcon as this platform has seamlessly supported our global growth. We continue to expand our Oracle and HP product portfolio. The combination gives Colorcon high confidence that we can support our customers any wherein the world with consistent products, services and high quality."--Perry Cozzone, VP and CIO., Colorcon

GIANTS TEAM UP

Amazing things happen when two giants of their respective industries discover synergies.

HP and Oracle are undisputed leaders in their respective industries, a fact that can sometimes work against both companies when addressing companies on the lower end of the revenue scale. The associated chest-thumping breeds a perception among some CIOs that the providers of products to multi-billion dollar conglomerates can't be a good fit for their "little" company.

Yet over two-thirds of Oracle's 190,000 customers are companies with fewer than one thousand employees. And, according to AMI Partners, "HP is the global midmarket server and storage leader". With over 140,000 shared customers, Oracle and HP's credibility in the market is undeniable.

That incredible overlap of customers can be attributed to a philosophy that is shared from the top down in both organizations —simplify the entire information technology experience for midsize companies to provide exceptional value fast. This strategy is delivered by packaging applications, services, and hardware to:

- Reduce initial and ongoing costs
- Reduce complexity
- Mitigate risk
- Establish a flexible, scalable platform to support future growth and change.

In 2006, Oracle announced an innovative strategy for growing companies with limited resources—Oracle Accelerate Solutions. Through this program, Oracle delivers a comprehensive set of applications, technology, and rapid implementation tools via an extensive partner system with industry expertise. These product and partner combinations reflect leading practices not just at the industry but also at the segment level. This acknowledges, for example, that the needs of a Management Consulting organization are quite different than those of a Business Services firm even though they are lumped together in the Professional Services industry.

Given the strong relationship between HP and Oracle, it was only natural that the two companies began to build on their synergies to jointly address the needs of midsize companies. With such a large common customer base, it's no surprise that the two companies' value propositions overlap as well. HP provides example server and storage configurations for Oracle Applications designed specifically for midsize customers. These configurations help simplify the selection and deployment process, and support varying user counts, cost objectives and common goals for continuity, security and efficiency. Plus, HP's Total Care program helps

midsized companies choose, use, protect and transition the right server and storage solution.

The alliance is all about making ERP deployments easier.

Making ERP Deployments Easier

You don't often (OK—never) hear the word “easy” used to describe the deployment of ERP applications and infrastructure. But, by teaming up, Oracle, HP, and their partners make the entire process a lot “easier”—easier to buy, implement, maintain, and adapt.

Easier to Buy

Ironically, while cost is seemingly the most constrictive barrier to midsized companies deploying industry-leading ERP solutions, they rarely select the lowest-price vendor. They *do* expect pricing scaled to size and despise an exhaustive negotiation process with multiple iterations of proposals, even if it leads to a palatable price. They want to know from Day One what the solution is going to cost—at least in the ballpark—so they can evaluate vendors on attributes other than price. Likewise, implementation partners expect a clean, concise contract approval process that allows them to maintain a favorable relationship with their customers and get to work quickly.

In January of 2007, Oracle launched Oracle Accelerate solutions—fixed price, fixed scope implementations delivered via a network of industry-savvy partners. Behind the scenes, Oracle has been busy streamlining the contract approval process. As a result, these partners, who built their expertise in fulfilling project commitments to their customers, waste less time on the administrative side and get their consultants on the job quicker.

HP brings added value to these packaged solutions by providing hardware sized for the midmarket. Customers get the horsepower they need with room to grow without wasteful, excess capacity. HP-approved configurations for Oracle E-Business Suite and JD Edwards EnterpriseOne include 25, 50, 100 and 200 user scenarios for entry level, consolidation and rapid growth. Each is based on joint Oracle/HP engineering expertise and best practices, with configurations available for Linux, Microsoft Windows and HP-UX operating systems.

HP's ProLiant series paved the way to their midmarket leadership. The new HP BladeSystem c3000—or “Shorty” as it's affectionately known—and the HP StorageWorks All-in-One SB600c Storage Blade represent a next generation, all-in-one infrastructure built just for small and midsized sites with big computing and storage needs. Resource-constrained

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companies save money and space by mixing and matching storage, servers, and their network in one box.

Easier to Implement

No company, regardless of size, wants to suffer the cost and time overruns of a lengthy IT project. But, without question, big companies are better prepared to absorb these cost variances. For one thing, they are likely to have IT projects in the queue all the time. Their CIOs compete for budgetary attention every year with other capital projects. You win some, you lose some. You move on.

In contrast, fast-growing companies with limited resources usually make a major ERP selection to address some festering problem that threatens to drop their business to its knees. Orders are late. There's no visibility to inventory. Maybe transactions have reached a critical level where "management by spreadsheet" just doesn't work anymore.

For these companies, an on-time, on-budget project is not a "nice to have" but a "must have". It's not just the cost factor but also a desperate need to get up and running quickly and to apply the solution's power to the very problem that threatens their company's viability. It's an urgent, if not emergency, situation. That's when a 911 call goes out to their trusted partners.

