Ruben Infuentes,
Chief Operating
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JR286

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READY TO GO!

ORACLE BUSINESS ACCELERATORS SPEED IMPLEMENTATION, GROWTH AT THREE MIDSIZE COMPANIES.

Agility is important to JR286, a licensee of popular youth brands such as Under Armour, Speedo, and Fila to an often-fickle group of consumers: kids, athletes, and anyone who loves stylish clothing and accessories. After all, styles change in the blink of an eye, and what's hot today may end up in a bargain bin tomorrow.

The ability to adapt to those whims was key to what Ruben Inofuentes, JR286's chief operating officer and CIO, calls "explosive growth" at the company over the past five years. The proof is in the numbers. JR286 has more than 13,000 retailers in its customer base, and last year alone, the hats, gear bags, protective equipment, and other merchandise sold for more than US$140 million in retail stores. That kind of volume has helped the privately held company see growth of up to 30 percent year over year, according to Inofuentes. But something happened recently that could have brought the company's momentum to a complete halt: JR286's customers started complaining.

"Sports Authority told us that we were the worst vendor they had," says Inofuentes. In spite of the company's rapid growth, JR286 had no back-end IT infrastructure in place—no software to track financials, no supply chain management, and no warehouse management. "We had no warehouse system," Inofuentes explains. "There was nothing. We were all paper-based. It was

just people walking around our distribution center all day long with pieces of paper. We knew that if we wanted to continue to grow, there was no way we could do it with what we had."

To handle the upward-spiraling pace of production and distribution, JR286 needed a system that would give it control over product quality issues, create consistency around its labeling and packaging, and give its retailers visibility to inventory changes.

Inofuentes knew he needed a new enterprise resource planning (ERP) system, but he couldn't just go out, purchase new software, and install it. Cost was a consideration, as was speed. Inofuentes couldn't spend too much time prepping and testing the system because the company's peak selling season—May through December—was only a few months away. He also couldn't take the chance that there would be a service disruption resulting in even more problems.

RUNNING AHEAD OF THE CURVE

The issues facing JR286 mirror those of other fast-growing companies looking to make a technology change, says Simon Jacobson, senior research analyst with Boston-based AMR Research. Speed is important because missing even a day's worth of business can be costly. "The overall driver, especially in midsize companies looking at rapid implementations of an
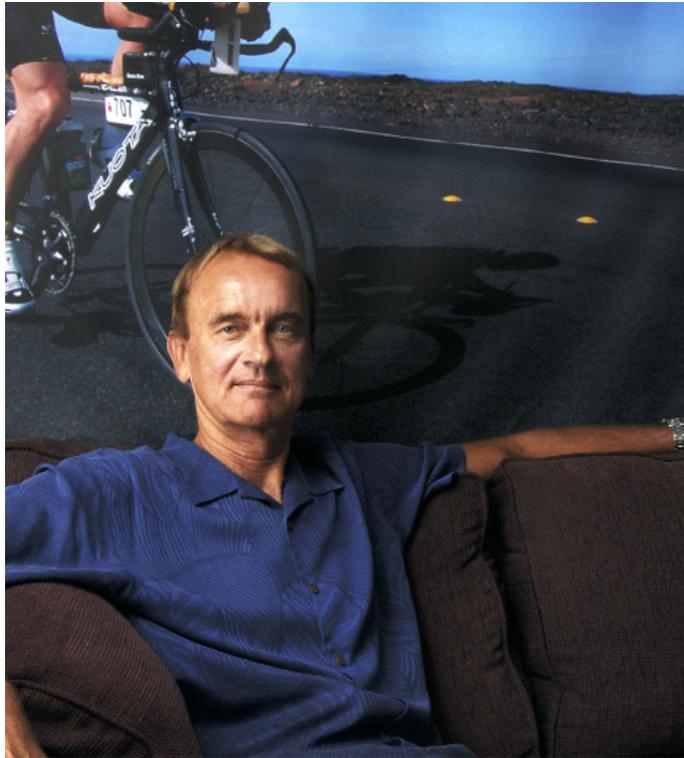
enterprise product, is simply to establish the application in a time frame that doesn't inhibit the ability to respond to both customer and internal business needs to maintain a competitive position," he says.

