

WHITE PAPER

Making the move to SaaS

A guide for transitioning from on-premise to SaaS ERP

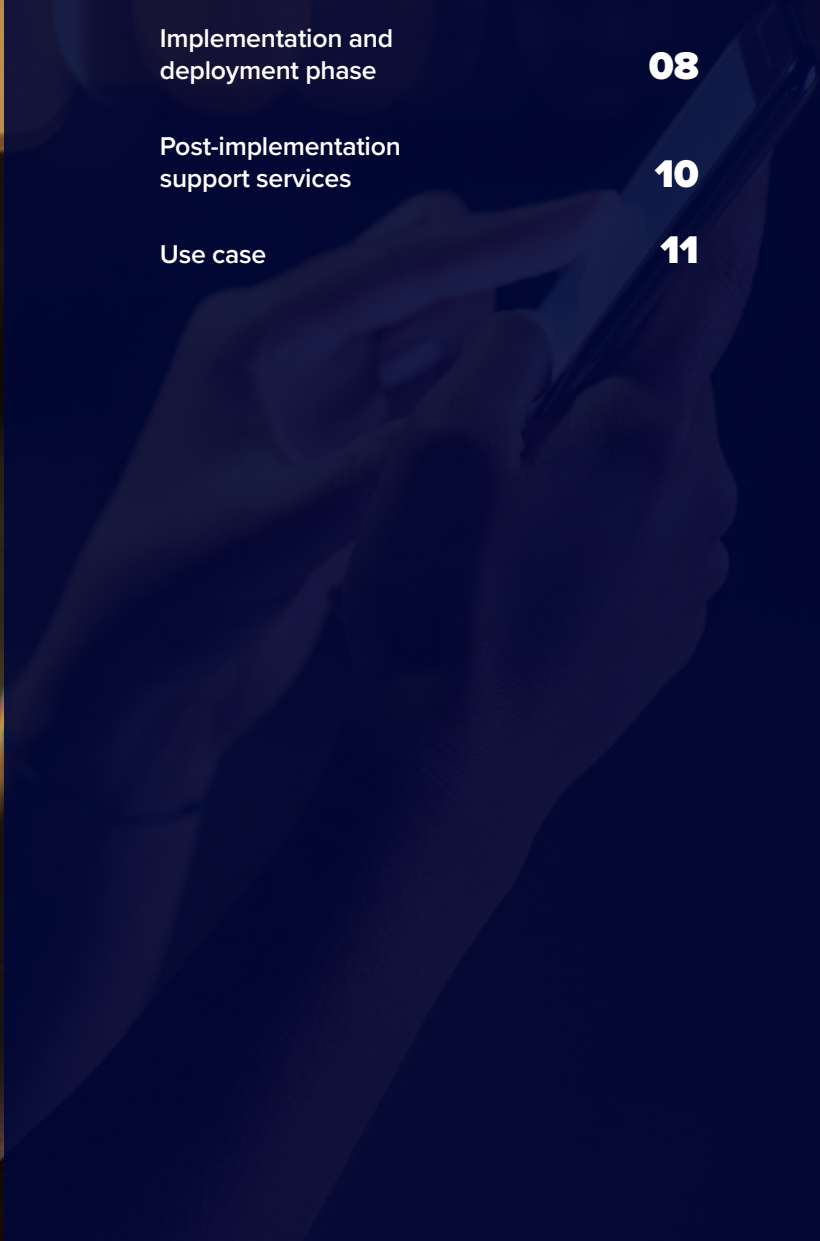


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Introduction

This white paper examines the primary factors involved in planning for and managing a successful transition from on-premise ERP to TechnologyOne's SaaS ERP solution. Taking an industry-agnostic view, it is intended to help guide CIOs, IT managers and their teams prepare for their implementation and lay the groundwork for a seamless transition.