Oracle Accelerate solutions, powered by HP hardware, offer what new customers need, when they need it. These solutions are reviewed by Oracle to verify a partner's expertise and competency within their selected geography and industry segment. Customers can trust that this solution has been deployed as promised in their industry niche and their region—many times before.

HP approved configurations are based on joint HP/Oracle engineering expertise and best practices, including experience gained from benchmarks performed in environments tailored specifically for small and medium sized businesses. This helps to ensure the end-to-end solution performs optimally. Recognizing that many growing companies are space-constrained as well, the new HP BladeSystem c3000 does not require a pristine environment—no special electrical or cooling requirements. Just stick one in the closet, plug it in, and let it run – it consumes less power than a hairdryer.

Easier to Maintain

ERP implementations can be like a wedding. From proposal through the honeymoon you have all the resources and attention you need. Champagne flows and everyone is giddy with the prospect of a new relationship. But as time passes, the responsibility of making things work falls upon a select few.

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Midsized companies can't divert internal resources from their day jobs to adjust the system for changing business needs, expanding into unknown territories, and scaling to growth. They need to implement once and get on with running their business. Customizations create a ripple effect of added costs and complexity that must be deciphered every time a new application is added or an upgrade is considered. .

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The vast majority of Oracle applications customers implement with minimal customizations, which is the result of having the right solution fit in the first place. Oracle's broad product footprint reflects industry best practices garnered from decades of successful deployments. This lack of customization keeps Oracle customers on the upgrade path and able to add functionality when they're ready without having to deal with a jungle of custom code. At the same time, HP's versatile, modular server and storage combinations expand as business grows and needs change, with unified infrastructure management software and built-in control interfaces that are intuitive and easy to use.

In the background, customers and partners benefit from award winning technical support. HP and Oracle have been recognized many times over for offering superior customer service and partner support.

Easier to Adapt

Technology has its own language. IT decision makers cannot be blamed for a cynical view of vendor claims. Often, "flexible to fit your needs" is synonymous with "so complex it will take you months to figure it out". And, "customized by partners to meet your special needs" typically means, "additional time and materials costs not covered in the proposal". We've all heard tales of fast growing companies that, months after going live, immediately start another selection process to address scalability issues and new requirements.

Still, many midsize companies consider top tier ERP solutions because they've had great success and want to take their business to the next level. Maybe burst out of the midmarket. They're willing to change their processes to the industry best practices of others that have gone before. They look to their partners and IT vendors to point them in the right direction. It's like when your father told you, "You can be anything you want to be". What you really needed was his expert advice, such as, "You should be a pilot—it's a perfect fit for your personality and skills".

Oracle and HP can't provide fatherly advice. But, thousands of midsize customers rely on their wisdom—business acumen communicated by partners who often have experienced their growing pains side by side. Often, these partners have more skin in the game and know their customers' businesses as well as their own.

In the initial implementation, partners leverage Oracle and HP to deliver to their customers an agreed upon footprint of products, addressing the most pressing, mission-critical needs, on time and on budget. With this success under their belts, they know growing customers will call on them time and time again to expand the application footprint and fill in with “roll-up-your-sleeves” expertise, intellectual capital, and manpower where those customers have gaps. With each successful project, partners build a pipeline of future work.

With Oracle and HP, midsize customers get the same processing and storage power as some of the largest companies in the world, but sized and priced for their needs. When they buy Oracle applications, they get the exactly the same products used by some of the largest companies in the world. No “Financial Management Lite” or a share of someone else’s computer.

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The Exponential Value

Big company or small, it’s always a vexing assignment to quantify the benefits of an ERP project. More importantly, for midsize companies it’s not about the exercise but the results.

Most IT decision-makers in smaller companies know what’s broken and are able to determine, at project completion, whether it was fixed. They measure what they can, and hold partners and vendors accountable to what they’ve agreed to do. The straightforward goal always is to complete an on-time, on-budget project that establishes a flexible, scalable platform so the business starts reaping benefits—pronto.

By that way of thinking, the best ERP solution is one that features products and services from vendors who have proven over and over again that they can do what the said they’d do.

Oracle, HP, and their partners have that pedigree. They recognize there are a right way and a wrong way to make money. The wrong way is to draw out projects to keep billable consultants off the bench, to sell a gas-guzzling SUV of hardware where a hybrid compact can do the job, and to package a cornucopia of applications when maybe all the company needs to do is fix their supply chain before it runs them out of business.

The right way? Succeed as your customers succeed. Lay down an IT infrastructure that delivers functionality, power, and support when and where it’s needed without painful disruption to business. Minimize customizations to keep your customer on the upgrade path and able to add more products. Don’t let the cost of hardware upgrades overwhelm

a limited IT budget. Deliver expertise and manpower incrementally on projects that pop up because your customer is growing profitably.

It's a situation where everyone wins. That's the way business should be.

The right ERP solution makes it possible for any company to start measuring improvement. With Oracle and HP products, tailored to the needs of midsize companies, and delivered by a shared network of experienced partners, the benefits start piling up fast. People talk less about the project itself and more about the results. The company sees rapidly increasing benefits attributable to improved technology.

That is the exponential value delivered by Oracle and HP and their shared network of partners.



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