



Highstreet

Empowering Business Outcomes

Four Essential Strategies to Optimize Your PeopleSoft Environment

Find out how to optimally enhance PeopleSoft while reducing the total cost of ownership of your application



White Paper



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Executive Summary

PeopleSoft has been helping organizations run mission critical business processes for twenty years. During this time, the company, and application, has evolved significantly but the value and importance to its clients has not diminished. Regardless of the state of your PeopleSoft deployment today, whether you've upgraded to 9.2, or whether you've asked a service provider to perform the run and maintain of your environment, your organization continues to count on the functionality in meaningful ways to run the business.

Certainly, PeopleSoft is here to stay for some time. Organizations are constantly challenged to find new ways to optimize the environment, reduce costs, and improve business outcomes. Consultants and service providers play a critical role in bringing experience and expertise that is difficult for any one client to attain internally, and are often key to ensuring the business value of PeopleSoft is fully realized.

At Highstreet, we've been consulting on and managing mission critical PeopleSoft deployments for over a decade. During this time in the 'trenches' across many deployments, our team has learned how to optimally enhance PeopleSoft while reducing the total cost of ownership of the application. Our 'Four Essential Strategies to Optimize Your PeopleSoft Environment' focuses on strategies that when executed in concert, create compelling outcomes for your organization.

These Four Strategies include:

- Upgrade strategy
- Customization strategy
- Staffing Plan
- Cloud Decisions



PeopleSoft Timeline

The Beginning (1984–1994)

PeopleSoft was founded in 1987 by Dave Duffield and Ken Morris with a vision of creating state-of-the-art packaged business software utilizing three revolutionary new advances: client/server architecture, networked PCs, and Microsoft Windows. The first PeopleSoft HRMS system was released in 1988, followed by the first release of PeopleSoft Financials and Distribution in 1994. These early releases were followed by regular updates with more and more modules, enhanced functionality, and steady improvements to the development environment known as People Tools.



ERP Era (1995–1999)

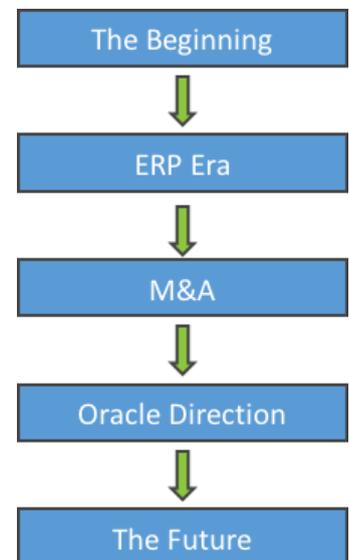
During the ERP stage, we see major releases such as PeopleSoft 7, with the company seeing great success in the marketplace and continuing to expand its portfolio with additional products, functionality and usability.

Mergers and Acquisitions (2000–2004)

PeopleSoft made two major acquisitions during this period: CRM leader Vantive (2000) and business software vendor JD Edwards (2003). In 2000, the company introduced PeopleSoft 8 and its Pure Internet Architecture, business users would no longer need ERP application code installed on their client machines, but rather would access all business processes directly via a browser linked to a PeopleSoft web server. It was also during this period that PeopleSoft rolled into its core code line many of the individual PeopleSoft product localizations that had been created for specific markets around the world.

Oracle Direction (2005–present)

PeopleSoft was acquired by Oracle in 2005. Post-acquisition, Oracle has released PeopleSoft 8.9 (2005), PeopleSoft 9.0 (2006), and PeopleSoft 9.1 (2009), PeopleSoft 9.2. PeopleSoft 9.0 was the first release that was fully under Oracle’s control (PeopleSoft 8.9 had already been underway, with its scope well defined prior to the acquisition). However, by PeopleSoft 9.2 the product was already so mature and feature-rich, with nearly 20 years of development history that minimal new functionality was delivered by Oracle in PeopleSoft 9.0. PeopleSoft 9.2 was similarly light on new functionality, with many of its “enhancements” being tools driven.



Areas that impact success for the Future of PeopleSoft

Upgrade Strategy

According to Webster Buchanan Research, one large financial institution estimated that it would take them 44,000 hours to complete their PeopleSoft upgrade. This is incredibly labor intensive, and speaks to the organizational focus and energy that is required to make an upgrade project a success. The timing of an upgrade, what type of upgrade you undertake, and how you resource that upgrade, are critical questions to address. Highstreet has performed many PeopleSoft upgrades, and gained valuable insights that we'll share in this white paper.