ERP technology trends in ANZ and global markets

Understanding the industry-wide shift to SaaS ERP

One of the most significant effects we've observed is how rapidly the rate of SaaS adoption has increased. Digital transformation is accelerating across all sectors, and our customers see the value of SaaS ERP to digitise their operations and enhance customer service delivery. In fact, the number of TechnologyOne customers who are transitioning from on-premise ERP to SaaS has accelerated year-on-year, and by 50 per cent in FY18-19 alone.

Our observations are backed by independent research. In April 2020, ADAPT conducted an in-depth study with 217 Australian and New Zealand C-level executives to gauge their responses to the COVID-19 pandemic. It found the most significant technology change had been the move to cloud – with half of the respondents saying their organisation had increased cloud workloads by 50 per cent to enable their remote workforce.

TechnologyOne had already carried out 62 transitions by mid-2020, and we are forecasting a total of 83 transitions by the close of the year.

The rise of remote working and a distributed workforce

Remote working has been gaining momentum for years, but in early March 2020, businesses were faced with the immediate need for at least half – if not more – of their employees to work remotely. In a short span of time, the global pandemic had made digital transformation a business necessity. The challenge lay in finding a way to provide people access to core operational systems and data securely, and at a level of performance that would not hinder productivity. Transitioning from on-premise systems to SaaS was a proven and ready-to-go solution.



Customer expectations are changing

Another major challenge for businesses was maintaining effective customer service while catering to rapidly changing customer expectations – especially in the face of increasing demand for online transactions and remote support. Customers were rapidly adopting new technologies that offered them a far greater degree of freedom and convenience. The preference for greater self-service portals and the freedom to work any time, anywhere from any device quickly became the norm. Many organisations found that their existing web services were inadequate for the task. Again, SaaS came to the rescue, evidenced by the phenomenal rates of migration of mission-critical workloads to SaaS-driven frameworks.

Realising the benefits of SaaS ERP solutions

Organisations that take the initiative to transition from on-premise to SaaS ERP can expect to gain the following advantages:

1. Organisational alignment with mission-critical priorities and strategies
2. Enhanced employee and customer experience
3. Improved operational efficiency and cost management
4. Improved risk management and regulatory compliance

Transitioning from on-premise to SaaS ERP

Based on our extensive experience with SaaS ERP, TechnologyOne has developed a proven System Implementation Methodology to ensure the smoothest possible transition for our customers.

The TechnologyOne System Implementation Methodology consists of the following linear phases.

PLANNING

The planning phase is comprised of three stages:

- 1 Project initiation**
Project and phase kick off – planning and setup.
- 2 Configuration design**
Defining the scope of every aspect of the project – including data migration, integration, reporting and business process automation.
- 3 Strategy**
Defining the plan for the implementation phase based on the agreed scope and re-baselining of project's schedule.

IMPLEMENTATION

The implementation phase is comprised of four stages:

- 1 Configuration**
Configuring the solution, including data migration, integration, reporting and business process automation, and preparing for testing.
- 2 Acceptance testing**
Testing the solution and defining the strategy for go live.
- 3 Deploy**
Undertaking end-user training, completing required data migration, deploying the solution and transitioning to the deployed solution.
- 4 Go live and handover**
Providing post go-live support, handover to support teams and post-implementation review.

The planning phase

Initiation

TechnologyOne has helped more than 435 enterprise-scale customers plan and succeed in their transition to SaaS ERP by involving the customer from the outset. We commence the transition process with a kick-off meeting between your internal stakeholders and our transition team. This is the project initiation phase, where we ensure everything in the implementation contract is covered and determine that our teams are aligned. The kick-off meeting identifies key stakeholders and any project constraints – providing a clear overview of how the transition project will be structured. It also reveals insights into resource allocation – enabling the customer to better judge the resources and time the transition will take. The IT resources needed can include Database or System Administrators who have access to the database, server folders and attachments.

The kick-off meeting will also schedule any follow-up activities that may be needed during the configuration design stage, including the SaaS solution design workshop, on-premise discovery, on-premise baseline performance checks and data upload.

