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The Next Step in Innovation: Standard Business Processes

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Introduction

Implementing new software offers an opportunity to re-examine aging business processes. In fact, today's utility software projects typically begin with a months-long set of meetings in which groups of staff members, vendor consultants, and systems integrators determine precisely how each affected business process will work once the new software is installed.

Not all utilities can afford the months and the personnel required for this design step. Fortunately, Oracle now offers an implementation approach that makes this step unnecessary.

Oracle Utilities Express Implementations deliver a standard set of proven, streamlined business processes that are pre-designed, configured, and ready to go on the first day of an implementation project. They reflect the knowledge and experience of Oracle Utilities customers, system architects, and industry experts around the world.

This paper explains the value of standardized Express Implementation business processes. It is aimed at helping you determine the benefits they offer to your utility.

You're explaining billing procedures to a group of new employees. One of them asks why your bill-print run handles only 10,000 bills per night.

It's a question you weren't expecting. And you don't know the answer. But you're curious. You start asking colleagues. Eventually, you discover it's because the vehicle that used to take the bills to the post office could transport only 10,000 bills at a time.

You got rid of that vehicle in 1998. But the bill-print limitation it required is still with you more than a decade later.

Business Process Change and Utility Effectiveness

Not every utility business process has such a peculiar history. To the contrary, many utilities are justifiably proud of their efficiency. Driven by a commitment to affordable service, they've made cost-effective business processes a priority.

At the same time, most utilities have at least a few procedures that have been in place for many years. Some rely heavily on procedures that have not been re-examined in decades. They've modified procedures when required to accommodate new customer and regulatory requirements. But they haven't re-examined the accumulation of work-arounds that staff have created to bridge procedural gaps. Nor have they stepped back to look at processes no longer needed.

As a result, over the years, inefficiencies have crept into the system, slowing productivity. Printers disgorge huge piles of paper reports even though staff members need only the last page or two to complete their tasks. Customer information gets recorded first on paper and then transferred to the computer. No-longer-needed memos are produced and distributed in quadruplicate.

Old Business Processes and New Software

The introduction of new software offers an opportunity to re-examine aging business processes. And most utilities take advantage of it. They select experienced staff members to work with implementation consultants to ensure that, when go-live occurs, the software is working exactly the way the utility wants.

This re-examination generally begins at implementation kick-off. An enthusiastic team of vendor consultants, systems implementers, and utility staff enter a conference room to develop the business process blueprint. They comb through the thousands of possible steps a software application can perform. They come to a consensus on each process. They examine each process in light of the decisions they've already made or will soon have to make about other business processes.

These meetings are rarely easy. Business process design teams commonly include both those who want to minimize change and those who want to sweep out the past and redesign everything from the ground up. The "minimize change" group believes that less change will guarantee better staff acceptance of the new software, faster learning, and minimal disruption. The "clean sweep" group believes that if the utility doesn't use this occasion to improve productivity, it never will. Neither group

is entirely right or entirely wrong. But progress slows to a crawl when the examination of each process becomes an occasion to play out the debate yet again.

The “winners” of each debate may be those with the loudest voices, not those with the best ideas. When the loudest voices advocate minimal change, committees may go so far as to reject the new software’s ability, for instance, to automate pay plans and budget billing simply to accommodate colleagues who are “more comfortable” with paper. When the loudest voices come from the “clean sweep” group, the resulting processes may fail to preserve needed approvals in a credit system simply because team members could not completely digest a consultant’s explanation of security best practices.

Cost/Benefit

Business process design committees eventually emerge from their conference rooms, haggard and exhausted, having spent not only valuable utility staff time but also hundreds of thousands of dollars, Euros, or yen on vendors and consultants. Executives viewing the results rightly question if the expense was really worth it.

And what of the utilities that recognize up front that they simply cannot afford the huge cost of reconsidering and redesigning every aspect of their work. Are they precluded from buying top-of-the-line software? Must they settle for second-rate applications that offer built-in business practices but that lack the overall flexibility and functionality utilities need to best serve their customers?

A Better Option

Today, it’s no longer necessary to choose between months of business process design on the one hand and less-than-adequate software on the other. There’s a different approach: Oracle Utilities Express Implementation.

Utilities that elect Express Implementation bypass those months of initial business-process design. Instead, vendor consultants and systems implementers install the software using a set of proven, streamlined business processes shared by similar utilities.