Staffing Strategy

Highstreet staffs our application teams with highly trained and experienced personnel. To maintain this type of personnel we focus on the team's ability to grow within their application knowledge by exposing them to multiple applications across multiple clients. In addition, we provide our staff with the ability to receive top caliber training and certification programs. We run a nearshore model to support our applications. The nearshore model offers clients the economies of offshore labor rates with an onshore resource. We have also built an Application Operations Center (AOC) that specifically handles enterprise application problems 24x7x365.

Customization Strategy

On-premise PeopleSoft implementations and total cost of ownership costs skyrocketed as companies built hundreds of customizations. Each customization added to the "off the shelf solution" – made the deployment more and more unique to an organization. Each one had to be designed, built, tested, regression tested and supported. While not all the customizations can be removed, it is imperative to build a plan to reduce these customizations. This process starts with stressing configuration vs. customization.

Cloud Strategy

It's hard to focus on getting more value from Oracle applications when staff time is devoted to implementing and managing the infrastructure they run on. With cloud services a provider supplies, manages and supports the technology infrastructure for you. Since cost control is a high priority for most enterprises, and capital equipment expenditures are being scrutinized, the pay-per-use model of cloud services can provide a cost-efficient way to deliver IT services as an operating expense. Further, with many of the earlier security and performance barriers about cloud adoption being addressed, there are more opportunities to expand the use of cloud services for transaction-oriented business applications, and as part of your overall cloud and IT strategy.

Consider these cloud solutions:

Private Cloud-In this deployment model, the cloud infrastructure, whether existing in an on premise or off-premise data center, is provisioned for exclusive use by a single company.

Public Cloud-This model enables you to connect to a service provider's multi-tenant cloud infrastructure via a public internet connection and to benefit from the lower-cost advantages of a shared environment.

Hybrid Cloud-This is a mix of external cloud resources and a customers' on premise IT resources. It helps protect existing investments while providing the freedom to select the service delivery model that aligns with a given business requirement or Oracle application.



Highstreet Risk Mitigation Strategies

Highstreet Upgrade Strategy

PeopleSoft upgrades are a reality of life and they need to be addressed otherwise your enterprise application will negatively impact your business outcomes. The main reason clients perform upgrades are to stay in compliance with their Oracle support contract as well as maintain compliance with mandates from the business.

Highstreet has found that upgrades fall into one of three categories depending on your business needs:

- **Technical upgrades**-which are defined as those where existing modifications are all migrated/retrofitted into the new release and the project places minimal effort on enabling or eliminating new delivered functionality that impacts the business process. This type of upgrade is the least disruptive and brings the shortest duration and lowest cost.
- **Hybrid upgrades**-accomplish everything possible in a technical upgrade but include effort to 'cherry pick' new functionality for implementation. This may include replacing existing modifications which are no longer required, or enabling new ones. This type of upgrade will bring increases to cost, schedule and disruption, but also results in more value to the organization that counter balances the additional investment.
- **Re-Implementations**-these types of upgrades are a reimplementation of the PeopleSoft applications. The drivers behind this considerable decision range from an initial implementation which includes modifications which are no longer necessary, to situations where the release is so far out of date that a clean one-step upgrade path is no longer possible. This approach results in the highest costs, schedule and disruptive impact to the business. However, at its conclusion, the client is back to the "state of the art" solution envisioned when deciding to implement PeopleSoft initially.

Highstreet Staffing Strategy

Hiring and retaining employees with critical PeopleSoft skills is more challenging than ever before. Highstreet provides PeopleSoft Application Management Services as a core competency and, as such, has a vested interest in acquiring and retaining team members with a high degree of skill in optimizing PeopleSoft applications used by our clients. We also see first-hand the challenges facing our client teams today on hiring, and retaining, top PeopleSoft talent. At Highstreet, our associates have a defined career path and are expected to be in a constant learning and knowledge sharing mode as they serve their customers. Having multiple PeopleSoft clients gives our team member's visibility into the challenges faced and these lessons can be leveraged across our client base in a 'rising tide lifts all ships' philosophy of client engagement. Clients leverage us for a full 'outsource' model, or to help augment their teams, depending on the needs of the business

Whether you leverage a service provider like Highstreet, or manage your own support staff, providing a clear career path, continuous learning opportunities, and evaluating what expertise is essential to have in house are keys to success.



Highstreet Customization Strategy

Highstreet realizes that enterprise applications and customizations have become the norm for business. Clients may not even realize the number of customizations that have been applied to the application. Highstreet sees on average between 40-80 customizations that have been applied to a given enterprise application. We also realize that businesses need customizations which are easier than waiting for an upgrade to be completed.