Design

To scope out every aspect of your SaaS transition, we conduct the following workshops:

1. SaaS solution design workshop

This is where we collaborate with the customer to determine the design of their SaaS environment.

2. On-premise discovery workshop

This workshop enables the customer to identify and flag any integration requirements which may require further configuration to work on the SaaS platform.

3. Performance workshop

Performance Baseline Testing allows the customers to determine their top 10 mission-critical business processes and benchmark their performance to ensure they work seamlessly in the SaaS platform.

These interactive sessions are designed to confirm key design decisions – such as the functionalities of your ERP system, authentication method, file transfer options etc – and to identify any configuration changes that will need to be actioned as part of the transition.

At this point, it is critical for the transition team to have a clear picture of your key business and system processes. This goes beyond the IT side of how your ERP solution runs. It's about how you use your current ERP solution in day-to-day operations. To facilitate this process, it is essential to have buy-in from a senior executive with the ability to link in other key users across the business early in the process. This will avoid the need for reworking or reconfiguring the SaaS ERP later down the line.

The primary outputs from the three workshops will be a list of the applications to be deployed, URLs to nominate, any third-party applications impacted and details of related systems that require integration (see Interface Inventory below). Our discovery process is designed to uncover detailed data definitions, user requirements and all the business processes relevant to the ERP solution. Having the configuration design in place at the outset is critical. It will greatly help streamline the implementation process as well as any configuration tasks.

Understanding the Interface Inventory

It's important to discover and document all the ways in which your system interacts with others. This includes Application Programmable Interfaces (APIs) as well as the sources and destinations of data, supply chain communications protocols and many other possibly hidden links that users rely on. The longer your ERP solution has been installed, the less likely all these interfaces are to be fully understood. Some may only be used annually. These interfaces must be refactored for SaaS, so it is essential to investigate and document them.

Defining the top 10 end-to-end processes

This phase must be driven by business stakeholders rather than just the IT team. These processes will be those most critical to your operations – payroll, accounts receivable, etc – and they must be clearly documented to prepare test scripts that can simulate them for testing before going live. TechnologyOne does offer high-level generic test scripts for common processes across a range of industry sectors, but not every organisation does things the same way, so we encourage you to prepare these as well.

On-premise baseline performance checks

We will also help you complete a set of defined baseline performance tests for your on-premise system. These serve as a benchmark to verify that performance of your ERP is the same or better once you have transitioned to our SaaS platform.

Strategy

The goal of the strategy phase is to develop and document a SaaS Transition Plan that is approved by both parties. This is also when initial schedules and timelines can be revised and updated based on the findings of the workshops above. Typically, completing the transition to SaaS takes about eight weeks, but this can vary greatly depending on your technical requirements and the complexities involved. TechnologyOne has a Resource Calculator to help forecast how many resources will be needed to complete a specific SaaS transition project. At this point, we should have the detailed plan for a SaaS environment that is fully aligned with your organisation's needs and existing database. We can then move into the implementation phase.

Cleaning the house before making the move

An important pre-transition task for the IT team is to ensure your current ERP solution is running as smoothly and burden-free as possible – which means checking whether you will still require any customised reports you created in the past and removing any unnecessary components. It's also a good idea to resolve any software errors while still running ERP on premise – such as unwanted background jobs or database query fail warnings. The TechnologyOne team can help with this task to ensure existing errors are not carried across to your new SaaS solution.

Implementation and deployment phase

Configuration

During the configuration stage, a copy of your production data is uploaded to the SaaS TEST environment. During the discovery workshops, TechnologyOne collaborates with your team to identify the best method and process for uploading database and server folder files to your new SaaS environment. Database size, type and products in use are all factored into the data migration plan, and any required configuration changes identified during the discovery workshops are also implemented.

