

SETTING THE PACE

PROFIT



Sea Change

Revolution is on the horizon.
Can you adapt?

Mohammed Serry,
CFO, Soma Bay Company

JD Edwards

SPECIAL ISSUE 2017

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"The overall structure that Velocity provided helped us stick to tasks, focus on short-term milestones and short-interval project scheduling, and resulted in a better upgrade experience."

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Editor in Chief Aaron Lazenby aaron.lazenby@oracle.com

Managing Editor Jan Rogers

Deputy Editor Blair Campbell

Contributors David Baum, Rob Preston, Tara Swords

Copy Editors Claire Breen, Karen Perkins

DESIGN

Vice President, Brand Creative Francisco G Delgadillo

Design Director Richard Merchán

Senior Designer Arianna Pucherelli

Senior Production Manager Sheila Brennan

Designer Jaime Ferrand

Production Designer Kathy Cygnarowicz

PUBLISHING

Publisher and Audience Development Director Karin Kinnear

karin.kinnear@oracle.com, +1.650.506.1985

Audience Development Manager Jennifer S. Kurtz

jennifer.s.kurtz@oracle.com

Social Media Manager Taline Vertians Felix

ADVERTISING SALES

Western and Central US, LAD, and Canada Tom Cometa

tom.cometa@oracle.com, +1.510.339.2403

Eastern US, EMEA and APAC Mark Makinney

mark.m.makinney@oracle.com, +1.805.709.4745

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**20**

DESTINATION: CLOUD

Soma Bay gets lofty results by moving its JD Edwards EnterpriseOne system to Oracle Cloud IaaS.

EDITOR'S NOTE

6

Setting the Pace

The state of IT affairs for the JD Edwards community

PERSPECTIVE

11

What's Next: JDEvolution

The digital evolution of JD Edwards technology

STRATEGIC ROADMAP

14

Get the Balance Right

Lyle Ekdahl believes ERP plays a critical role in digital business transformation.

FEATURE

31

Take It to the Bank

Glory is counting on JD Edwards EnterpriseOne on Oracle Cloud to enable rapid global growth.

BIG IDEAS

41

Your Product as a Service

The cloud is driving an expanding range of consumer and business products as subscription services.

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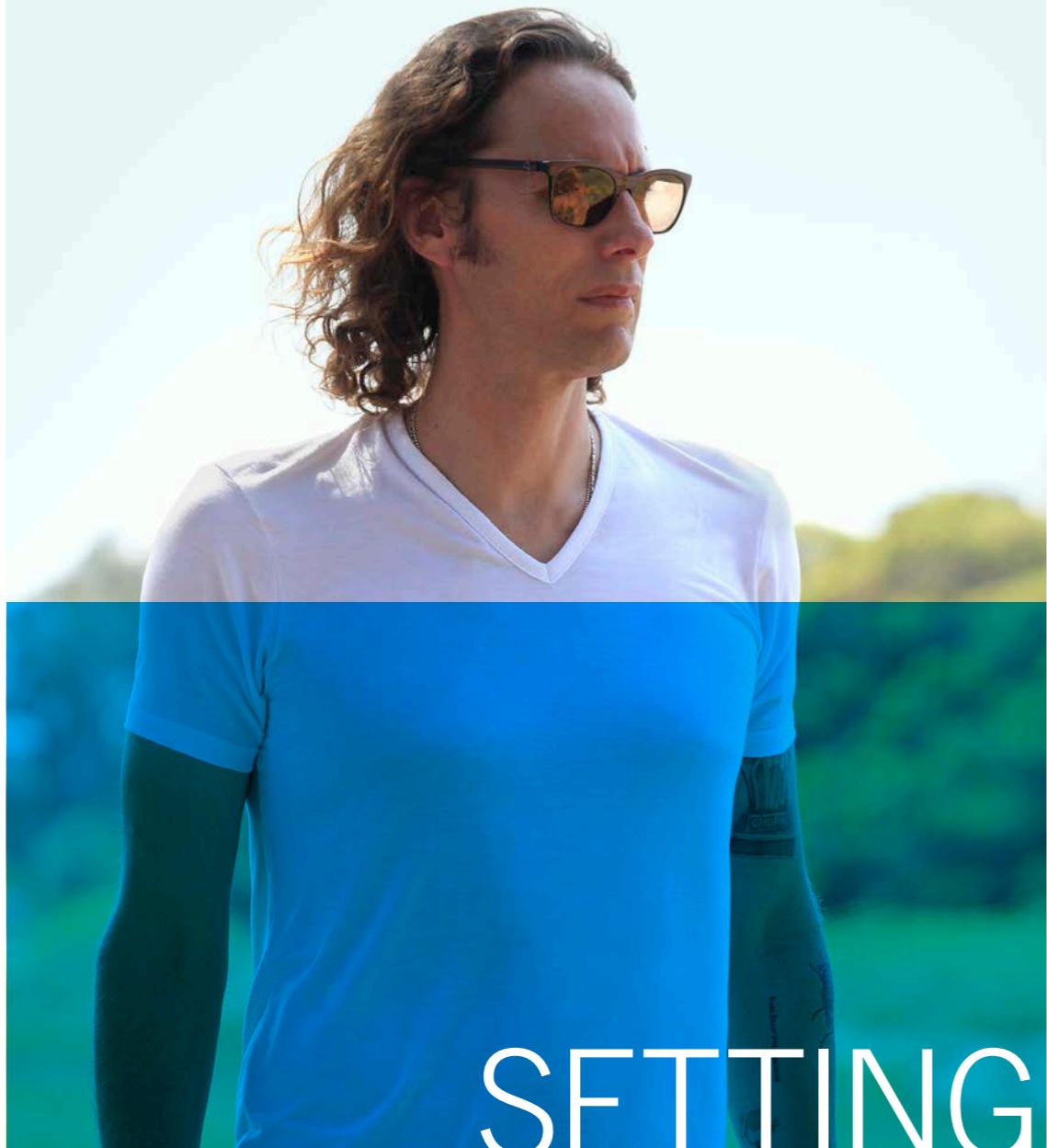
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Aaron Lazenby, Editor in Chief, *Profit*

aaron.lazenby@oracle.com

SETTING THE PACE

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A few themes emerged that, I think, do a pretty good job summarizing the state of IT affairs for the JD Edwards community.

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Eight years. That's a sizable chunk of my nearly 18 years as an Oracle employee. But that's how long I've been producing this special issue of *Profit*, dedicated to Oracle's JD Edwards technology and the JD Edwards community.

It's also an interesting span for the enterprise software business, basically the dawning of the era of enterprise cloud. Looking back at the past eight years with that shift in mind, it's been fascinating to track the evolution of JD Edwards technology toward that same era.

With this JD Edwards special issue, we set out to share

compelling examples of JD Edwards technology in a modern cloud environment. We found two great examples with architectures based on either an Oracle-managed cloud instance (see "[Glory](#)") or a hybrid design built via integrations (see "[Soma Bay](#)"). Along the way, a few themes emerged that, I think, do a pretty good job summarizing the state of IT affairs for the JD Edwards community:

Change is inevitable. The technology industry often amplifies the "revolutionary" aspects of the products we're making and selling, but that

can distract from the significance of an actual political revolution. Our cover story about Soma Bay (see “[Destination: Cloud](#)”) has upheaval as its backdrop, detailing the IT strategy of an Egyptian resort that operated through the overthrow of President Hosni Mubarak in 2011. Along with [Rob Preston’s look](#) at the shift toward a service-based economy, these stories remind us that change is a reality we must consider in all our endeavors.

Incremental is OK. But my interview with Lyle Ekdahl, senior vice president of product development at Oracle (see “[Get the Balance Right](#)”), revealed a tension: the pace of change in the market is significantly faster than the typical enterprise resource planning (ERP) upgrade timetable. The idea of swapping out a well-seasoned ERP system for a modern cloud platform is simply not the approach many businesses will take, especially if they have built a mission-critical system that took time to create and

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The prospect of introducing cloud technology when and where it makes sense is a boon for executives who want to be strategic about their IT investments.

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performs well. So, the prospect of introducing cloud technology when and where it makes sense is a boon for executives who want to be strategic about their IT investments.

Integration is key. To make that incremental approach possible, you have to be able to connect JD Edwards applications to other Oracle Cloud applications. Soma Bay did this very well, and Glory used a managed cloud instance of JD Edwards applications to connect to a number of Oracle Cloud products in short order. Ekdahl expands on that example, detail-

ing how JD Edwards applications have APIs and services that can connect ERP functionality to other systems (or objects) inside or outside the business.

As always, I want to thank Oracle’s amazing JD Edwards team for their support of this special issue. I always appreciate the opportunity to work with such a great team within such a great community—especially for this issue, which was designed and created as the *Profit* team initiated our move to digital publishing (see “[Disrupted!](#)” *Profit*, Summer 2017). We’re excited to see what we can do with this ninth edition! □

Knife River Builds Highway to Success with Seamless JD Edwards EnterpriseOne 9.2 Upgrade

9.2 upgrade in the cloud provides fully-optimized platform to support compliance, improve performance, and reduce IT footprint

Glenn Pladsen, Executive Director of Safety and Information Technology at Knife River, discusses how Velocity's Managed Cloud Services helped them achieve a painless upgrade to JD Edwards EnterpriseOne 9.2 with minimal effort.