The customizations become a challenge when you do an upgrade or when you are moving to the cloud, as each customization adds to the cost to perform these services. We advise clients that standardizing across the board is not achievable, but reducing by 10-15% is necessary to the long-term health of the business and application.

Highstreet utilizes a methodology that has been developed over 20 years:

- a) Catalogue- We catalogue every customization of the enterprise application including their dependencies.
- b) Analysis- We compare the customizations to the latest features and functionalities of the enterprise software version.
- c) Business Acumen- We interview the business to understand the process and value that they see in each custom functionality.
- d) Rate card- We then build a rate card to show each customization, each customization is given a technical and business value score. In addition, Highstreet categorizes them into a priority list based upon our 20 years of experience.

Highstreet Cloud Strategy

Highstreet realizes that many clients are adapting to a cloud first approach for their business, however, we also realize that a cloud first approach for enterprise applications can be a difficult transition. Building and running an enterprise application requires capital investment which is something that cannot be tossed aside no matter how compelling the cloud economics appear.

Highstreet advises clients to create a cloud strategy approach that is centered around the hybrid transition. This approach provides clients with the value that cloud provides in addition to still maintaining their capital investment. Highstreet has seen great success with clients moving their enterprise application development and test environments to the cloud as their first phase.

This approach allows clients to take advantage of the economies of cloud and ensure end user satisfaction:

Capital transition- Moving development and test workloads allows clients to create a mix of capital and operating.

Resource allocation- Moving development and test workloads to a cloud allows clients to utilize resources for production or other priorities.

Try before your buy- Moving the workloads will allow for clients to slowly adapt to the cloud and should result in a security and process review.



Highstreet Overview

Highstreet is the premier provider of a full continuum of Oracle and PeopleSoft Consulting and Managed Services. Our goal is to build and maintain trust through a laser focus on customer service delivered through the plan, build and run lifecycle of mission critical applications. Our services help IT and business teams maximize the value of their PeopleSoft investment while delivering to the desired outcomes.

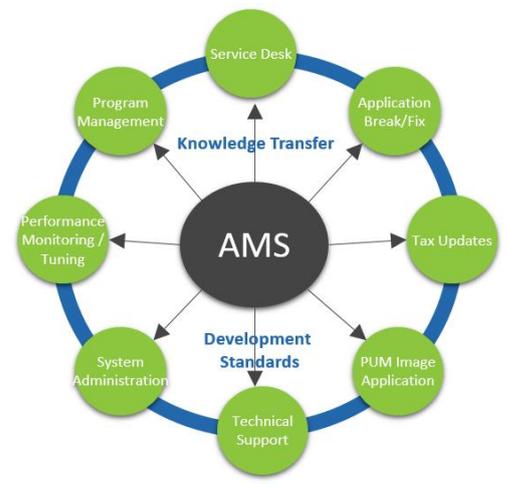
These outcomes can easily become at risk if availability, security or end user performance of the application is negatively impacted. Aging infrastructure, outdated tools, staff turn-over, and competing priorities are issues facing all Highstreet’s clients. It’s become increasingly more difficult to run PeopleSoft cost effectively while maximizing the value to your business.

Highstreet’s Application Managed Services are purpose built to address these challenges:

Application Management Services

Highstreet’s Application Management Services provides full support for existing PeopleSoft and Oracle E-Business Suite (EBS) solutions. Our well-defined methodology, custom-developed set of processes, policies, procedures, standards and templates help optimize system performance and lower the cost of your IT investment.

Every company has unique requirements, so we develop and tailor a support model to meet the needs of each customer in the most efficient and effective manner possible. From augmenting your support staff to providing a remote (on-shore or off-shore) delivery model, we align our resources with your core ERP strategy in order to best manage costs and improve service levels.



PeopleSoft Hosting

The capabilities of our PeopleSoft focused platform differentiates Highstreet from other providers. Instead of a hosting company who sees PeopleSoft as another application running on our infrastructure, we are specialists who deliver a SaaS-like service experience on a modern hosting platform with a unique approach to supporting our clients.

Our service is designed around the end user experience, rather than delivery of infrastructure components. People consume applications; infrastructure is simply the enabling platform. Our design has no single point of failure, ensuring the application is there for your users. Every component of our platform was selected to be “enterprise grade” and ensure the highest levels of availability, security and performance. We offer the most advanced end user monitoring capabilities, a fully integrated Disaster Recovery solution, and a proven client engagement model backed by leading SLAs.