Inofuentes looked at several solutions, but the only one that made sense, he says, was Oracle E-Business Suite. This was because he'd be able to use Oracle Business Accelerators—rapid-implementation tools that help feed and integrate information from the end user and company into the new software program. Oracle Business Accelerators provided Inofuentes with a framework for getting his system up and running quickly. They also helped him test the system, letting users get comfortable with it

The Active Network's CFO, Steve Kemper, says that the Oracle Business Accelerators solution gave him probably 95 percent of what he needed— and his system integrator, C3 Business Solutions, helped fill the gap.

before it went live. Inofuentes knew early on exactly what functionality his end users were looking for, and his system integrator, DAZ Systems, was able to meet those requirements.

"These are tools developed over years and years of working on end-to-end business flows," explains Tony Kender, senior vice president of Oracle's Global Accelerate Program Office. "More than 1,200 business flows go into making Oracle Business Accelerators work. After helping companies implement our software for years, we have a good idea what 80 percent of business flows will look like for professional services companies, just because we know what industry they're in. And since we know that 20 percent of flows are specific to a given company, we've created a wizard to allow them to specify those flows. The wizard, coupled with our preformatted business flows, makes it possible to automate almost everything that goes into installing software."

Companies use these wizards and preformatted business flows to input all the necessary configuration data to establish a completed baseline of Oracle E-Business Suite. Once data is entered online through the accelerators.oracle.com Web portal, implementers can download the configuration instructions automatically to create an instance of the software that is ready for testing and completion of the remaining go-live activities, says Mark Keever, group vice president of Oracle's application business flows and Oracle Business Accelerators group.

"It's not just about speed in the midsize market; it's also about relevance and quality during the implementation. With Oracle Business Accelerators, the risk goes down because there is a high

level of consensus between what the customer wants and what the partner will implement. Our partners say they can get a fully functional conference-room pilot installed and up and running in as little as a few days," Keever adds.

What's important is that the software being installed isn't a watered-down version of Oracle E-Business Suite. "We don't have multiple code lines of Oracle E-Business Suite. It's the exact same version that a company with revenues of $10 billion would install," explains Keever. "With Oracle Business Accelerators and Oracle E-Business Suite, midsize companies can start benefiting from the same industrial-strength software that their largest competitors may already use."

WHEN TIME IS OF THE ESSENCE

Steve Kemper, chief financial officer for the Active Network, is currently seeing those benefits. Like JR286, the San Diego, California–based company also needed a speedy implementation, but for a different reason. The company provides technology and services that enable participation in activities and events— its software makes it easy for endurance event organizers to run races and softball leagues to keep track of rosters and standings, among other things. Its preparations for a 2009 initial public offering meant that whatever software it chose had to be up and running quickly. Because the Active Network has acquired many companies in the 10 years since it was founded and operates all over the world, from Canada to Australia to the U.K., its prior ERP system (a software package from Epicor) was no longer meeting its needs. It needed an ERP system that could handle sophisticated reporting across multiple entities and currencies.

After evaluating the software of one other vendor—SAP— Kemper purchased Oracle E-Business Suite along with Oracle Business Accelerators to jump-start the process. The Active Network, like other companies that use Oracle Business Accelerators, was able to use a setup tool to help Kemper select the exact business flows it needed and to find and harvest the corresponding business data. It was a good choice, Kemper says. He kicked off the implementation in May 2008 and went live on July 1, less than two months later.

The process, Kemper says, was even easier than he expected. "I was pleasantly surprised that I didn't really have

to suboptimize my chart of accounts or compromise on what I wanted to do. Oracle's preconfigured system has matched probably 95 percent of what we needed," he says. "We had to make very few trade-offs when we brought the system up. The numbering of departments and accounts and everything fit very closely to what I wanted." For example, the company has a number of different products. With the software in place, he can now report on those products across multiple corporate entities and in multiple currencies.

And the five percent that didn't work for his company? Kemper's system integrator, C3 Business Solutions, was still able to give him what he needed, he explains, by helping implement customizations to meet specific requirements.