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Q: How long has Knife River worked with Velocity and how would you describe the experience?

A: At Knife River, we started our hosted JD Edwards environment with WTS, Inc. in 2003. Velocity Technology Solutions, Inc. acquired WTS, a strategic Oracle partner, in 2011. With WTS, we had the same support team for almost five years, and they operated like an extension of our own IT team. Velocity introduced more standardization, and a distributed workforce with onshore and offshore capabilities to keep prices down and spread workloads



across time zones. We experienced some growing pains but we've seen the benefit of those changes in the last two to three years. We're now accustomed to the disciplines and procedures required to orchestrate processes, and we're very efficient in the way we maintain our systems today, with Velocity taking the lead.

Q: What did you set out to accomplish with the upgrade to JD Edwards EnterpriseOne 9.2?

A: The reality is that we upgraded to stay compliant and stay within the premium support window. When we sat down with Velocity and did the initial planning, our objective was to get it done as painlessly and economically as possible. Due to a combination of factors,

Q: How would you describe the upgrade experience to EnterpriseOne 9.2 and how did Velocity help?

A: From two perspectives, it was a significantly better experience. First, the stability of the software JD Edwards provided in

short-term milestones and short-interval project scheduling, and resulted in a better upgrade experience. Velocity also brought added value to the table by offering a JD Edwards EnterpriseOne 9.2 upgrade workshop, which set a positive tone for the entire upgrade project.

“We’ve seen an improvement in the speed of the applications and user performance. Even at peak utilization, performance is better.”

—Glenn Pladsen, Executive Director of Safety and Information Technology, Knife River

our previous upgrade was cumbersome, so we were prepared for another challenging upgrade. In addition, the seasonal nature of Knife River’s highway construction business created a two- to three-month upgrade window that we needed to adhere to before the season ramped up. Fortunately, with JDE 9.2, Oracle rolled out a new Simplified Upgrade approach, which made the upgrade easier, and the first phases were completed faster than expected.

this release was very good, and Oracle’s Simplified Upgrade approach made the process much easier. Second, the Velocity methodology for upgrades, when combined with Knife River’s typical upgrade approach, worked very well. We were able to plug in our unique customizations, integrations, environment, and availability for training into the Velocity project plan. The overall structure that Velocity provided helped us stick to tasks, focus on

Q: What business or technology benefits have you realized with this upgrade?

A: We’ve seen an improvement in the speed of the applications and user performance. Even at peak utilization, performance is better. The stability of the JD Edwards software has improved over previous versions. The Velocity team also brought a well-developed knowledge base to the project. They identified areas with high CPU usage and core applications that could be fine-tuned, which contributed to improved application performance. As a result, Knife River was able to reduce its server footprint by 20 to 30 percent. While compliance issues have increased over the last couple of years with several new federal mandates that impact payroll, improved functionality is available in this latest release, including certified payroll, federal government sick leave, and overtime reporting.

Q: Are adoption rates what you expected? How have your users responded to the upgrade?

A: We have a base of 725 named users. However, we are geographically distributed across five time zones with administrative offices in 14 states. In each location, we have one, two, or three people who assist with training and support, so users go to them first. We get communications out to these people, and they coordinate training events and user adoption. A key to higher adoption rates was communication. From introductory emails sent prior to the project, to training sessions offered via WebEx, we made users feel like they were an important part of the project. And because we have a wide range of user experience, we tried to bridge the gap with navigational training sessions before and after go-live, which also contributed to high adoption rates. We're hearing that our users have seen improvements in performance, and as they became familiar with the new navigation, they liked what Oracle has done with the user interface components and tool kit.

Q: How has the cloud and JD Edwards helped support Knife River's growth vision?

A: We're a subsidiary of MDU Resources Group, and in the late 1990s we acquired about 70 companies in a 10-year span. We didn't have the required expertise or bandwidth to support the newly implemented JD Edwards technical environment. However, WTS had the expertise and scalable resources to support our rapid growth. When the construction industry was hit by the 2008 recession, we needed to reduce our footprint and cost profile, reducing services too. Velocity helped our business weather the storm, and they supported cutting external and internal costs. Velocity has been a great partner and has responded to all our requests for assistance.

Q: What would you like to see included in future versions of JD Edwards EnterpriseOne?

A: Going forward, we'd like to see improvements in the project management area, specifically in the forecasting tool. We'd like the method of computation and forecasting to be more flexible for the project manager. Our current customizations in this area require software retrofits anytime we apply patches and tool releases, and we would like to avoid retrofit projects. Currently, the module for monitoring subcontractors is

combined with the purchasing module. It would be beneficial for us if they were separated so we can more efficiently manage change orders, extra work, and gain better visibility into payments. Another recommendation is to simplify the change order module.

Q: What's next for Knife River and Velocity?

A: From a current JD Edwards perspective, the stabilization of our environment remains important and we look for continued operational support and improvements within our own support process. We get a lot of sensor data from our fleets and plant equipment, but we're still working to gain actionable insights from all this information. Most of JD Edwards' data is transactional, and not big data. However, Velocity is helping with discussions around the type of digital transformation services they offer—from Platform as a Service all the way up to big data analysis and the supporting technologies. We don't have a clear-cut strategy around big data yet, but the discussions with Velocity are making us aware of what's possible and what we should be considering for future plans. It's a solid partnership. ■



**WHAT'S NEXT:
JDEVOLUTION**

DENISE GRILLS, Vice President of Content and Communications Engineering with Oracle Applications Product Development

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As we move forward in the digital economy, we will stay true to supporting our specific industries, business processes, and enterprise sizes with new technologies.

”

As we completed work on this year's JD Edwards special issue of *Profit*, I started reflecting on how much fun it has been to work with this team—how much things have changed, but also how they have stayed the same.

Eight years ago, I launched this annual offering with *Profit* and many of our key partners to shed some light on what Editor in Chief Aaron Lazenby noted then as the “amazing work Oracle customers, partners, and developers are doing with the [JD Edwards] application family and how

it fits into Oracle's overall IT strategy.” Aaron noted in the first issue, “JD Edwards has a loyal customer base, an active user community, and functionality that fits well with specific industries, business processes, and enterprise sizes.”

All of the above is still true—but time and technology have changed our methods. In our first issue, Lyle Ekdahl, senior vice president of product development at Oracle, discussed integrations with Oracle Fusion Middleware, Oracle SOA Suite, and Oracle's Primavera applications. In

2017, the focus is on practical scenarios for integrating with Oracle human capital management, customer experience, and enterprise performance management cloud solutions. Our top developers utilize our own Oracle products to reduce development time, allowing us to bring solutions to market faster.

Technology has also changed the ways we deliver news and content. With this issue, *Profit* has embraced a completely digital delivery. JD Edwards customers have a newly enhanced information portal that contains news for Oracle's JD Edwards customers, product demos, quick tours of new offerings, videos of executive keynotes, and tutorials and enhancement documentation. We encourage you to visit and bookmark learnjde.com.

But the biggest change in these eight years may be the speed of sharing on social media. Our community learns and contributes on a daily

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Our top developers utilize our own Oracle products to reduce development time.

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basis through our Twitter, LinkedIn, and other social content. We are approaching 20,000 LinkedIn followers on our JD Edwards Professionals site, and our partner community tweets regularly on their latest technology products and services.

That active user community is digital as well. Our user groups are investing in digital experiences to provide ongoing education, networking, and advocacy opportunities year round and globally. Quest Board of Directors Chairman Kevin Touchette stated, "With more users of our member companies interacting digitally, our board has recognized the need to continue the improvement of the digital delivery of our edu-

tion and networking opportunities. With what began last year with the launch of an updated website, we will continue our efforts by hiring a digital agency to help us with UX design and we have been receiving input from our community to continue to improve our digital experiences."

I write this on the eve of our JD Edwards User Conference, Quest INFOCUS, held in Denver, Colorado, where JD Edwards was founded more than 40 years ago. Our end users, partners, and JD Edwards developers will come together to share more amazing work, network for their mutual benefit, and give us some friendly input on what we at Oracle are doing right and wrong. We

wouldn't have it any other way.

We are thankful to our JD Edwards community for their partnership with us on this journey. As we move forward in the digital economy, we will stay true to supporting our specific industries, business processes, and enterprise sizes with new technologies. We may just be sharing those with you in different ways. □

Denise Grills is vice president of content and communications engineering with Oracle Applications product development.

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GET THE BALANCE RIGHT

Lyle Ekdahl believes ERP plays a critical role in digital business transformation.

BY AARON LAZENBY

PHOTOGRAPHY BY RAY NG

It doesn't matter whether you manufacture paint or provide IT consulting services: if you're in business, you have to go digital—at least according to Lyle Ekdahl, Oracle senior vice president of product development and longtime JD Edwards technology guru.

And he would know. For more than a decade, Ekdahl has worked with companies around the world to hear their business needs and translate them into effective enterprise resource planning (ERP) technology. "Across the installed base, a recurring theme is our customers are in some process of becoming digi-



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It's all about finding that ratio of stability and innovation that keeps you ahead of the competition.

