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How to Gain Value from PeopleSoft Selective Adoption

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Executive Overview

The on-premise delivery model that PeopleSoft has followed since its beginning has changed. Emerging industry standards such as virtualization and the Cloud have changed perception about the life cycle of enterprise software. Customers expect their business applications to add business value incrementally without requiring a costly upgrade cycle every 3 to 5 years.

To meet this challenge, PeopleSoft has changed the way maintenance and new enhancements are delivered and applied. Customers choose the changes they want, on their schedule, while retaining strategic customizations. New enhancements are made available immediately so customers do not have to wait for the next release and go through an expensive upgrade to improve the value of their applications.

Moving to PeopleSoft selective adoption does not come without change. PeopleSoft changed and now customers must change to gain the maximum benefit. Line-of-business (LOB) owners and Information Technology (IT) managers must recognize the potential benefits that selective adoption provides and change the way they plan, implement, and roll out change to their users. The organization that embraces this change and realizes the new opportunities LOB and IT have in working together will benefit the most.

Legacy Delivery Model

Incremental changes to PeopleSoft business applications is the norm, and change happens for a variety of reasons. New functionality is added, tax and legislative changes are mandated, technology advancements are adopted, and—of course—incidents are fixed. To account for change, PeopleSoft and customers of its business applications fell into a comfortable but costly software life cycle: frequent small maintenance deliveries and large major releases every several years. Customers accepted this cycle and defined internal processes accordingly.

Mandated change and general fixes, or maintenance, were delivered in fixes, bundles, maintenance packs, and service packs. Each was an accumulation of the others, with the intended purpose of delivering maintenance in the most beneficial way. The recommendation from PeopleSoft was firm: stay current. This was for two reasons, so that customers were always running the most current software and so that new maintenance could be applied at any time, without concern for dependencies.

Upgrades were a completely different matter. PeopleSoft would work years on major releases to create new and improved business value, major enhancements, and improved processes, and deliver it all at once as a new release. These releases took a lot of time to develop, test, and document; for example, application release 9.2 took four years. Since maintenance typically did not include new features and enhancements, the only way to get new features was with an upgrade. This model was extremely inefficient. PeopleSoft could

complete a feature, but that feature would not be in a customer's business application for years.

Despite the inefficiencies, the lifecycle delivery process was in place and well understood. Customers put internal processes in place that were a direct response to the way PeopleSoft delivered maintenance and upgrades. IT staffs managed the maintenance process, and LOB owners kept track of what was in new releases to build business cases for upgrades. If users needed new enhancements before major releases, the organization was on its own.

When you're finished
changing, you're finished.

-Benjamin Franklin

This was the model, those were the business processes, and both went on for years. There was no alternative; this was the standard for the industry. It was easy for PeopleSoft because, after all, the process was optimized for the vendor. Customers accepted it because there was no viable alternative. Then, the industry changed.

External forces began to change executive perception. Technology such as grid computing and virtualization spread through IT shops and changed the cost of running applications. Leveraging the Cloud and software models such as Software-as-a-Service made the promise of always being on the latest release seem cost effective. Now there was a way for customers to get incremental enhancements that were never available before.

The maintenance and upgrade cost of ERP software was suddenly center stage. Funding for major software upgrades became sources of controversy in executive meetings. The downside of Software-as-a-Service—the lack of control, scheduling, and ability to customize the software to give the business a strategic advantage—was downplayed. The bottom line mattered the most.

PeopleSoft was forced into a very uncomfortable position: to change or become irrelevant.

Selective Adoption

The founders of PeopleSoft started the product with a major premise: define the application with metadata and you can improve the technology while preserving the investment in the applications. This premise has proven true through a change from two-tier to multi-tier, from Windows client to the internet, and, most recently, from pixel perfect to PeopleSoft Fluid User Interface. It holds true for the challenges of delivering maintenance and new enhancements.

PeopleSoft recognized the problems with the software delivery life cycle and accepted the challenge to improve the process. Moving forward, PeopleSoft adopted several guiding principles to let the customer:

- Incrementally adopt new business value.
- Take only the changes they want.
- Determine when the changes are applied.
- Do all of this while retaining strategic customizations.
- Eliminate the need for major upgrades.

The result of this effort is the new PeopleSoft selective adoption, and it applies to both maintenance and new enhancements.

Incrementally Adopt New Business Value

PeopleSoft delivers new enhancements as soon as they are built, and customers apply them the same way that they apply maintenance. Now, customers do not have to plan for and go through a costly upgrade cycle to take advantage of new business functionality.

Adoption time of new business features that in the past might have taken several years now can be measured in weeks or months. Previously, only fixes and legislative changes were made available on a regular basis; now, new enhancements are available on a regular basis and every customer running 9.2 applications can take advantage of them.

Take Only the Changes You Want

With change comes opportunity, but also risk. A cost is associated with applying maintenance and taking new features. The cost must be evaluated for every change applied to the system. The advantage of the new delivery model is that the customer does not have to stay current in order to apply a change. Dependencies are calculated so that, in most cases, new features can be applied regardless of the state of the application.

Clients that have upgraded to
PeopleSoft release 9.2 report time
savings of 35% to 50% in the update
and upgrade process

-Michael Guay.

Caveats exist. Some enhancements require latest versions of PeopleTools, so keeping current on tools is encouraged. Also, the longer a customer goes without applying maintenance, the more dependencies and, in turn, the more difficult the process will be.

