



## Switch your IT's focus from preservation to innovation

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Outsourcing the management of your JD Edwards software can lead to a competitive advantage by enabling IT staffs to focus on strategic initiatives instead of daily maintenance tasks

In the face of fierce competition from global markets, demands by investors for increased profitability, higher quality production schedules, and expedited product delivery for faster time to market, organizations are constantly on the lookout for ways to trim costs and improve efficiencies. The IT department can be a significant factor in achieving these goals, if they can shift focus from maintaining existing technology to pursuing new initiatives like Business Intelligence or CRM that can improve a company's operations and therefore competitive advantage.

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IT is often too busy managing and maintaining the existing technology investments—including JD Edwards software—to devote much staff time to buying hardware, deploying software, supporting the organization and training end users on new technology, no matter how beneficial it might be to the company's bottom line. Before anything else, IT must handle the demands of data center management; installing and maintaining enterprise software; and hiring, training and motivating qualified employees. Even while maintaining the existing technology, IT can fall behind because of the current rate of change in technology, the frequency of new releases from software vendors, and the long and costly implementation timelines required to install sophisticated enterprise software. The day-to-day maintenance tasks, upgrades, troubleshooting and end-user support can not be neglected. Hiring additional staff to relieve the workload isn't an option because it runs counter to the organization's attempt to cut costs and increase profits.

Yet without IT managing and supporting the existing technology and infrastructure, business would grind to a halt. The trick is to find a way to continue the necessary maintenance and management while also enabling IT to devote resources to new initiatives.

That's where outsourcing to an application service provider (ASP) can help. The ASP can take over the daily maintenance of a company's JD Edwards software, so the IT department is available to pursue those investments that will support the company's business goals. As an added benefit, because the ASP is focused solely on providing these services, they can sometimes deliver superior service compared to that provided by an in-house IT department...at a lower cost.

**“When an organization chooses to reallocate IT resources by outsourcing management of the JD Edwards software to an ASP, they often realize unexpected benefits in performance and cost too.”**



### **When outsourcing isn't an option**

Outsourcing does not work for every business model. If your company would like to shift IT's focus from maintenance to strategic initiatives, but having your data center hosted off-site isn't an option, consider Remote Applications Management.

Remote Applications Management is a cost-effective alternative to having your technical staff manage your JD Edwards solution. These resources work remotely to provide the specialized skills required to support the software, including downloads (ESUs, ASUs or Service Packs), tools release updates, package builds, deploys, performance monitoring, and other application management functions. The Remote Applications Management resource accesses your system using secured connectivity and a user profile with security levels defined by you. The work responsibilities and assignments are pre-defined by business needs, and often involve maintenance time beyond an organization's standard hours of operation.

For more about reducing the IT time required to manage JD Edwards EnterpriseOne, see the WTS whitepaper "Simplifying the complexity of JD Edwards software maintenance." Available at [http://www.wts.com/apps\\_management.htm](http://www.wts.com/apps_management.htm).

### **What Is an Application Service Provider?**

Application service providers enable companies to outsource certain tasks related to executing their JD Edwards applications by handling the maintenance and management at an offsite location. Outsourcing is not a new concept, and the evolution of today's global communications infrastructure has facilitated the broadening acceptance of outsourcing enterprise solutions. Application service providers offer a cost-effective method for delivering enterprise application software while freeing internal resources to focus on core business requirements. Among other services, ASPs offer software support, hardware maintenance, business continuity and communication services. ASPs can also provide implementation resources, application support, training, and custom development. There may also be vertical industry consulting available from some providers.

### **How an ASP Works**

Access to data and infrastructure no longer requires the computer system to be in-house. When a company uses an ASP, critical business applications are typically housed in off-site data center locations without impacting access to the information. Users access the systems through a secure network allowing on-demand connectivity from work, home or the road when traveling outside the corporate network. As a result, ASPs handle many information technology tasks for their customers, including delivering the JD Edwards applications, managing servers, downloading software updates from Oracle, and applying hardware and database updates from a manufacturer. Exactly which tasks are performed are determined and agreed to by the ASP and the organization at the beginning of the relationship. Many factors determine the structure of the hosting agreement including which JD Edwards software products are hosted, the number of users accessing the system, the length of the hosting agreement, and the communications bandwidth selected for each user site.