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tal businesses," says Ekdahl.

But can a business race forward and maintain a hard-earned position? Here, *Profit* speaks to Ekdahl about the tension between the change that is disrupting business and the demands business leaders are putting on their enterprise systems to deliver more automation and more efficiency at scale.

PROFIT: You've been in the ERP game for three decades. What has changed the most about the role of ERP in an enterprise?

EKDAHL: I think the biggest change has been an evolution from ERP being a mostly static system to becoming a dynamic contributor to the business. If you think of the old days of ERP, it was really all about what I would call a boom and bust mentality. You'd go through these big upgrade cycles to get a ton of new capability, and then once you got that in place, you'd sort of put everything on hold for years and you would just run with that. The idea was don't touch it, and don't disturb it.

But that's not the way the world works anymore. People are

thinking much more in terms of continuous evolution and continuous response to the market. And they're looking for their ERP systems to respond in kind.

PROFIT: ERP systems play several vitally important roles in business operations, where stability and efficiency are vital. How do ERP systems accomplish those goals while simultaneously enabling change?

EKDAHL: There is a trick to all of this. Technologists love to imagine what's possible, but those explorations can't distract from the core business. On the other hand, while things outside your window are moving very fast, it's still possible to get buried in the day to day. So, there needs to be a balance—a balance that must be attuned to variables such as business size, location, industry, and more.

I believe it's incumbent on Oracle to bring new ideas to our customers. I think we do it well, combining our immediate knowledge of our customers' operations with the right stuff that connects those operations to new opportu-

nities. And we listen back, adding new functionality to our applications in response to what our customers are asking for.

PROFIT: How has your development team reacted to that feedback, especially as the enterprise cloud era has arrived?

EKDAHL: We set some strategic product development priorities that, I think, deliver the right mix. It all starts with ERP; we have to invest in the functionality that our customers need. Specifically, we are building more depth in what I would call administrative and operational processing with a focus on the industries we support.

The next area is user experience, where we are looking to bring ERP functionality closer to the ways our users work today. We're also focused on integrating with digital technologies, which means making sure JD Edwards can connect to internal and external systems to connect ERP capabilities to devices as diverse as a worker using a mobile device or a sensor on a truck.

And then finally, cloud is a strategic investment area. JD Edwards customers must be able to trust that cloud services can be spun up as needed and be able to interact seamlessly with JD Edwards without a whole lot of effort.

PROFIT: How does your focus on ERP functionality support customers who are eager to embrace digital business?

EKDAHL: I believe that any path towards digital business starts with automation. Removing manual steps and paper from business processes has been the constant in ERP over time, and that is the heart of automation.

Beyond that core ERP benefit, increasingly I see customers who

want to leverage the information captured within an ERP system for better decision support and exception-based processing. This is an expansion of what is possible for core ERP functionality.

But when I look at what I'm most proud of over the past year, it's the power of JD Edwards becoming a continuous delivery engine for ERP. We're now able to deliver updates and enhancements into the marketplace on a rapid and continuous basis. This gives our customers a choice to select capabilities and apply them to their business as required and as they choose. This helps maintain that balance between stability and innovation that we're looking

to strike for our customers.

PROFIT: How has that continuous delivery of functionality helped enable new ways of working for JD Edwards users?

EKDAHL: We've seen a lot of change in the industries we operate in. Continuous delivery lets us release functionality to get ahead of this change without waiting for a major release.

For example, hands-free computing is no longer a novelty. You may be in a clean room with heavy gloves on or operating complicated equipment. In that environment, you may still need a way to interact with the ERP system. But it's a major work disruption for you to write some information down on a piece of paper and take that record to someone to key into the ERP system. That's so much friction, and customers are really trying to get away from that. They're being driven to be more real-time.

So to remain competitive, we need to make sure our customers can interact with our systems as part of an overall digital mesh. That's what we want our ERP

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We have to take an approach that looks at how to leverage the work that has already been done. If I've already been on an ERP journey, how do I look at cloud as the next step in that journey?

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system to be part of.

PROFIT: How is JD Edwards helping customers embrace that “digital mesh” you mention?

EKDAHL: What we've done is expose JD Edwards through a layer of modern APIs and REST-based services so we can interact with not just other Oracle solutions but with anything that's in a customer's environment or outside their environment. Think both inside and outside the firewall. That's what we call the *application interface services*.

More importantly, we've both front-ended that and supported that through something we call the *orchestrator*, which allows customers to take various inputs or combinations of inputs—think of them as conditions or transactions—and translate that into automated process inside of JD Edwards and then flowing out of JD Edwards.

So if you think of how we'd apply that to a sensor on a physical asset, we can use the ERP system to ask basic questions. Where is it? What is it doing? How is it doing? Do we need to take some



proactive action to make sure that it continues to operate? Being able to answer those questions gets into true resource planning.

PROFIT: JD Edwards has a decades-long pedigree as a leading on-premises ERP system. How does that history intersect with the enterprise cloud?

EKDAHL: Well, we start with the understanding that many of our on-premises customers have invested a lot of capital, blood, sweat, and tears over the years to create these systems. So the reality is we have to take an approach that looks at how to leverage the work that has already been done.

Lyle Ekdahl says companies need to build a “digital mesh” that connects ERP with partner systems, mobile devices, sensors, and more.

If I've already been on an ERP journey, how do I look at cloud as the next step in that journey?

We look at all investments that Oracle makes holistically and figure out how we can use that to benefit our customers in the markets we serve. When it comes to software as a service [SaaS], we look for Oracle Cloud applications that complement JD Edwards—where are there opportunities to improve using more best-of-breed components that could be available in a readily consumable cloud service?

With platform as a service [PaaS], we're looking for more-technical components to help our customers extend what they've done with JD Edwards. At the infrastructure-as-a-service [IaaS] layer, that's really about the optimization of what customers have already deployed with JD Edwards.

For example, if you need to modernize your data center for your JD Edwards instance, Oracle Cloud can solve that. Or if you want to extend JD Edwards func-

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To remain competitive, we need to make sure our customers can interact with our systems as part of an overall digital mesh. That's what we want our ERP system to be part of.

”

tionality to mobile devices, but you want to be able to secure and manage that device, Oracle's PaaS capability can do that through Oracle Mobile Cloud Service.

PROFIT: What technologies do you think JD Edwards customers should be watching out for on the horizon?

EKDAHL: I believe virtual assistants and chatbots are a very real and valuable addition to the enterprise. Augmented reality technologies are becoming more commonplace than you can imagine. And we started exploring these things in our JD Edwards labs a couple years ago, and now we're seeing customers with practical applications for these things.

There's so much amazing stuff happening in the realm of business computing that it's really easy to get caught up in the fascinating use cases. But it's all about finding that ratio of stability and innovation that keeps you ahead of the competition. From what I have seen this year, our JD Edwards customers are in a great position to benefit from both. □

Aaron Lazenby is editor in chief of Profit.

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Soma Bay's stunning luxury resort on the Egyptian coast of the Red Sea attracts visitors who enjoy golf and a variety of water sports—to name just a few.

DESTINATION: CLOUD

Soma Bay gets lofty results by moving its JD Edwards EnterpriseOne system to Oracle Cloud IaaS.

BY DAVID BAUM | PHOTOGRAPHY BY DAVID DEGNER/THE VERBATIM AGENCY

PHOTOGRAPH: COURTESY OF SOMA BAY



Soma Bay Company
CFO Mohammed Serry
credits JD Edwards
EnterpriseOne
solutions as a key
factor in executing
“a very aggressive
turnaround plan” over
the last four years.

Start with an unspoiled coastal peninsula, ringed by a coral reef and cooled by an azure sea. Add a championship golf course, five hotels, a world-class spa, and luxury vacation homes. It all adds up to Soma Bay, a massive resort community on the Egyptian shore of the Red Sea.

Built on the warm desert sands of Hurghada, Soma Bay’s 10-million-square-meter property is a luxury holiday and sporting destination attracting visitors who

enjoy golf, scuba diving, snorkeling, or just relaxing by one of its many swimming pools. A steady offshore wind makes for excellent wind surfing and kite surfing. With the added draw of limousine services, facilities management, and water sport facilities, the resort’s founders appear to have thought of everything in their quest to create a first-class vacation paradise—a place where everything is carefully managed.

Well, almost everything.

SNAPSHOT

SOMA BAY DEVELOPMENT COMPANY
somabay.com

Location:
Hurghada, Egypt

Industry:
Real estate and hotel development

Employees:
More than 2,000

Revenue:
More than £700 million

Oracle products:
JD Edwards EnterpriseOne 9.2, including its Financials, Procurement, Inventory

Management, Job Cost, Real Estate

Management, Homebuilder Management, Capital Asset Maintenance, Service

Management, and Time and Labor modules; Oracle SaaS applications, including Oracle Customer Experience Cloud, Oracle Hospitality Suite, Oracle

Human Capital Management, and Oracle

Procurement Cloud; Oracle Cloud IaaS; and Oracle Profitability and Cost Management Cloud Service

MOHAMMED SERRY

CFO, Soma Bay Company

Length of tenure:
Five years

Education:
CPA, Colorado State Board of Accountancy

Personal quote/mantra:

“Creativity is just connecting things. When you ask creative people how they did something, they feel a little guilty because they didn’t really do it, they just saw something. It seemed obvious to them after a while.”