Take the Changes When You Want Them

Changes to business systems come in many different forms. There are bug fixes, regulatory changes, security vulnerabilities, new business features, and more. There is no “one-schedule-meets-all” to applying change, and every customer is different. Severe fixes and security vulnerabilities may be things that are regularly applied to a system. Regulatory changes are often required at scheduled times. New enhancements must be done at a time when the organization can react and plan accordingly. Often, support, training, testing, and dependencies such as browser compatibility must be planned as part of the rollout.

PeopleSoft selective adoption lets customers apply change on their schedule, not the vendor's, so organizations have the freedom to determine the rollout operation that meets their needs.

Maintain Strategic Customizations

Customization lets companies optimize business software to make their organization run the most efficiently. Being able to manage customization in a cost-effective way can give an organization a competitive advantage. The cost associated with customizations is often measured by the impact cost of upgrades.

In the past, the cost of maintenance was high because all maintenance bundles had to be applied and major upgrades incurred significant costs. Now that all maintenance is applied on the customer's terms and new enhancements do not require major upgrades, the cost of customizations is significantly reduced.

Eliminate the Need for Major Upgrades

Major upgrades were traditionally the means to deliver new business features. Now that new features are delivered incrementally, a costly upgrade is unnecessary. Other tasks, such as infrastructure improvements and PeopleTools upgrades that often occur as part of an upgrade, can be scheduled when appropriate.

PeopleSoft cannot guarantee there will not be another major upgrade but, if there is, it will be a much easier upgrade than in the past for customers that take advantage of selective adoption.

Adapting to Selective Adoption

PeopleSoft selective adoption does not come without cost. A learning curve and additional infrastructure are associated with using the new maintenance process, which is to be expected with change. Those costs are small compared to the opportunity available. What every customer must realize is that their business processes around maintenance and upgrades must change in order to gain the most benefit from PeopleSoft selective adoption.

When discussing the benefits of the SaaS (Software-as-a-Service) model, rarely do you hear about the disruptive changes that must take place within the organization to account for the change. New versions are constantly made available. Analysis must be done to discover what and how to take the changes, and significant testing must be done on all the touch points. People talk about the bottom line benefits without the fundamental shift within. To benefit from PeopleSoft selective adoption, the same type of shift must occur within the organization.

Selective adoption provides opportunities for corporate lines of business and IT specialists to form new relationships and to work together to optimize the business adoption of maintenance and features. Processes that in the past were more rigid and IT focused, such as applying bundles in order and major upgrades every several years, have been eliminated. They have been replaced by more efficient processes that let customers choose when and what to take. This requires a level of analysis that was not required in the past.

It is possible to use the new PeopleSoft selective adoption with the existing business processes. Customers will find that there is more information delivered to make their adoption of fixes quicker and easier than before. But the opportunity of incremental

improvements to the business application will be lost. The efficient organization is one that embraces change, understands PeopleSoft selective adoption, and is proactive in adopting new processes.

The Proactive Organization

For an organization to take advantage of PeopleSoft selective adoption, it must be proactive and ready to take advantage of changes. A proactive organization is one that sees the change, understands the opportunity, and adjusts internal processes to optimize change into the business system. Effects are made in each aspect of the maintenance phase, planning and analysis, engineering, and the rollout to users.

We have the same investment, we are building the same amount of features and enhancements, but we are doing it iteratively, and in a way customers can take advantage of it early

-Paco Abrejuan.

Planning and Analysis

- There must be a new analysis role within the organization that keeps up with the new enhancements that are being delivered. The analyst must work with IT and LOB owners to develop an adoption plan, identify enhancement priorities and plan implementations appropriately.
- The process associated with determining what maintenance fixes to apply should change. There is no requirement to stay current or apply maintenance in sequence. Each fix can be analyzed for severity, effect, and importance for the organization.
- Customers should adopt a different “get current” plan. PeopleSoft continues to recommend getting current every two to three years. There are several different ways to approach this. It can be done all at once or the business applications can be staggered so different parts of the applications are brought current each year. The longer an application goes without getting current, the more difficult maintenance and new enhancements will be to apply.

Engineering

- Adopt a calendar that has the organization implementing new enhancements on a periodic basis. Having standard enhancement uptake cycles lets everyone in the organization be aware and plan for new business functionality. This is new to organizations that are used to a three-year major upgrade cycle.
- Leverage lifecycle tools such as PeopleSoft Lifecycle Management tools. Usage Monitor helps analysts determine the parts of the system their organization uses, and that information is used to determine effect. PeopleSoft Test Framework is an automation testing tool that can significantly reduce the time required to system test applied maintenance and new features.
- Apply critical changes on a regular basis, leveraging the dependency calculations. Staying current on critical changes will prevent critical issues from surfacing.

Rollout

- Be prepared to roll out small incremental changes to the user community rather than a large single release.
- Leverage dynamic training materials such as PeopleSoft User Productivity Kit (UPK) to help users walk through the delivered processes to better understand new features and functions that have been rolled out.

Summary

Over the past several years, the business of enterprise software has evolved to move away from costly cyclical upgrades to a more streamlined incremental change model. PeopleSoft embraced this change by the move to selective adoption, and the results are exceptional. Early adopters have found significant improvements in maintenance and are gearing up for application of new enhancements.

New opportunities are available for businesses that have never had an incremental change model available to them. Satisfying the user community with new and better processes for incremental change and applying maintenance requires organizations to look at the processes they have in place and to make fundamental changes. It is the proactive business that embraces change that will benefit the most and see the rewards.



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Hardware and Software, Engineered to Work Together