Some of our customers, especially the longstanding ones, have developed custom reports to meet very specific needs. However, over the years we have created a number of new reports and workflows they may not be aware of – and we believe we've covered pretty much all bases now. The SaaS version of our solution ships with all standard reports and workflows, which are current best practice in each industry sector. Yes, you can migrate customised reports across if you wish – but we recommend using our standards wherever practical. The advantage is that they run on one global code line, so patches and upgrades are automatic.

Finally, the TechnologyOne team verifies performance of the new SaaS environment by running the same performance checks completed on the on-premise ERP during the discovery workshops. The configuration stage provides an opportunity to educate and familiarise your users with their new SaaS environment as part of the change management process. TechnologyOne can also provide a preview environment to encourage users to explore the SaaS platform and become more comfortable with its use.

Users often expect everything to work exactly the same on a SaaS solution as it did on premise, which is not always practical. It is important to understand that SaaS platforms work to different industry standards. We can help by customising the solution if necessary and assist organisations in adapting their internal processes to align with current best practices.

Network planning and performance tuning

An important consideration prior to data migration is your WAN network configuration. TechnologyOne's ERP SaaS solution is located in a highly secure public cloud operated in Australia by world-leading provider Amazon Web Services – which may require upgrading internet links to your various network sites. These can take time to provision from carriers.

With regards to bandwidth requirements, our team can make specific recommendations based on the number of users that will be using the SaaS ERP at each location. Network latency must be within acceptable limits if users are to retain the same (or better) response rates than they experience currently. The TechnologyOne SaaS platform handles more than 10,000 concurrent user sessions every day and actions over 70M requests per day without any performance issues or delays.

To ensure regular updates and optimal performance, we deploy two upgrades per year to both back-end SaaS infrastructure and software layers. The cost benefits in terms of security are clear: the Ponemon Institute's 2019 study found that the average cost of a data breach to an Australian business had soared to \$2.62 million in 2018-2019. The need for a fully secured ERP solution has never been greater.

Security for on-premise solutions is not regulated, but SaaS solutions must comply with industry-wide security standards. TechnologyOne keeps customer data secure with encryption and provides administrative controls to enforce organisation-wide protection. Our SaaS ERP environment is certified and compliant with industry-accepted security standards including AT-C 205 SOC 2, GDPR and IRAP.

Data migration

Moving data from the on-premise system to the SaaS platform must be managed carefully to ensure everything works as it should. We keep your on-premise system active and working until the SaaS platform is ready to go live – so your operations continue uninterrupted throughout the transition. Once data transition is carried out, we check it against key measures to ensure your new SaaS platform is ready to take over from the on-premise ERP solution.

- **Data quality:** We check migrated data for cleanliness, conformity to the data dictionary, concurrence with the predetermined period pull, and, most importantly, its correctness.
- **Data archive:** We also aim to preserve old system data. Legacy systems typically include lots of old data. With a new SaaS system, we only move the required years of data forward, while archiving past information and preserving it with read-only access.
- **Workflows:** We ensure that your business processes connect with related workflows driving end-to-end enterprise activities.

Unlike on-premise systems, successful SaaS deployment is easier to verify. Since the project is deploying well-proven SaaS applications, the physical infrastructure, security, code, applications and functionality don't require traditional complex testing approaches. You're all ready to go!

Making authentication safe, secure and SaaS friendly

Legacy authentication systems are typically designed for on-premise applications, which means they may not always have the options to integrate with a SaaS solution right out of the box. Aligning authentication to SaaS industry standards may need some additional time and services to implement.

The TechnologyOne SaaS platform provides many authentication options which are designed to make it simple for customers to start using TechnologyOne services as quickly and securely as possible.

The industry standard is Security Assertion Markup Language (SAML) – a framework for authenticating and authorising users that supports multi-factor authentication (including fingerprints and tokens) to provide additional layers of access security. The advantage is that users who are external to the organisation – such as students, residents or contractors – will also be able to securely log in and use the SaaS ERP according to their appropriate access level.