—Steve Jobs

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JD Edwards
EnterpriseOne
helps us maintain
a stable operating
environment.
We have a solid
understanding
of costs and
profitability, even
though revenue
comes from
different markets.

—Mohammed Serry, CFO,
Soma Bay Company

”



Soma Bay can't control exchange rates or mitigate political upheavals. The resort opened its doors in 1998, and it was just over a decade later that President Hosni Mubarak was overthrown during the Egyptian revolution of 2011, which caused a sharp devaluation of the Egyptian currency. And while the economy recovered as the political situation stabilized, the tourism industry took a US\$1.3 billion hit after the downing of a commercial airliner

over the Sinai Desert in 2015.

"2016 was a difficult year for the Egyptian tourism industry and the economy in general," confirms Mohammed Serry, CFO of Soma Bay Company. "Our hotel occupancy rates dropped from more than 50 percent in 2015 to 25 percent in the first quarter of 2016."

But what Soma Bay's management team can do is react intelligently during volatile times, thanks to the nimble information system that carefully monitors the

Soma Bay Development Company is in the process of building 500 vacation homes in six seaside communities, and occupancy rates are rising at its five hotels: Kempinski, The Westin, Sheraton, Robinson Club, and The Breakers.

operation and controls costs: a JD Edwards EnterpriseOne enterprise resource planning (ERP) system from Oracle that is connected to applications and data residing in Oracle Cloud. Following the sudden downturn in 2016, Soma Bay used JD Edwards EnterpriseOne profitability and cost management capabilities to provide detailed financial data to general managers. “This allowed us to carefully manage the fixed operating expenses, so we could minimize losses on the bottom line,” says Serry.

Soma Bay’s JD Edwards EnterpriseOne applications and data reside in Oracle Cloud Infrastructure as a Service (Oracle Cloud IaaS), which makes it easy for Soma Bay’s distributed organization to create cash flow reports, accounts receivable aging reports, project management reports, facility management reports, and key performance indicator reports that measure a business unit’s performance (see sidebar “Migrating JD Edwards EnterpriseOne to Oracle Cloud IaaS”).

MIGRATING JD EDWARDS ENTERPRISEONE TO ORACLE CLOUD IAAS

Soma Bay Development Company is the first company in Egypt to move its JD Edwards software to Oracle Cloud IaaS. According to Sameh Karim, database administrator section head at the company, using Oracle Cloud IaaS to host their JD Edwards EnterpriseOne system saves time, saves money, and improves business continuity. “Oracle Cloud IaaS maximizes the productivity of our workforce and stabilizes our data,” Karim notes. “We can access the data from anywhere, anytime. We can run any type of workload yet keep our capital and operating expenses to a minimum.”

Karim particularly likes the built-in disaster-recovery capabilities that Soma Bay gets with Oracle Cloud IaaS, especially after expe-

riencing a near-catastrophe a couple years ago, when water from an upper floor flooded Soma Bay’s Cairo data center. The IT team was able to restore data and resume operations quickly, thanks to a backup stored in Oracle Cloud IaaS.

Today, with all of its JD Edwards EnterpriseOne data and applications in Oracle Cloud IaaS, Soma Bay has improved its business continuity even further. “We have minimized risk and maximized performance for our critical business applications,” says Karim. “We can run any type of workload in the cloud, and we have the flexibility to add or subtract resources based on our company needs. We no longer need to maintain hardware, which is perfect for our company.”

Karim used JD Edwards

EnterpriseOne ready-made preinstalled virtual machines (VMs) to simplify the migration of Soma Bay’s on-premises JD Edwards EnterpriseOne assets from their data center to Oracle Cloud IaaS.

It was easy to establish the account details and orchestrate the deployment plan—he simply used the JD Edwards EnterpriseOne components: elastic compute services, storage services, and network services. Then he migrated the applications and data into Oracle Cloud IaaS. “Oracle Cloud Marketplace has a ready-made template for JD Edwards EnterpriseOne 9.2 that includes pre-installed images of the VMs,” he explains. “It was a simple lift-and-shift migration using Oracle Cloud IaaS migration tools.”



"We went through a very aggressive turnaround plan over the last four years, and Oracle's JD Edwards EnterpriseOne solutions were a key factor in this plan," Serry continues. "We have a solid understanding of costs and profitability, even though revenue comes from different markets and currencies. JD Edwards EnterpriseOne helped us to determine the effect of falling

**Sameh Karim,
database
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using Oracle
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“Oracle Cloud IaaS maximizes the productivity of our workforce and stabilizes our data. We can access the data from anywhere, anytime. We can run any type of workload yet keep our capital and operating expenses to a minimum.

—Sameh Karim, Database Administrator Section Head, Soma Bay Development Company

”

occupancy rates on the business, excluding the foreign exchange effect to measure overall performance by legal entity. I believe we have the right platform for the future."

CLOUD CONTROL

Increasingly, it's a future based on Oracle Cloud. Soma Bay is in the process of rolling out Oracle software as a service (SaaS) appli-

cations for customer experience management, human capital management, and procurement. In addition, Oracle Profitability and Cost Management Cloud Service streamlines financial reporting and financial planning for the company. Serry says this cloud app reveals cost and profitability drivers on a consolidated basis as well as by individual business unit (hotels, home

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Being able to track every penny we spend on a project has revolutionized our business.

—Cherif Samir, Financial Controller for Soma Bay Facility Management Company

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builders, laundry, golf, limousine service, and so on), increasing transparency into Soma Bay's allocation-based business processes. The software includes prebuilt dashboards and analytical screens that apprise him and other managers of the profitability and cost drivers under their purview. This system gives Serry and other managers a versatile platform to connect their widespread and fast-moving operation. "JD Edwards EnterpriseOne helps us maintain a stable operating environment," he adds.

If the tourism business is slow, Soma Bay can count on its real estate business, and vice versa, explains Cherif Samir, the financial controller for Soma Bay Facility Management Company.



RAPID TURNAROUND

Thanks to quick thinking and insightful reactions by Serry and his team, Soma Bay has weathered the recent downturn and created a more stable operating model. Occupancy rates are rising at its five hotels (Kempinski, Sheraton, Robinson Club, The Westin, and The Breakers). In addition, Soma Bay Development Company is in the process of building 500 vacation homes in six seaside communities—with 120 units completed and 380 more under construction.

"We decided to implement JD Edwards EnterpriseOne to establish standardized business processes across business lines and to obtain timely reporting that clarifies and explains the profitability of each business unit via a standard chart of accounts," Serry states. "Oracle offered a complete solution that reveals the profitability drivers and growth drivers of the business. We now have fast, accurate, and timely information about profitability and costs, along with JD Edwards EnterpriseOne One View Reporting to present

this information to management and ExCom."

For example, they used the JD Edwards EnterpriseOne software to create currency-neutral financial reports, helping to reconcile revenue from Soma Bay's home sales division (which is mostly aimed at Egyptians) and its tourism division (which caters to Germany and other parts of Europe) to neutralize the effect of different currencies on the financial results.

This mixed-revenue model is particularly valuable to Soma Bay's home building division, which currently supplies about 25 percent of corporate revenue from the sale and maintenance of vacation homes, and that number is growing each year.

Cherif Samir, the financial controller for Soma Bay Facility Management Company, says having a dual revenue stream helps the company expand aggressively while mitigating risk. If the tourism business is slow, Soma Bay can count on the real estate business, and vice versa, explains Samir. But now, managers have the data

UNIQUE CAPABILITIES FOR REAL ESTATE MANAGEMENT FIRMS

One of the things that attracted Soma Bay IT leaders to the JD Edwards EnterpriseOne environment was its unique Homebuilder Management and Real Estate Management modules. JD Edwards EnterpriseOne Homebuilder Management helps coordinate activities and analyze profitability throughout Soma Bay's home-building cycle all the way down to the lot level. JD Edwards EnterpriseOne Real Estate Management comes into play for finished properties by streamlining financial, operational, and facilities management processes. It coordinates tasks among teams and provides a comprehensive management view of each unit. (As of September 2017, Soma Bay has gone live with JD Edwards EnterpriseOne Real Estate Management and is in

the process of implementing JD Edwards EnterpriseOne Homebuilder Management.)

These JD Edwards EnterpriseOne applications will automate the flow of information and revenue from the time a homeowner signs a contract all the way through development, sale, and maintenance of the properties. "Since we went live with the facility management functions, we have started to capture operational KPIs [key performance indicators] and financial KPIs for all open job orders," says Cherif Samir, the financial controller for Soma Bay Facility Management Company. "Having a complete workflow makes it easier for Soma Bay and more seamless for the homeowners. They can select services, request maintenance, and pay invoices online."