Today, Kemper has the same visibility into global operations that he does into his San Diego, California, operations, and he has more control over every aspect of those operations, he says. "We have operations in Canada, Australia, New Zealand, and the U.K. The software allowed us to use one single platform to drill into what's going on there."

NO STOPGAP MEASURES

Ten years ago, if a growing company was looking for a world-class ERP solution, it didn't have many choices. Enterprise software was expensive and required so many resources to install and run it correctly that most growing businesses simply went with something inexpensive that could be installed in a hurry. The problem with this strategy is that inexpensive software usually doesn't leave much room for growth, says Oracle's Keever.

"There are still software companies out there that will hook customers with an inexpensive package. The problem is that if their business grows, they end up needing to buy a new package," Keever says. "This turns a company upside down. Why should a company have to incur more costs just because they grow?"

For JR286's Infuentes, that isn't just a rhetorical question. The real proof of concept came in the form of increased business from two of the company's largest customers, one of which had not so long ago called JR286 its worst vendor. Together, in fact, the two retailers now account for 40 percent of JR286's business. More important, says Infuentes, is that his company finally has the capacity for unconstrained growth. Its software can scale as fast and as large as needed to keep pace with its continued growth.

"We were a small company that now can execute and manage its business like a

big guy," Infuentes says. "For example, we were able to set up a warehouse in China in 30 days. I went, signed the contract, and within a month, we were shipping products from 13 different factories from that warehouse."

Oracle Warehouse Management is making this kind of efficiency possible and at the same time is boosting JR286's customer satisfaction because customers no longer have to wait for products to ship from 13 different locations. Infuentes reports that they did all this at a fraction of what they would have paid if they had gone with SAP, another vendor they considered. "Oracle was almost half the price of SAP," he says. "And Oracle and DAZ Systems were able to commit to a 90-day time line. SAP wanted four or five months for implementation."

Keever says Oracle can keep the scope and pricing down in part because of Oracle Business Accelerators and the Web portal. Customers and partners can log into the portal to view videos, download test scripts, and read implementation documentation.

"The partner who's helping with the implementation can log in from the customer's desktop. They both can see exactly what the applications do and can choose the business flows they need. The sales cycle becomes more of a science because they aren't setting up 200 business flows, just the ones they really need," says Keever. "Plus, it creates consensus among everyone involved in the bid and implementation process. There are fewer discrepancies between the customer saying, 'I thought I was getting this,' and the partner saying, 'No, you're getting that.' Thanks to the Web portal, our partners can provide a confident bid that is consistent with the software that's been discussed and based on the business flows that are being installed."

MAKING A BIG JUMP

Oracle Business Accelerators also enable something that was rarely done in the past. They allow users to turn on their software in one fell swoop rather than engaging in a piecemeal installation. That's the kind of implementation that was necessary at fabless complementary metal oxide semiconductor company Telegent Systems USA. Stephen Zadig, vice president of operations for Telegent—which sells single-chip mobile TV receivers that let people watch over-the-air and pay-per-view mobile TV on mobile handsets, portable devices, and consumer electronics— needed a 12-week implementation where he could turn on all of his software modules at once and immediately start using them. Zadig explains that he wanted to spend two cycles prior to closing the

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Stephen Zadig of Telegent Systems USA says that his company made the decision to go with Oracle E-Business Suite Release 12, the latest release, because management knew that the new software would be a more stable platform over the next five years.

company's fiscal year working out any problems so he could be prepared for the company's audit. Adding more complexity to the process, Zadig also wanted to turn off QuickBooks and turn on the latest version of Oracle E-Business Suite—the newly released Oracle E-Business Suite Release 12.

"We decided we were going to stretch our risk a little and go with a newly released software, says Zadig. "The idea was that we're taking a little bit of pain up front, because we know that [Oracle E-Business Suite Release] 12 is a new release, and there are updates that are going to be happening more in real time. But ultimately, the newer version of the software would be a more stable platform for the next, say, five years," he explains.