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### How an ASP can outperform an in-house IT department

Superior performance	Data centers designed for remote user access have network and telecommunication connectivity created for performance, scalability and reliability beyond the typical business environment.
Expertise	The ASP and its skilled, experienced IT professionals monitor the data center, network and software functionality on behalf of its customers.
Disaster recovery	ASPs typically have more comprehensive and effective disaster recovery plans, including off-site backup locations.
Optimal environmental controls	Environmental controls such as cooling, smoke and fire protection are also typically better than in a business setting.
Stricter security	Security includes physical security, firewalls, telecommunication routers, user access control, known user definition and password access.
Powerful computing	Powerful computer systems deployed by ASPs are multi-processor, multi-server clustered machines that provide exceptional performance and sub-second response times for today's sophisticated business solutions. A customer receives the benefit of high performance system operations without paying all the costs associated with these advanced configurations.
24x7 monitoring	Network monitoring and managed 24x7 operations are often a part of the Service Level Agreement (SLA) with the customer.
Lower costs	Outsourcing to an ASP is less expensive than hiring additional staff. In addition, it lowers the risk a company faces when a specialized employee leaves. See the sidebar <b>Determining the true cost of JD Edwards software management.</b>



## How to Choose a JD Edwards-focused ASP

If you've determined that outsourcing the management of your JD Edwards software makes business sense, your next step is to choose an applications service provider. Since you're trusting a mission-critical task to a vendor, knowing how to qualify the various service providers is also critical. In general, your ASP should be:

- > **Focused:** When your provider is focused exclusively on JD Edwards software, they are going to have unparalleled expertise and experience compared to vendors that host more than one type of software.
- > **Agile:** Change is the norm in almost every industry these days. Your provider should be flexible and agile enough to adapt to your changing business situation when necessary.
- > **Proven:** If your provider doesn't keep your JD Edwards software operating at peak levels—always current, with minimal downtime—it's your business that will suffer. Look for a provider with proven experience and a consistent, long-term track record with JD Edwards software.

## Questions to Help You Evaluate ASPs

The decision to outsource the management of JD Edwards software is typically shared between a financial decision maker (CEO, CFO or VP of Finance) and a senior IT executive (CIO or VP of Information Technology). Yet the questions important to each might differ. Below is a list of questions relevant to the business decision maker for use when evaluating an ASP. *A list of questions relevant to the technical decision maker can be found in the appendix.*

### Focused

- > Does the ASP focus solely on EnterpriseOne and World software?
- > Does the ASP have application support skills for your JD Edwards EnterpriseOne or World software?
- > Can the ASP demonstrate the technical skills required to support your JD Edwards EnterpriseOne or World solution?
- > What is the provider's relationship with Oracle? How long has the ASP been involved with Oracle and at what level?
- > Does the ASP staff its own employees for support or is this service provided by a third-party?
- > Does the ASP manage its own data center?

### Agile

- > Do solid business plans exist for growing the current infrastructure to meet future demands?
- > Can the ASP offer the support and services required by all your users at all geographic areas?
- > Can the ASP support multiple contact methods like phone calls, email and faxed requests?
- > Is the ASP up-to-date on JD Edwards software developments and future plans?



### Proven

- > Does the ASP have an industry-recognized reputation for delivering hosted JD Edwards solutions?
- > How many customers are currently hosted by the ASP and what references can they provide? These customer references should have more than 12 months experience working with the ASP.
- > Does the ASP have a strong financial model?

Although this list of questions is extensive, you are considering letting another organization host and protect one of your most important assets: your data. A thorough evaluation is absolutely necessary.

### Determining the true cost of JD Edwards software management

If you're reluctant to outsource management of your JD Edwards software to an ASP due to cost concerns, making a full assessment of your current information technology expenditures is a must. You will probably discover that outsourcing not only increases performance and lowers the time IT spends on mundane tasks; it can save money and make monthly expenses predictable too. If you decide to do a cost analysis, here are a few factors to consider when determining the true cost of managing JD Edwards software.

Budget changes occur with each new hardware or software upgrade, implementation, and hiring decision. Equipment and facility costs are easily quantified, but other costs such as downtime, end-user support, and specialized software or hardware needs can add new and unplanned expenses to your project. Review the Total Cost of Ownership (TCO) or Return on Investment (ROI) models used by these operational experts. Measure your software, hardware and staffing costs over a three to five year period for a true cost comparison.

When migrating from legacy applications to today's open system solutions, infrastructure demands can be the biggest unknown to an operational manager. The total cost of acquiring hardware can be calculated from minimum technical requirements provided by the software vendor. However, what many fail to measure is the future cost of communications, infrastructure, performance and scalability required to meet the demands of a growing business. It is often difficult to measure the cost of operational excellence without the benefit of historical trends and prior support experience.