Once JD Edwards EnterpriseOne Homebuilder Management comes online, Soma Bay's connected workflows will extend throughout the development, sale, and maintenance of the properties as well. "The homebuilder module will provide a bridge between the real estate front-office business and the facility management side of the business," Samir adds. "It will link the construction team and the sales team and the finance team, with complete transparency into the data. This will be much better than the manual process of working through papers. Everything will be controlled and everything will be connected, giving us visibility from the initial feasibility studies through development, sale, and ongoing management of the properties."



they need to carefully track costs. "This year we spent Ef100 million on new construction. Without the insights about cash management and cash flow that we obtain from the JD Edwards EnterpriseOne system, we would have had a hard time sustaining this level of expansion. But now we can carefully monitor cash flow and payments to contractors."

These standard functions of the

After years of volatility, during which nimble management helped to minimize losses on Soma Bay's bottom line, Egypt's tourism industry is on the mend.

software are also valuable to line-of-business owners, as well as to rank-and-file employees. Samir says 95 percent of Soma Bay staff members use the JD Edwards EnterpriseOne software in some capacity, and its "connected information flows" boost productivity in many parts of the business. For example, the Job Cost module reflects the ongoing costs incurred by the real estate busi-

10 MILLION

Size, in square meters, of Soma Bay's resort property

ness, which helps Samir and his team allocate expenses for materials, labor, and other needs, as well as track expenses against the budgets and forecasts established at the start of each facilities management project.

Managers can add codes to projects and merge them with the financial account numbers for budgeted expenses versus actual expenses. This helps them verify that complex projects are on track, and enables them to share expense data among divisions, even when there are no physical connections. "Being able to track every penny we spend on a project has revolutionized our business," Samir says.

ENTERING THE MODERN AGE

Samir and his team are currently implementing the JD Edwards EnterpriseOne Real Estate



Management and JD Edwards EnterpriseOne Homebuilder Management modules, which could help them integrate their two major business lines (see sidebar "[Unique Capabilities for Real Estate Management Firms](#)").

Previously Soma Bay depended on manual Excel-based systems, which made it difficult to roll up information to determine profitability drivers and to compile information in time to make proper decisions. Managers had to manually manipulate spread-

"Visitors come for the privacy on the beach, as well as for the very high-quality services and foods in the hotels," says Soma Bay CFO Mohammed Serry.

11

Number, in kilometers, of Soma Bay's pristine coastline, which is ringed by an unspoiled coral reef.

sheets merely to understand the basic drivers of profitability. The business was too reliant on the IT department for custom reports, and it was difficult for the company to confidently manage their aggressive growth trajectory—which includes the construction of 1,000 new homes over a five-year period. Serry and his team selected the JD Edwards EnterpriseOne system because they wanted an ERP solution that would allow them to take ownership of allocation-based business processes by seamlessly combining data from the general ledger and other financial systems with data from operational systems.

A SUSTAINABLE FUTURE
Soma Bay has leveraged technology to survive, and even

thrive, during difficult times as they deployed the JD Edwards EnterpriseOne software and systematically moved their information systems to the cloud. The company's nimble information systems help insulate it against future disruptions to the business, ensuring an outstanding experience for visitors and residents.

"Soma Bay has 11 kilometers of beautiful coastline, and it's a very exclusive destination," Serry concludes. "Visitors come for the privacy on the beach, as well as for the very high-quality services and foods in the hotels. The quality of their experience is partially due to the way we handle information to make sure everything contributes to a premiere guest experience." □

[David Baum](#) is a freelance business writer specializing in science and technology.

ACTION ITEMS

[Oracle Cloud Starter Kit](#)

[JD Edwards EnterpriseOne](#)

LTI and Oracle JD Edwards Drive Innovation, Automation, and Business Transformation for Customers

Solving disruptive business challenges with initiatives that link the physical and digital worlds

Catalent



Let's Solve

For more information, visit
www.lntinfotech.com

Q: Describe how LTI's long-term relationship with JD Edwards helps customers succeed?

A: For more than 15 years, customers have benefited from the LTI and JDE relationship. Today, we are one of the largest JDE full service providers. Our dedicated Oracle Innovation and Solution Center (OISC) studies emerging technologies for developing high performance enterprise applications. For example, we're working with

Oracle to co-develop gamification, mobile device management, and other JDE capabilities. As an Oracle Worldwide Platinum Partner and a member of Business Accelerate, Co-Development, and Validated Integration programs, we have access to the latest Oracle solutions and methodologies, and a dedicated team of Oracle experts.

Q: What ongoing investments is LTI making in JD Edwards?



Michael Del Priore, CIO, Catalent

A: Through investments in our OISC and JDE Center of Excellence (COE), we continually build new tools and accelerators to automate cumbersome tasks, improve the user experience, and reduce risks. For example, our Data Migration Workbench migrates 100,000+ records in minutes, reducing the configuration time for standard processes by 80 percent. LTI also invests in its people. Our 1,250+ certified JDE consultants sup-

port digital offerings like cloud migration, mobility, and IoT solutions. These investments have led to recognition throughout the industry, including Oracle's Digital Transformation award for Optimizing JD Edwards with IaaS.

Q: How is LTI helping customers get the most out of their JD Edwards investments?

A: With more than 250 successful JDE implementations across 130+ countries, we have the experience to drive digital

and accelerators reduce deployment time and associated costs by 30 to 50 percent, while lowering resource requirements and risks. After deployment, we create a comprehensive solution to help the customer get the full value of JD Edwards' new UX, mobility, and IoT capabilities.

Q: Can you provide a real-world example of how LTI drives greater value for customers?

A: Catalent Pharma Solutions, Inc., a global provider of delivery technology and devel-

automated calculation of TOE. We delivered an enterprise mobility platform leveraging Oracle Mobile Cloud Service for employees, partners, and customers. And we accelerated data migration with the proprietary tool called Datamight. LTI also developed an implementation guide to standardize Catalent's processes, and is providing managed service support worldwide. As a result, Catalent achieves efficiencies that reduce costs and risks while improving overall user satisfaction. ■

“LTI is a proactive partner that has invested in the relationship, consistent with our expectations for a strategic vendor relationship.”

—Michael Del Priore, CIO, Catalent

initiatives, enable mobility, and implement IoT solutions to solve Industry 4.0 challenges. Our JDE CoE is dedicated to creating solutions that support transformation, which often starts with a seamless transition to JD Edwards EnterpriseOne 9.2. LTI's tools

opment solutions for drugs, biologics, and consumer health products, faced Time-out-of-Environment (TOE), mobility, and data migration challenges. LTI developed an end-to-end drug lifecycle management solution leveraging mobile scanners and

“Catalent partnered with LTI to provide expertise in developing solutions to support our Supply Chain, Manufacturing, Quality and Finance functions, using our standard ERP package, JD Edwards. LTI not only provides expertise in the JD Edwards software, but also in related technologies such as Application Integration and Mobility. LTI brings a broad set of services, with global reach, which Catalent can leverage to achieve our goals for effectively delivering to our customers. LTI is a proactive partner that has invested in the relationship, consistent with our expectations for a strategic vendor relationship.”

— Michael Del Priore, CIO, Catalent

TAKE IT TO THE BANK

Glory Global Solutions is counting on JD Edwards EnterpriseOne on Oracle Cloud—and a host of other cloud-based tools—to enable rapid global growth.

BY TARA SWORDS

PHOTOGRAPHY BY JOHN BLYTHE AND PAUL S. HOWELL

Around the world every day, trillions of dollars in cash changes hands. Whether it's in banks, retail stores, or casinos, even in the digital age, consumers still love physical money. Automating the counting, authentication, and processing of all those bills and coins is faster, more accurate, and more secure than doing it by hand, releasing time and resources to focus on customer experience. This is where Glory Global Solutions comes in.

Glen Downes, IS director at Glory Global Solutions, says Oracle cloud solutions have alleviated a need to create “process after process” as the company shares information across regions.





In 2012, Japanese company GLORY Ltd. acquired the UK-based Talaris, rebranding it as Glory Global Solutions, to act as its sales and services arm. Glory is a company with roots dating back to 1918. The company originally repaired and manufactured lightbulbs, but in the 1950s when it developed a coin counter for the mint of Japan, it

CIO Alex Rammal (at left, with Glen Downes) was well-prepared for the JD Edwards EnterpriseOne implementation on Oracle Cloud, given his extensive global ERP experience.

“Now, upgrades, patches, new releases, and hot fixes are all pushed to us automatically. We can also monitor the environment with Oracle’s infrastructure as a service so we no longer have to say ‘Uh-oh, is Bob on holiday today?’ because something has gone wrong with a server and we need somebody to look at it.”

—Glen Downes, IS Director, Glory Global Solutions

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took the first step on the path to becoming a global leader in cash technology solutions.

While the acquisition of Talaris opened up new markets, it also brought major infrastructure challenges. Talaris itself had grown through mergers and acquisitions and, having spent several years under private-equity ownership, had made only limited IT infra-

structure investments. That led to a sprawl of 30 enterprise resource planning (ERP) systems, 7 customer relationship management (CRM) systems, and a tangle of disconnected manual processes that were hindering the company’s ability to hit aggressive growth targets.

“The inability to share information across regions was a real

roadblock," says Glen Downes, IS director at Glory. "The company is trying to work collaboratively toward a common goal, but if the systems you have don't permit that, you have to find workarounds to address the gaps. So you end up creating process after process."

