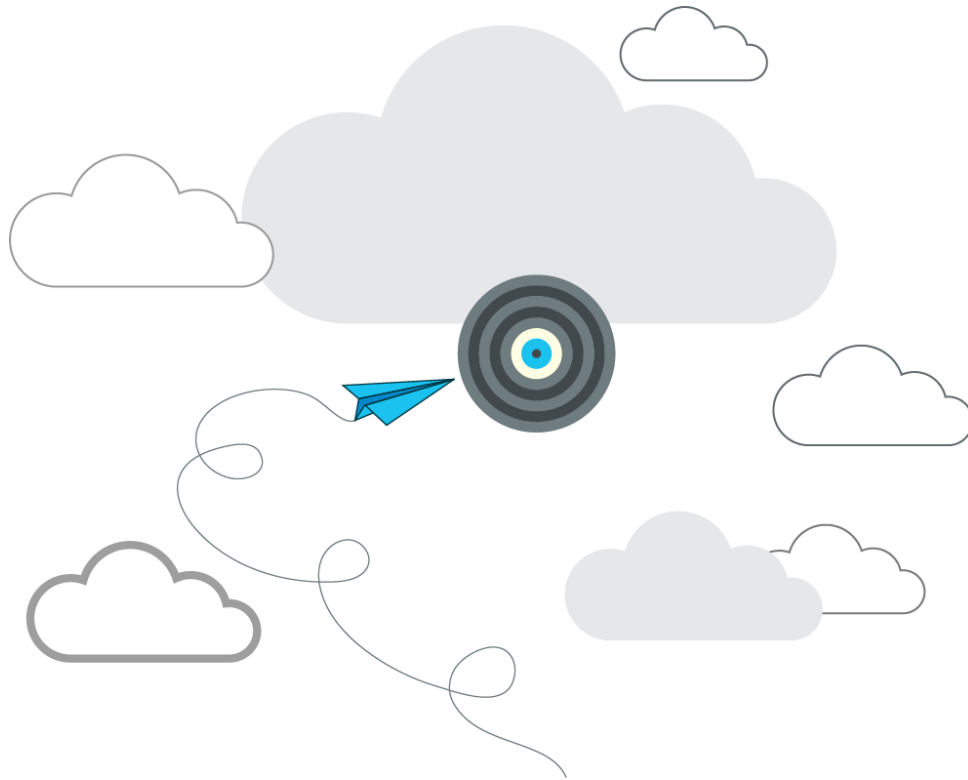


## Path to JD Edwards Cloud



### Executive Summary

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The Cloud platform is touted as a catalyst for business transformation. However, it is a subject that is still fraught with hype, confusion and myths. This paper is written with a focus on JD Edwards's customers, their unique challenges and current stage in IT life cycle.

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## Contents

Business Reasons .....	3
Reduced total cost of ownership.....	3
Capital expenditure replaced by operational expenditure .....	3
Scalability to support peak demands .....	3
Reduce number of IT vendors .....	3
Potentially improved IT security .....	3
Key Decision Factors .....	4
Success with other Cloud-based applications.....	4
Expanding IT capabilities .....	4
Big picture .....	4
Cloud Vendors.....	4
Recommendations.....	5
Migration from World to EnterpriseOne .....	5
Upgrade from order release of E1 to E1 9.x.....	5
New E1 implementations:.....	5
Conclusion .....	5

## Business Reasons

### Reduced total cost of ownership

Migrating to Cloud does not guarantee a lower Total Cost of Ownership (TCO). A meticulous exercise to capture all the current cost elements and extrapolating them over a five years period can set a good baseline. Assessment of total cost of ownership (post migration) should consider additional IT resources (storage, network, computing) for the planned business growth. It is possible that the current infrastructure assets are not fully depreciated, which may impact the timing of the migration.

Besides the cost, there are many other valid business reasons for moving to the Cloud. Though, it is important that cost comparisons are established by finance experts and future costs and fees are committed by the vendor.

### Capital expenditure replaced by operational expenditure

Building a data center or upgrading an existing data center incurs significant capital expenditure. Instead, if organizations choose to migrate to the Cloud, they can avoid potentially large capital expense and pay only for the resources that they need, and whenever they need them.

Organizations may have already acquired enterprise licenses for some of their applications and a business case to convert these licenses to a subscription based operational model, may not be viable.

### Scalability to support peak demands

In theory, there is a business case for not having to manage IT resources that are designed to meet peak demand given that Cloud resources are elastic, IT organizations can rely on a baseline level of computing resources that can rapidly scale to meet increasing or decreasing user demand. As the cliché goes, "Trust but verify" is highly applicable in this case. Moreover, it is important to unearth hidden costs of supporting peak demand.

### Reduce number of IT vendors

When an IT organization runs its data center it has to deal with servers, storage, network providers, Value Added Resellers (VARs), and possibly managed services vendors. With a Cloud-based data center, these dependencies can be potentially reduced to just one or two suppliers. It is necessary to balance the benefit of reduced number of IT vendors with the fact that one (or two) vendor(s) may wield enormous power over you.