Staffing for hardware, data center management and end-user support requires specialized knowledge of JD Edwards products and platforms. The cost and availability of these human resources are often influenced by geographic location, desired operating platform and economic factors. Outsourcing might provide you with access to a depth of JD Edwards knowledge without bearing the full cost of these resources.

For a quick computation demonstrating possible ROI for your business, go to [www.wts.com/tco](http://www.wts.com/tco).



## Outsourcing from WTS

WTS is a leading applications service provider for organizations relying on JD Edwards software. By outsourcing maintenance and management of JD Edwards software to WTS, IT staffs can switch their focus from time-consuming maintenance to more valuable tasks and initiatives. And the software will operate at an optimal level beyond what an organization could accomplish on its own, at a lower cost.

> **Focused:** WTS provides Hosting for JD Edwards software only. That means WTS devotes all of its resources to improving the knowledge of our application and technical teams along with staying current on Oracle changes to the JD Edwards product family. This focus gives WTS the ability to develop the industry's highest quality best practices and change management procedures.

In addition, WTS has more than a partner relationship with Oracle. WTS is the only JD Edwards service provider partly owned by Oracle. Our technical staff—many of whom have come from JD Edwards—maintain their working relationships with key resources in Oracle Engineering and Oracle Customer Support. These relationships allow WTS to provide unmatched software support experience that directly benefits the applications management customer. With a WTS branch office on the Oracle campus in Denver, access to subject matter experts is literally a short walk away.

> **Agile:** WTS expects change to occur in every new release of JD Edwards software...and in our customers' business requirements. We work closely with Oracle to beta new software releases and to provide input on enhancements to the technical tools that support our change management processes. Our ability to keep current with application technology delivered by Oracle is directly tied to how successful we are in meeting the software update process and system availability requirements for our customers. WTS also provides comprehensive support and services to all your users at all geographic areas, and we support multiple contact methods: phone calls, email and faxes.

> **Proven:** We have been hosting JD Edwards EnterpriseOne and World software longer than any other provider. We have more than 45 enterprise customers, ranging in size from \$25M to over \$6B, with a user base exceeding 8,000 users across 17 time zones. We provide hosting services to clients in industries across many JD Edwards verticals, including life sciences; architectural, engineering and construction (AEC); packaged goods; foods; property management; logistics/distribution; mining; professional services; energy/chemical and manufacturing.

Outsourcing the time-consuming maintenance and management of your JD Edwards software can enable your IT staff to refocus on higher priorities, such as pursuing strategic initiatives inline with your business objectives. In addition, outsourcing can lead to improved performance, enhanced security and disaster recovery planning, and lower costs. Although the idea of outsourcing mission-critical operations might at first seem counter-intuitive for an organization that is used to handling all IT tasks in-house, the benefits of outsourcing certainly make the decision one worth considering.



## About WTS

WTS, Inc. provides a wide range of services for JD Edwards EnterpriseOne and JD Edwards World customers including Hosting, Remote Applications Management, Disaster Recovery and complementary product support. Our customers benefit from an industry-proven solution that increases efficiency, enables business and technology change, and reduces IT risk. Oracle® holds a significant equity interest in WTS. To learn more about the benefits you could realize by partnering with WTS for Hosting, call 1.877.987.7253, email [jdesolutions@wts.com](mailto:jdesolutions@wts.com), or go to [www.wts.com](http://www.wts.com).

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## **Appendix**

### *Questions for evaluating the technical aspects of a JD Edwards ASP*

For key ASP employees in the customer support and information technology departments, what is their work history with JD Edwards products?

What controls are used by the ASP for asset management and security?

Are performance guarantees provided?

What communication providers support the existing customers' network connectivity requirements?

Are escalation procedures defined for high priority needs?

How many different operating platforms are managed by their operational staff?

Who are the preferred hardware vendors for the ASP?

What is the data restore frequency to the disaster recovery site?

Has the ASP tested their recovery plans within the last calendar quarter?

Can the customer references for this provider provide input on recovery testing and results?

Does the ASP have a positive record on customer data security?

How does the ASP handle business continuity requirements?

Is this location in different geographic and seismic location?

Does the ASP have a project plan and customer implementation history for migrating you to a hosted EnterpriseOne or World solution?

What complementary products are hosted by the ASP?

Does the ASP have the technical skills to support your complementary products?

How is after hours support handled?