The problem: none of those processes were harmonized. What employees did in France was different than what they did in Singapore. Employees in the United States had different processes than employees in China. So when it came time for management to get a global view of anything—sales pipelines, financial performance, inventory, forecasts—it was a challenge.

"How does a global company manage to a standard set of key performance indicators [KPIs] when every ERP system manages the information differently?" Downes asks. "Finding a single source of truth was almost impossible."

Many of the company's other applications were outdated and

SNAPSHOT

GLORY GLOBAL SOLUTIONS
glory-global.com

Headquarters:
Basingstoke,
England

Industry:
Cash technology
solutions

Revenue:
US\$950 million

GLEN DOWNES

IS Director

Length of tenure:
12 years

**Personal quote/
mantra:**

"Learn from yesterday, live for today, hope for tomorrow. The important thing is to not stop questioning."

—Albert Einstein



unsupported, too, and there was no good way to link them up. If any of these apps failed, the team at Glory would have a hard time finding a solution.

That's when Michael Williams, Glory Global Solutions' CFO, created a vision supported by the entire executive team, for an extensive business transformation. For that, Williams and his team turned to Oracle to deploy a totally cloud-based solution that would give leaders an instant

understanding of the company's performance, help sales reps close deals faster, and make it even easier for the company to meet its service-level agreements (SLAs)—putting it on a path of rapid global growth.

NUMBERS YOU CAN COUNT ON

At the heart of the company's challenges was the lack of a single, unified ERP system. Decision-makers were relying on data

from multiple sources, manually compiled into spreadsheets. For example, preparing for a board meeting could take up to eight days of collecting numbers from people in different regions, putting them into spreadsheets, and presenting them in an intuitive format that clearly and quickly conveyed the critical information to board members.

"Even then, there would be this question about the numbers: are they completely accurate?" Downes says. "You've got a team of people doing their absolute best to try to get this information, but by the time they've managed to assemble the figures, the figures may be out of date. That data should be coming straight out of your ERP system into a dashboard."

Williams pulled together a cross-functional team—including experts from marketing, services, finance, supply chain, and others—to choose a single ERP system to replace the dozens of disparate systems around the world. He headed the team with Matt Waters, who was previously

CHANGE MANAGEMENT PAYS OFF

Transformations are always complicated, but they're even more complicated when they affect 90 percent of the company's employees and disrupt long-held processes, no matter how inefficient the processes are.

"People will always push back and say, 'No, that's going to impact these weird and wonderful processes that already satisfy our business needs in our location,'" says Glory Global Solutions IS Director Glen Downes.

To deal with the complex issue of change management, Joseph Gnorski and his team focused as much on people as on technology. Gnorski, now Glory Global Solutions' vice president of sales for Latin America and vice president of marketing for all of the Americas, gave us three pieces of change management advice for

anyone undertaking such a massive project.

Don't customize. Gnorski designed bespoke workflows but didn't customize the system itself, because he knew it was built a certain way for good reasons and he didn't want to deal with an inflexible system down the road. "Tell people they can suggest changes but only after using the system 'as is' for six months," he says. "Once they start using it, they'll get used to it. But if they still have concerns after six months, we know it's something to look at."

Get senior-level ownership. Don't just get endorsement—get ownership. Without leaders taking ownership of the project and actively selling it throughout the company, you'll spend too much time trying to win hearts and minds, Gnorski

says. "You need someone like Michael Williams, our CFO, who was willing and happy to stand at the top and say, 'This is your new way of living.'"

Get enough experts, and no more. Especially with complex solutions such as a product configurator, you'll need expertise from the product side. For Oracle Marketing Cloud, bring in experts from marketing. But remember: this isn't a democratic process. "It's not about getting everyone to agree to do something a certain way," Gnorski says. "If that's your approach, you'll end up with a watered-down version that doesn't fit anybody's needs. Get good people who understand the vision and have deep expertise in their areas, and then keep that group limited and tight."

“

With Eloqua, when people respond to our campaigns, if a sales rep doesn't follow up within 24 hours, the system will remind them and their manager.

—Joseph Gnorski, Vice President of Latin America Sales and Vice President of Marketing, Americas, Glory Global Solutions

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head of service business development. He also brought in a new CIO, Alex Rammal, who had extensive, credible experience with global ERP implementations and modernization of IS functions. After short-listing several vendors, the team agreed that Oracle's JD Edwards EnterpriseOne applications on Oracle Cloud were the best choice for the business.

“JD Edwards EnterpriseOne scored highest across the various

use cases we developed for our new ERP system. It is a stable, well-known, industry-standard solution, and we knew we'd be able to have it hosted entirely in the cloud using the Oracle infrastructure as a service,” commented Williams. “That, along with other modern, cloud-based tools, would give us the competitive advantage we were looking for.”

The fact that the new ERP sys-

When approaching the change management challenge of improving Glory's back-office systems, Joseph Gnorski (above) chose to focus as much on people as on technology.

“

In the past, we were very infrastructure-focused, but because Oracle is all cloud-based, we've moved into business relationship management. We're now supporting something truly core to the business, and people are starting to recognize that.

—Alex Rammal, CIO, Glory Global Solutions

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tem is hosted in the cloud doesn't just make it a single source of truth; it also removes the cost of purchasing and managing physical infrastructure. Previously, Glory had to develop people to be in-house specialists on outdated technology. For example, the existing ERP systems required significant investment to maintain and had many, many customizations—and there were only a

few people with the expertise to manage them. But by going from entirely on-premises applications to entirely cloud-based, Glory is aiming to significantly reduce its infrastructure costs.

“Now upgrades, patches, new releases, and hot fixes are all pushed to us automatically,” Downes says. “We can also monitor the environment with Oracle's infrastructure as a service so we



Glory CIO Alex Rammal has seen IT transition from “fixing things that were broken” to enabling overall business strategy.

no longer have to say ‘Uh-oh, is Bob on holiday today?’ because something has gone wrong with a server and we need somebody to look at it.”

ORACLE CUSTOMER EXPERIENCE CLOUD: AN EASY SELL

To meet its growth goals, Glory needed to improve its back-office systems to match the quality of

100+
Number of countries Glory Global Solutions sells into

3,000+

**Number
of Glory
employees
globally**

**1
million+**

**Glory
solutions
deployed
worldwide**

the products it sells. For that part of the project, the company relied on Gnorski. As the global work-stream lead for sales and marketing—and today the vice president of sales for Latin America and vice president of marketing for all the Americas—Gnorski had been with the company since 2006 and experienced firsthand how the growth in the business was not matched by infrastructure investment in the sales and marketing systems.

For example, the company's seven CRM systems were all old and disconnected, making it extremely difficult for managers to understand the sales pipeline.

"It was like trying to do business today on a flip phone," Gnorski says. "It works and it'll make calls for you, but it's not what the speed of business today demands to help you be successful."

The applications looked and felt as outdated as flip phones, too. Reps had to access them via virtual private network (VPN). The user interfaces were clunky and

required too many clicks to get anywhere. As a result, nobody wanted to use them. But because these apps were the only way that regional managers could have any hope of monitoring the pipeline, reps were forced to use them.

"This made CRM feel like Big Brother," Gnorski says. "The only reason reps were putting info in there was to fulfill a management requirement." They got limited value out of the process, viewed it as a waste of time and, as a result, weren't likely to keep their data current.

Oracle Customer Experience Cloud (Oracle CX Cloud) succeeds in every area where the old systems failed. The user interface is modern and useful, guiding sales reps through an often complex sales process for deals that can be worth millions or tens of millions of dollars and take years to close. The price configurator alone will save time by automating the quote process based on pre-defined rules.

Now, reps can configure a solution and hit a button and an

analysis with pricing and discounts will automatically be routed to the people who need to see it, analyze it, and approve it. When the customer agrees on the pricing, the system generates a contract, sends it to be signed, generates an order, and pushes the order directly into the JD Edwards ERP system.

The best part: the process removes the risk of human error at every stage.

"Before, if you sent an order through and forgot to add a cable or software, you'd get to the customer site and realize that you're missing parts," Gnorski says. "Then it's a mad dash to get the cable, and you're probably not getting paid for it either—because now you're just scrambling to get the installation done. The new configuration tool doesn't let you configure something incorrectly. It automatically adds all the required elements."

Oracle Marketing Cloud (formerly Eloqua) helps increase conversions by creating a standard process not just for marketing to

prospects but also for handing off prospects to the sales team.

"In a manual lead process, things fall through the cracks. Maybe a salesperson was on a call that day and didn't see the email, and suddenly it's 72 hours later and the prospect has already bought from someone else," Gnorski says. "With Eloqua, when people respond to our campaigns, if a sales rep doesn't follow up within 24 hours, the system will remind them and their manager."

All of these changes are leading to a dramatic reduction in the lead-to-sales cycle.

FIELDING SERVICE REQUESTS WITH EASE

Approximately 50 percent of Glory's revenue comes from servicing hardware at its customer sites. That's why Oracle Field Service Cloud Service was such a big selling point for the company. Glory has strict SLAs with its customers, so getting the right engineer to the right place with the right parts—on time—is critical. Oracle Field Service Cloud Service

provides intelligent route planning, SLA management, and smart allocation of resources, which leads to happy customers.