Today, Telegent can perform a year-end close in about seven days, says Zadig. In the past, that would have taken weeks to complete. And Zadig does it using software that was previously out of reach, he says. "If you looked 10 years ago at doing an Oracle implementation, you'd say, 'Oh, gee, it's going to cost you $1 million to get the Oracle software.' Now, they've come up with financial models that allow our company to grow into its software in sort of a pay-as-you-go model. Oracle seems to understand what small businesses need."

AMR Research's Jacobson says this type of vendor/customer relationship is key to a successful implementation. "While it's

always easy to point to shortcomings of the actual implementation—scope creep, requirements constantly changing—the real pitfalls in an ERP implementation often come down to initial steps like vendor selection. Sometimes companies don't look at the vendors that understand their industry or their company's position," he says. "The biggest thing we see is companies purchasing complex products that they'll need to grow into over the course of a lengthy deployment cycle versus wisely buying software that can grow with their organizations over time."

Zadig says any midsize company that expects to grow should consider moving to an enterprise-level software program. It just makes sense. "If you believe you're going to build a large company, you're going to be prepared," he says. "By installing Oracle E-Business Suite, our basic financial accounting, tracking, and manufacturing system will be mature and in place. We won't be playing catch-up or have any risk to our potential growth based on that. It's a matter of confidence."

And the idea that this can be done in less than 12 weeks? That's just a bonus, says Zadig. "Oracle Business Accelerators helped us meet certain timelines. [Using] Oracle Business Accelerators is a disciplining process. It forces you to make decisions. It forces you to turn things on and learn through experience. That, I think, is the fundamental advantage."

HELP ME HELP MYSELF
When Telegent set out to migrate from QuickBooks to the new system, Zadig knew which vendor he was using—Oracle— but he didn't have the internal resources necessary to facilitate such an installation. So in stepped USJade, a San Jose, California–based system integrator.

"USJade provided back-office services, which helped us in translating over our historical files and in helping map our activities and the data into the Oracle software," explains Zadig. USJade is one of the more than 175 Oracle partners that are specifically trained to implement Oracle Business Accelerators, with approximately 5 to 10 new companies added monthly. That training makes an already simple process even more seamless, says Oracle's Keever. Finding the right partner is a fairly simple process too, he notes.

"Every quarter we train and announce more partners, because we want to make sure there are plenty of partners in every country and every industry," he says. "We've got a search tool

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where someone can go to the Oracle site and say, 'I'm in *XYZ* country and *ABC* industry, and what solution do you have for me?' We've also got the Oracle sales team out there that can help connect a customer with a partner."

Working with an Oracle partner speeds the process because partners aren't just installing the technology; they're helping their clients figure out what they need to better accomplish their goals and which business flows they require. "Partners ask customers questions about their business, including what competitive challenges they face," says Keever. "Then they take the Oracle Business Accelerators and overlay it. Now, instead of needing weeks and weeks or months and months, everything happens very quickly. And when you shrink time, you shrink costs."

Oracle partners can also help with data conversion, training, and change management, a process that often draws them deeply into the organization. This, says Oracle's Kender, is a good thing for everyone. "You know there are always glitches when you're implementing new software, and if you don't have a good relationship with your integration partner when those problems arise, there will always be finger-pointing," he says. "It comes down to people and relationships. If you've got a connection, your partner is going to be there whenever you call."

This type of partner program is unique, says AMR Research's Jacobson. Although other ERP providers have partner and integrator networks, they don't incorporate partner-to-partner networking or have requirements as stringent as Oracle's, he notes. "Oracle is really doing its best to simplify the onboarding process to make the partner recruitment process very easy but at the same time is setting a high bar in terms of partner requirements," he says.

This is something Telegent's Zadig noticed right away. Zadig says his company considered "two or three" other integrators but went with an Oracle partner in the end because he could tell they were willing to create a rapport and would ultimately meet all of his requirements. Telegent's implementation was extremely successful. Today, the company can perform procurement tasks in less than an hour, most of which would have taken several days to complete in the past. Using an integrator was key, Zadig says. "We've had relatively few hiccups getting the software up and running, and we're running at a rate today that is probably approaching three times when we went live with the system," he adds. "We're managing an explosive amount of opportunity from our revenue and volume standpoint." **<>**

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