The case for starting a software project with a set of pre-designed, standard business processes is very strong. Common utility processes like collecting customer information, processing meter reads, and scheduling service calls follow a logical business flow that varies little across most utilities. The steps are in the same order. The results are virtually identical. Using identical business processes to achieve those results simply makes sense.

Even better, starting with standard business processes can slash implementation costs. The months of process design disappear. The implementation team arrives on Day One fully prepared to begin software installation. Simultaneously, utility staff members start learning new approaches and functions on pre-tested business processes, test cases, and prototypes of the screens they will use when they take full ownership of the project.

A New Approach to Business Process Development

In the past, others have claimed to offer “standardized” business processes. But their approaches, which frequently failed, were significantly different from the approach embedded in Oracle Utilities Express Implementation.

Among the failed approaches to standardization have been processes that:

- Covered only a few of the features or functions contained within an application
- Appeared to work well when seen from the viewpoint of a software coding expert but failed to meet the real-life requirements of utility operations.
- Were difficult, expensive, or even impossible to change.

Express Implementations avoid those pitfalls. Oracle has designed business processes using actual customer experiences. The business processes delivered in an Oracle Utilities Express Implementation have been tested and honed at utilities that have been using our applications for years.

Oracle is able to deliver these tested business processes because, over time, our customers around the world have explored fully the many options Oracle Utilities software offers. They’ve determined what works best. And they’ve shared their knowledge with us individually and through user groups. Our experts have synthesized our customers’ experiences into sets of standard business processes designed for optimal performance in specific regions.

Today, Oracle is delivering the results of hundreds of thousands of hours of utility experience in the form of standard business processes that get you up and running in less than half the time it took in the past—and at less than half the cost you might expect.

Benefits to New Market Entrants

Express Implementations are particularly valuable to retailers and other new entrants into competitive markets. They offer proven processes to companies that may have little or no previous utility experience. Express Implementations spare new market entrants the time and pain of learning what utilities already know about the best ways to serve customers. They enable competitive companies to focus on the differentiators that will increase their business.

Barriers to Adopting Standard Business Practices

The decision to use standard business processes cannot be made lightly. You need to address the objections you’re likely to hear.

“Our current processes are outstanding.”

Over the years, your staff has worked hard to develop processes that deliver valuable services. Now some outsider—some software vendor that knows nothing about your customers—is telling them they have to change. It’s infuriating!

They're right, at least in part. Your staff members have worked hard. They've earned your customers' respect. But your software isn't meeting emerging needs. Change is required—that's not a choice. What you can choose is to implement change at lower cost and with better results.

Educate your staff about the real alternatives. You can pay vendors and consultants large sums to retain as many of your legacy business processes as possible; or you can use that money to address aging infrastructure, staff paychecks, grid expansion, or the rising cost of supply.

“Change management requires everyone to participate in major decisions.”

Change management requires that staff accept and welcome the changes you're making. Often, the best way to achieve that is to give staff decision-making authority.

But decision-making is rarely easy. The exhausting committee-based business process development described above is the norm, not the exception.

Contrast that months-long scenario with business-process evaluation that takes place after an Express Implementation. Staff members bring to team meetings a full understanding of the standard business processes they're using. There's no need to discuss the many new procedures that are working well. Instead, everyone can focus their energy on maximizing cost savings, identifying options, building new programs, and determining next steps.

“Standard business practices won't accommodate our regulatory and union rules.”

Some rules and regulations appear unchangeable simply because no one has ever requested a change. If you confront business processes that implement rules incompatible with an Express Implementation, a first step may be to explore their background. Faced with the choice between preserving unique local regulations and dedicating more money to infrastructure repair or cost reduction, regulators and union members may well be open to change.

That's not always the case, of course. Or the time needed to change the rules may be unavailable. To accommodate these circumstances, Oracle has built room for one or two exceptions into the Express Implementation approach.

The Cost of Choice

Today's best utility applications readily accommodate unique business processes. And many utilities are willing and able to pay implementers to use all of an application's flexibility to minimize business process change or to design unique processes that accommodate unusual circumstances.

But not all utilities have the luxury of large software budgets and unlimited implementation times. They must respond instead to their customers' needs to minimize the costs of high reliability. For them, adopting proven, standard business processes opens the door to robust and proven software applications at prices they can afford.

Your utility may be among them.



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