"There's an algorithm within an optimized scheduling engine, and it can instantly assign the most-appropriate resource to a job, based on location, skill set, time, and SLA," Downes says. "That means the system will know, for example, that Bob is the right person for this job and Fred is the right person for another job."

Glory is also the first Oracle customer to integrate Oracle Field Service Cloud Service with JD Edwards EnterpriseOne. That means any information that service reps collect during appointments flows right back into the ERP system via their mobile devices, ensuring inventory and customer records stay up to date.

A NEW ROLE FOR IT

Throughout the project, the IT department matured. That began with the way the project's work-stream leaders framed the program initially: they made it clear

to everyone that this was a business transformation program, not an IT project. They felt that would ensure alignment with business objectives.

They were right.

"After this project, IT has moved from being a purely reactive function—fixing things that were broken—to enabling the overall business strategy," says Rammal. "In the past, we were very infrastructure-focused, but because Oracle is all cloud-based, we've moved into business relationship management. We're now supporting something truly core to the business, and people are starting to recognize that." □

Tara Swords is a frequent contributor to Profit.

ACTION ITEMS

[Oracle's JD Edwards EnterpriseOne on Oracle Cloud](#)
[Oracle Customer Experience Cloud](#)
[Oracle Sales Cloud](#)
[Oracle Field Service Cloud Service](#)
[Oracle Marketing Cloud](#)

Steltix Puts the Power of Oracle AIS in the Customer's Hands

Adding value to customers by leveraging Oracle Application Interface Services (AIS) for JD Edwards.

By Fritz Hölscher, Managing Director of Steltix Labs

Steltix is a leading provider of JD Edwards software, services, and support since 1998. As a customer-centric and quality-driven provider of IT-based solutions, Steltix enables companies to improve their business performance. The company is headquartered in the Netherlands with offices in seven European countries and South Africa.

How has your relationship with Oracle JD Edwards grown?

Steltix understands the value of nurturing a strong relationship with Oracle JD Edwards (JDE). We work closely with Oracle to ensure that we meet our customers' needs while developing products that add value to their investment in JDE. As a result, Oracle has recognized Steltix as a Platinum Partner – Specialized in JD Edwards, as well as Most Valuable Partner of the Year 2014, Application Partner of the Year 2015, Digital Partner of the Year 2016, and Oracle



Fritz Hölscher, Managing Director, Steltix Labs (left) and Jan Jaap Weerstand, CEO, Steltix (right)

Distinguished Partner 2017.

How does Steltix add value for Oracle JDE customers?

Steltix Labs, our product development hub, works closely with the Oracle AIS and JDE Labs teams to continually develop products that enhance the user experience and allows them to be more productive. Steltix specializes in using Oracle AIS to allow developers to interact with JDE and easily integrate mobile and web applications. Using AIS



For more information, visit
www.steltix.com

with Orchestrations, we can quickly customize the user experience around business processes. Our team also takes advantage of Oracle JET (JavaScript Extension Toolkit),

We also invest in growing talent in countries like South Africa. For example, we actively support the development of future software engineers and programmers in the

More than four decades of manufacturing and maintaining processing equipment has made the Multotec Group a global leader in custom, application-specific mineral processing technology. With operations located in remote areas, approving sales quotes was a tedious and time consuming process for Multotec. To streamline the process and speed up approvals, the company needed a mobile JDE application. Steltix used Oracle JET to build a mobile app that runs on any browser. This makes it easy to run on any mobile device without needing to install the software. By mobilizing the approval process, Steltix saved the customer a tremendous amount of time, made using JDE easier, and added value for the customer. ■

“Multotec recognizes the depth of JD Edwards technical expertise within Steltix and when Multotec required a custom-built mobile application, we looked no further than Steltix.”

—Renier van Rooyen, Group Business Systems Executive, Multotec

a collection of open source JavaScript libraries that makes it simple and efficient to build applications that interact with JDE and Oracle Cloud services.

How do relationships drive your business?
At Steltix, we understand the value of building relationships, not only with our customers, but also with our employees, partners and key stakeholders like Oracle.

local communities through targeted training and education programs. The growth we have seen has been phenomenal and very rewarding.

Can you provide an example of how Steltix enhanced JDE for a customer?
Multotec is a South African company and a global leader in custom, application-specific mineral processing technology.

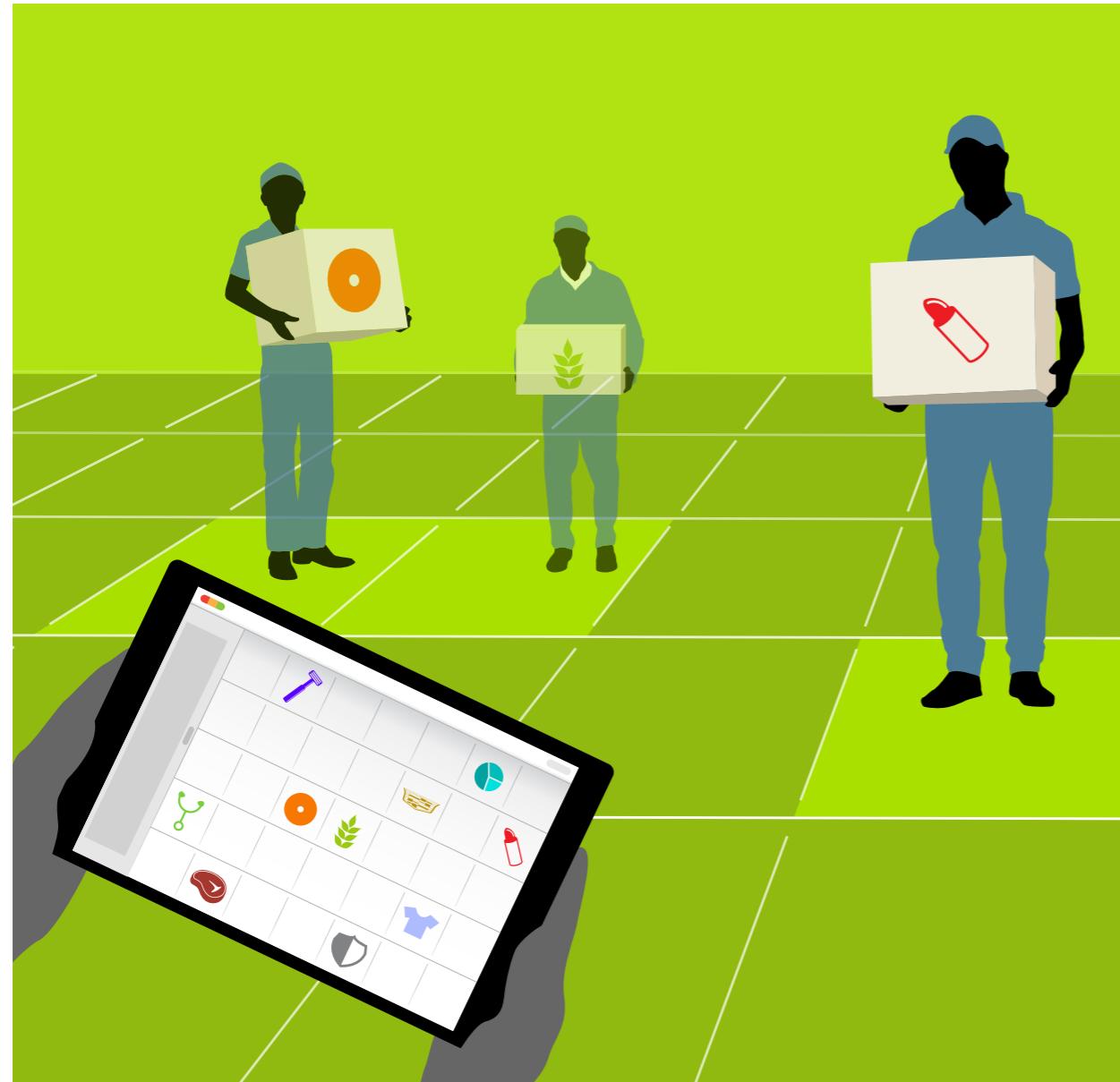
“Multotec recognizes the depth of JD Edwards technical expertise within Steltix and when Multotec required a custom-built mobile application, we looked no further than Steltix. They are currently in the process of assisting Multotec with our upgrade to version 9.2, which will allow Multotec to enhance the experience of our users with the latest technology and features.”

—Renier van Rooyen, Group Business Systems Executive, Multotec

YOUR PRODUCT AS A SERVICE

The cloud is driving a trillion-dollar transformation: an expanding range of consumer and business products as subscription services.

BY ROB PRESTON



Time was, a company produced a good or service, customers bought it directly from the company or from one of its retail/channel partners, and the parties to that transaction pretty much called it a day—unless a defect or other problem was discovered. Absent a service contract, the transaction was a one-off event for the buyer and seller.

Today, a wide range of startups and established companies are serving consumers and businesses under a different model, albeit one that's as old as the magazine industry: subscriptions. They're selling everything from shavers, music, tutorials, home-monitoring systems, and luxury cars to aircraft engine maintenance, healthcare advice, and business software as subscription services—charging fixed or usage-based prices, usually by the month.