Acceptance testing

This step is primarily focused on User Acceptance Testing (UAT). This commences with a training session on how issues should be recorded and responded to, as well as familiarising your key ERP users with the SaaS ERP solution interface. However, this training is focused on the TechnologyOne SaaS environment, rather than application or functionality-specific training. The test environment uses your live on-premise database to enable testing under real-life conditions.

Deployment

During the deployment stage is when we come together to review progress and make a go-live or no-go decision for transitioning your users to your new SaaS ERP. We develop a go-live strategy to formalise the process for hand over and timings over the scheduled go-live weekend. Of course, the go live does not need to happen over the weekend, but many customers prefer time out of business hours to test that their system is running smoothly for the next working week.

Go live and handover

The closing stage sees all supporting documentation finalised and the project transitioned to operational support. Your support arrangements will not change from those you experienced with your on-premise ERP solution. A go-live celebration is organised in the following weeks, as a successful transition to SaaS deserves to be celebrated. This is a big highlight for our customers. Once customers are live in their SaaS platform, they will still be under TechnologyOne's care to make sure any issues in the production environment can be resolved. Our HyperCare support extends for 5 to 10 working days beyond the go live date.



Post-implementation support services

Once your SaaS ERP environment has been set up, TechnologyOne provides the option of **Application Managed Services (AMS)**. Subscribing gives you access to expertise and knowledge whenever you need it – with guaranteed post-implementation consulting services.

One of the principal benefits of SaaS solutions is that they are constantly evolving with industry and best practice trends – and AMS is the best way to take advantage of relevant developments. Whether you are looking for ongoing process improvement, adaptation to changing business needs or just want to maximise your ERP investment through continuous optimisation, you choose the level and amount of expert support you require. A true partnership approach and a single point of contact with a deep understanding of your industry within TechnologyOne ensures your transition to SaaS is an enduring success.

Use case

Noosa Shire Council

To address the evolving needs of their community, Noosa Shire Council in Queensland needed to become more agile and overcome the limitations of their on-premise environment & IT functions. After in-depth consultation about their needs, TechnologyOne collaborated with them to develop a holistic SaaS ERP solution that included the Financials, Human Resource & Payroll, Enterprise Asset Management, Enterprise Content Management, Supply Chain Management, Corporate Performance Management, Property & Rating and Spatial products.

One of their biggest challenges was transferring large quantities of data from on premise to the SaaS platform. Bulk data input was not available at the time, so TechnologyOne helped find a solution to accomplish this task in a short time frame. The council had also changed some products (implemented Assets and GIS) which meant some key decisions around configuration design had to be taken into account.

The council leveraged TechnologyOne's SIM methodology to address these requirements and developed a detailed solution design document that laid out an action plan for the transition. Having worked with a wide variety of customers, TechnologyOne's technical account managers were able to find optimisation opportunities that had not occurred to the council.

As a result, TechnologyOne was able to complete the entire transition in just three months. This was made possible through regular check-ins by the project manager, client collaboration, regular follow ups with documentation and close adherence to the implementation plan. The outcome was a secure and well-run environment that consolidated the council's services and operations under one SaaS environment. Post-implementation care was supported by AMS, which reduced the council's reliance on in-house resources while providing ready access to specialist consultants.

Noosa Shire Council's ICT Manager Justin Thomas noted: *"TechnologyOne does things with thoroughness and professionalism and doesn't take shortcuts. My experience was very positive. They listened to our requirements, followed up with documentation, checked back in when things were being delivered, and stuck to our schedule & go live date – they were very accommodating and even worked over the holidays."*

About TechnologyOne

TechnologyOne (ASX: TNE) is Australia's largest enterprise software company and one of Australia's top 150 ASX-listed companies, with offices across six countries. We provide a global SaaS ERP solution that transforms business and makes life simple for our customers. Our deeply integrated enterprise SaaS solution is available on any device, anywhere and anytime and is incredibly easy to use.

Over 1,200 leading corporations, government agencies, local councils and universities are powered by our software. For more than 33 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

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