### Potentially improved IT security

The data centers of leading Cloud vendors are compliant to many security standards such as SOC 1 Type 2 ISO 27001, PCI DSS, FISMA Moderate Compliant Controls, HIPAA and ITAR Compliant Architecture. These vendors have dedicated security specialists and their livelihood depends on safekeeping of their customer's data and IT assets.

As an example, in a Cloud environment, organizations may be able to limit their liability in cases of mass theft of credit card information when the architecture/access protocol are well thought out and are validated by PCI compliance auditors.

## Key Decision Factors

### Success with other Cloud-based applications

You have tested success with Cloud-based OTM or MDM applications. You have already established the business case and have realized the projected cost savings. The SLAs are met and your internal and external customers have not noticed any change (or have experienced a positive change such as improved system response time). In this case, you are ready to increase the velocity of your Cloud journey by moving other applications such as JD Edwards to the Cloud

### Expanding IT capabilities

The ever-evolving nature of the business demands more from the IT. Technologies such as Cloud, Mobility, Internet of Things (IoT) and Big Data can bring competitive advantage to your organization. Cloud vendors can offer higher standardization and sophisticated processes for tasks ranging from monitoring to application integration services.

These changes will foster conditions to rethink the entire IT strategy and Cloud should be an integral part of that thought process.

### Big picture

Cloud migration journey may have multiple phases based on a conservative approach, however, when it is based on a bigger picture thinking that encompasses all systems and assets, customers are more likely to build a solid foundation for future growth and innovation.

## Cloud Vendors

JD Edwards customers can choose from multiple vendors such as Oracle, Amazon Web Services (AWS), Microsoft, Rackspace among others. Oracle might be the first choice for customers given that JD Edwards is an Oracle product and they offer a full suite of Compute, Storage and Network capabilities including a much better understanding of JD Edwards architecture/CNC.

Most vendors offer Compute, Storage and Network capabilities and support OS layer and below as part of their standard offering.

In addition, Infrastructure and Application Managed Services providers offer services such as monitoring of applications, servers and databases to ensure that your infrastructure functions smoothly. This can also be a combination of internal resources, System Integrators (SIs) and the Cloud vendor based on available skill-set and associated cost.

## Recommendations

### Migration from World to EnterpriseOne

Migration from World to EnterpriseOne may involve platform change (for example, iSeries to Oracle red stack) and can be an excellent opportunity for migrating JD Edwards to Cloud. This will also circumvent the need for hiring people with CNC and other special skills that are necessary to support EnterpriseOne.

### Upgrade from order release of E1 to E1 9.x

#### Option One

Upgrade to the latest version of E1 and try extremely hard to retire all the modifications. This will align you to using the vanilla functionality making future support and upgrades much easier and faster. E1 9.x will bring two big benefits, one: great customer experience via E1 pages, OVR, watch lists and two: E1 orchestrator makes the integration layer simpler, a key component in allowing real-time collaboration with other Cloud and on-premises applications.

Once the upgrade is completed, you can focus on absorbing these new benefits and simultaneously ready your organization to move to the Cloud. From a change management perspective, this allows a smoother transition both for technology and people.

#### Option Two

Organization readiness and change management activities are conducted in parallel with the upgrade approach listed in Option one (above) including migration to Cloud. Option one is obviously a faster and a cheaper method. Option 2 is for organizations that can adopt to this change in a single initiative and a relatively short period.

### New E1 implementations:

E1 implementation will place additional demands on an existing data center. Additional skills to manage CNC, network and databases will certainly be required. It might be easier to adapt to Cloud right away and keep the focus on the primary business.

Irrespective of the specific need, a strategy for migrating to Cloud will be complex given multiple options and numerous moving parts. A systematic discovery initiative followed by a collaborative strategic workshop can help organizations reduce risks and surprises.

## Conclusion

A Cloud journey for ***the right business reasons and at a right pace will indeed create a solid platform for innovation and transformation.*** Embracing Cloud requires robust organization readiness and change management. Each organization will have certain threshold to absorb change and staying slightly below that red line will ensure the quality, safety and comfort of the Cloud journey.

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Milind Joshi is a consummate JD Edwards professional, an E-commerce Specialist & IT Generalist with 30+ years' experience in the Information Technology space. His career includes roles such as Head of IT for a prominent Oil company, VP of Sales, VP of Service Delivery, Head of a Business Unit for an IT consulting firm, and a Chief Customer Officer for a Tier 1 payments company. Milind has successfully delivered several IT focused management consulting engagements. His global perspective comes from multiple engagements in Asia, Europe, Australia, New Zealand, and Brazil besides the United States. Milind is VP and Head of Oracle JD Edwards practice at **KPIT, a firm specialized in business**

**transformation** by leveraging Cloud, IoT, Mobile and Social.