Estimates of the size of the global subscription services market vary, with some industry watchers putting it at close to US\$1 trillion and growing by double-digit percentages every year, as cloud infrastructure and software tear down the barriers to market entry. Billions of dollars of venture capital funding have poured into

subscription-based startups during the past several years.

One ambitious subscription venture is Carbon, the subject of the cover story for the summer issue of *Profit*. Founded in 2014, the company 3D-prints custom parts—even complete products—for the likes of Ford, Johnson & Johnson, and Adidas under its “hardware-as-a-service” model.

Another innovator is Ring, a *Shark Tank* reject founded in 2011 that makes a video doorbell/home security system that connects to customers’ home Wi-Fi networks, sending real-time notifications to their smartphones or tablets when someone comes to the door. Customers onsite or off premises can view and speak to the person at the door via a high-definition video stream and two-way audio communications. The innovative system alerts customers when someone presses the button on the doorbell or when it detects motion. An optional subscription recording plan also lets customers review the video if they miss a caller or package deliverer—or someone with malicious intent.

HYBRID MODEL WILL PREVAIL

Like Ring, most established companies have adopted a hybrid business model rather than going all-in on subscriptions. Companies such as General Electric, General Motors (see “Nice Ride” sidebar), and News Corp. predict that anywhere from 40 percent to more than 90 percent of their revenues could come via subscriptions within a decade. If just 5 percent of the world’s output were to be sold as subscription services, that would generate about US\$3.75 trillion in annual revenue.

Unilever’s US\$1 billion acquisition of Dollar Shave Club, founded in the cloud just six years ago, followed by rival Procter & Gamble’s launch of Gillette On Demand in May 2017, show that even the biggest, most successful consumer-product companies and brands are taking this trend seriously. Both of those services let subscribers choose one of a handful of shavers, for which they receive inexpensive replacement razor cartridges each month for a monthly fee. Convenience and low price are their main value propositions.

“

Every company is becoming a cloud company, and that creates massive opportunities.

—JASON MAYNARD, SENIOR VICE PRESIDENT OF STRATEGY AND MARKETING, NETSUITE UNIT, ORACLE

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Or consider what GE Digital is doing with its cloud-based Predix software platform, which it and other developers are using to build applications that connect to a variety of GE and third-party assets, including aircraft engines, wind turbines, and railroad equipment. Predix applications collect machine-grade data and analyze it to help customers improve system performance and uptime, cut energy costs, boost output, and deliver a variety of other business “outcomes.” GE Digital, launched in September 2015, already generates more than US\$6 billion in revenue from Predix and Predix-based services, whose subscription, pay-as-you-go pric-

ing model lets customers easily access and scale services as their needs evolve.

"Every company is becoming a cloud company, and that creates massive opportunities," notes Jason Maynard, senior vice president of strategy and marketing with Oracle's NetSuite unit. NetSuite's cloud ecommerce and financial applications help run a number of subscription-based customers, including Ring, Blue Apron, and Loot Crate. "No longer will product companies just sell products or service providers just sell services," Maynard says. "Every business must offer its wares as a service. This requires new business models whereby customers can consume offerings via a subscription or by usage and potentially even pay for outcomes."

WHAT'S TO LIKE ABOUT SUBSCRIPTIONS?

Vendors, as well as their Wall Street and venture capital investors, like the subscription model because it generates more regular and predictable revenue streams

Nice Ride

GM's Cadillac division gives subscription service the white-glove touch.

One blue-chip company that aims to generate progressively bigger chunks of its revenue from subscriptions is automaker General Motors.

GM sees itself becoming less of a manufacturer and more of a service provider over time mainly in three areas: connectivity (OnStar and related telemetry/diagnostic services), "urban mobility" (services related to GM's US\$500 million investment in on-demand ride-sharing company Lyft), and autonomous vehicles.

A clever new GM subscription service that falls into the urban mobility realm is Book by Cadillac, which for US\$1,500 a month and

a US\$500 initiation fee gives members in New York no-hassle possession of a current-year XT5, CT6, Escalade, or V Series Cadillac. Registration, taxes, insurance, and maintenance costs are included in the monthly subscription fee, and there's no limit on mileage and no commitment to lease, finance, or buy the vehicles.

Book members can cancel at any time, and they can exchange their vehicles—ordered from an app and delivered from select locations via a "white glove" concierge service—as their needs change, notes Uwe Ellinghaus, chief marketing officer at Cadillac. Need to take your daugh-

ter back to college? Order an Escalade for the haul. Got the urge to hit the open road to take in the fall foliage? Try a V Series convertible for a few weeks. Customers can exchange their Cadillacs as many as 18 times within a 12-month period.

Under the initial phase of the Book program, which GM plans to expand to other major US cities, GM and its Cadillac division are maintaining a small fleet of cars and SUVs to serve dozens of clients, hoping to entice first-time drivers of the luxury models. As such, the subscription service is intended to augment the sales of Cadillac's dealers, not cannibalize them.

and more cross-sell and up-sell opportunities. It's noteworthy that one of the main data points that moves Amazon.com's stock price up or down after every quarterly financial report is the number of Prime subscriptions the company sold in that quarter (because that's a measure of recurring revenue and customer loyalty)—not so much its total revenue or profit/loss numbers.

The subscription model is also forging stronger seller-buyer relationships. Because subscriptions, especially for high-value products, make it easier for customers to switch vendors, it becomes even more incumbent on those vendors to continuously earn their customers' business through ongoing innovation and personalized service.

A prime example of a product line whose provision has become more high-touch now that it's a subscription service is Oracle's suite of cloud-based human resources applications: Oracle Human Capital Management Cloud (Oracle HCM Cloud). Its on-premises counterparts—

Consumers who grew up with Netflix and Spotify are particularly comfortable with the subscription model, drawn by convenience and their “desire to be surprised and treated like they are special.”

HR applications that customers install in their own data centers and maintain themselves—are updated by Oracle about every two years. And even then, many customers pass on the updates, given the inherent complexity of such software deployments.

In contrast, Oracle HCM Cloud applications are updated about twice a year and delivered to customers automatically over the internet with minimal fuss. What's more, about 80 percent of the new features in the last release of the cloud suite came via direct feedback from Oracle's subscriber customers, much of it on the Oracle Service Cloud Idea Lab online community, says Chris Leone, the senior vice president at Oracle who leads development of those apps. To date, more than three-fourths of the nearly 8,000

Oracle HCM Cloud customers have signed up for that community—about 33,000 individual users in all.

With cloud subscriptions, “customers are seeing the product evolve much faster than they ever imagined, and it's evolving in the way that they're asking it to evolve,” Leone told Oracle's Chris Murphy last fall. “It's kind of this closed loop now. We're moving faster and listening more to our customers, and they're seeing it.”

Likewise, Carbon, which streams about 1 million data points per day from each of its printers on their operation, performance, and output, augments that data with direct feedback from customers, who rate the quality of each print job via an Oracle Service Cloud interface. “We want to eliminate all downtime,” says

Chris Hutton, director of business operations at Carbon.

Technology strategy is, of course, inseparable from the customer orientation that drives the subscription business, because the model often depends on a connection between digital and physical experiences. Consider “box” subscription retailer Trunk Club, whose stylists work with each customer to create an assortment of clothes that fit his or her individual style and preferences. Then the stylists share that virtual “trunk” via a mobile app. The clothes ship only after the member gives the OK.

The Trunk Club platform is built on a microservices architecture, where each element required to build a trunk preview—information on products, members, outfit options, and fulfillment—is its own service with its own snippets of data, which are then pulled together via an API that delivers the full picture to the customer through the company’s app. “As a product-first company and a technology company, we’re always iterating on what we can do better,

making small changes, and learning from the experience to make it better for the customer,” says Brian Lee, engineering manager at Trunk Club, which was acquired by Nordstrom in 2014.

BOXED IN?

No industry has embraced the subscription model as aggressively as retail, where subscription services from giants such as Nordstrom, Amazon, Walmart, and Starbucks compete at some level with the aforementioned box services from a range of digital natives that specialize in the recurring delivery of different assortments of niche products. Among the many box players besides Trunk Club are Stitch Fix (men’s and women’s clothing), Kiwi Crate (kids’ items), Birchbox (cosmetics), Blue Apron (meals), Bean Box (coffee), and Loot Crate (gaming and other geek merchandise).

A recent study by clickstream data and analytics firm Hitwise estimates that the number of box retailers grew nearly 3,000 percent between January 2013 and January 2016, with visits to those

sites reaching 21.4 million. The study maintains that consumers who grew up with Netflix and Spotify are particularly comfortable with the subscription model, drawn by convenience and their “desire to be surprised and treated like they’re special.”

“More important than price is the sense of discovery; subscription box shoppers love to try new things,” says the Hitwise report. “They’re also likely to serve as evangelists by recruiting others around them—often using social media—to try the new products they’ve discovered and love. And while being the first to a new trend might have been of critical importance to this audience when they were slightly younger, at this stage in their lives many are happy just staying ahead of the curve . . . without exerting much effort.” □

Rob Preston is editorial director in Oracle’s Content Central organization. Follow Preston at [@robpreston](#).

ACTION ITEM

[Oracle Cloud Release Readiness](#)