



Transition Selling Your ~~Migration~~ Strategy To Your Executives

Christopher Koppe
Director of Marketing
Speedware Corporation
ckoppe@speedware.com



What C-level Executives are Looking for in a Business Proposal

- A Clear Business Case complete with:
 - Project Description with Impact Analysis
 - Project Plan
 - Budget / Funding requirements
 - Spending Schedule
 - Total Cost of Ownership and “net”
- The Analysis that went into the proposal
 - A sense of how much research was done and how
 - Analysis of alternatives
 - The selection process
 - Risk assessment
 - The rationale
 - What was disqualified and why



Components of a Successful Migration Pitch

- Presentation (PowerPoint or other)
- Hand-outs
 - Slides with room for notes
 - Budget
 - Spending Schedule
 - Summarized Project Plan with Milestones
- *Optional*: Have an external expert (like a Platinum Partner) available for questions to add weight to the thoroughness of your research
- Consider having a multi-part meeting
 - Step 1: Review budget and spending schedule with CFO
 - Step 2: Broad presentation to the board / executives outlining the plan
 - Step 3: Conclusions / Q&A Meeting



Researching your Content

- Thoroughly research all transition avenues
 - Migration
 - Include timelines, resource requirements, and total costs, including new software, hardware, databases, and migration tools.
 - Moving to Packaged Applications
 - Be sure to have full cost evaluated including implementation, module additions, training, and impact to business
 - Leaving the applications as they are on the HP e3000
 - Be sure to include the Impact Analysis and Risk Assessment of this choice
 - Re-writing into newer technologies
 - Include man-power requirements, timelines, costs, and risks
- Approaches may vary per application



Researching your Content

- Seek advice from experts to back-up your conclusions and add weight to your pitch
 - Take advantage of free and full migration assessments
 - Rely on experts that have done it before (it will educate you faster and will add credibility to your research and presentation)
 - Many services offered by Platinum Partners will give you much of what you need to present to your executives.
 - Talk to reference customers that have done it before.
- Use tools made available by HP and other partners
 - Websites
 - Web-based seminars
 - White papers, technical documents, and magazine articles
- Demonstrate where cost savings can be made
 - Hardware loaner program
 - Outsourcing certain types of work (instead of adding headcount)
 - Discounts on certain types of software, hardware, etc.

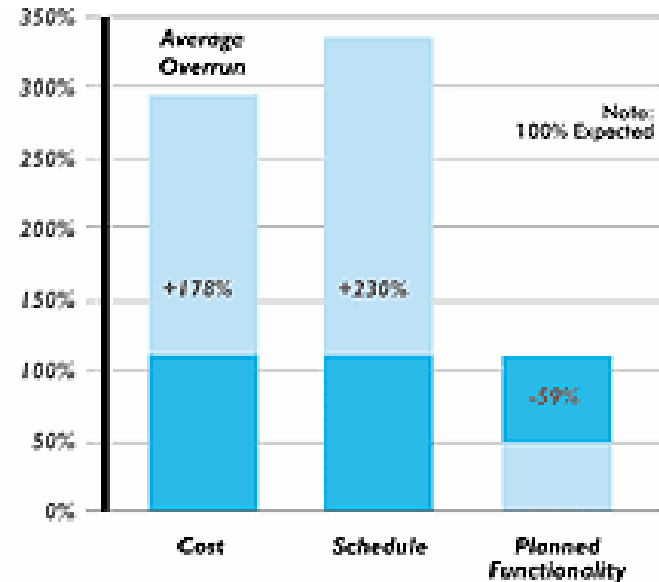
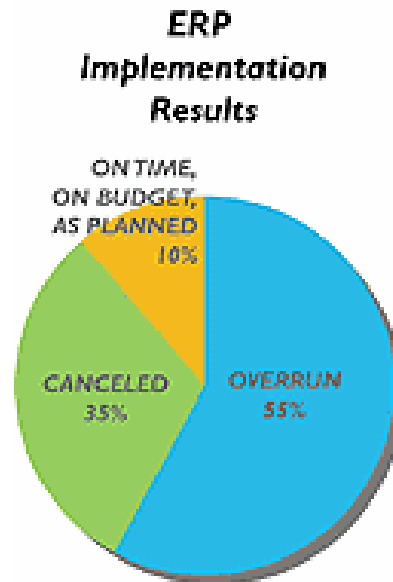


Impact Analysis

- What would happen if you did nothing?
 - There are risks of maintaining technology when the primary vendor no longer supports it.
 - Where will you get support?
 - What if something breaks?
 - What if your business instantly doubles?
 - What about upgrades?
 - What about 3rd party tools vendor support? (it's not just the hardware)
 - What if some software expires and the vendor is no longer there?
 - How much longer beyond 2006 is reasonable?

Impact Analysis

- What about packaged applications?
 - *Learn from others who have gone before*



Source: Standish Group



Moving to Packaged Applications...

- Your current applications have been tuned to how you do business, not others.
- Best-of-breed comes with a price
 - It doesn't reflect the practices that work for you and that differentiate your business
 - customize too much and you can't upgrade
 - If you do not customize, you have to change your internal business processes
- Packaged applications do not take fewer resources to maintain and will most likely not save you money.



Moving to Packaged Applications...

- Accept Reality
 - You will lose functionality you currently have!
 - You may need to overbuy a package application to fit your current needs
 - New functionality offered in the package requires changes to how you do business day-to-day
- Careful planning
 - Know which modules won't exist
 - Evaluate what still needs to be brought forward and how it can be integrated
 - Migration may still need to be done
 - Plan the evolution of legacy modules



Impact Analysis

- What is the true impact on the organization?
 - Adjusting to new applications
 - Packaged applications require changes to your internal business processes.
 - Re-writing modules that couldn't be migrated or don't exist in a particular packaged app.
 - Expected down-time over the span of the migration
 - Additional headcount
 - External consultant costs
 - TCO of new IT environment and infrastructure
 - Pros and Cons



Risk Assessments

- What are the risks associated with the chosen direction?
 - What are the dependencies on external contractors
 - Past experience of contractors
 - Which technologies / solutions are less proven
 - What could go wrong
 - Which milestones look riskiest
 - What exposures exist in the overall plan
 - What is downtime potential (worst case) and what are the emergency plans
 - What is the risk to the stability of company operations



Risk Assessments

- How is risk being mitigated?
 - Who else is sharing in the risk
 - What back-up plans exist should certain critical milestones become in jeopardy



Return on Investment

- How can value be measured?
 - Future stability and growth potential of IT infrastructure
 - Revitalization of old technologies / applications to create a stable platform for the next x years.
 - As compared to a throw away and replace strategy (with the associated costs)
 - Ability to do new things easier and cheaper
 - E-commerce
 - Internet-based solutions
 - *Broader availability of 3rd party solutions*



Return on Investment

- The Increasing Costs of maintaining an HP e3000
 - 3rd party support will increase as there are fewer customers
 - The cost (and risk) of not being able to get support at all for certain technologies
 - The cost of needing to home-grow everything new due to a lack of 3rd party solution providers
 - The cost of not being able to take advantage of emerging technologies and ways of doing business (ie. e-commerce, Internet, wireless, etc.)
 - The increased cost of getting rare hardware (and software) components
 - The increased cost of finding rare HP e3000 resources



Return on Investment

- ROI can also be achieved as a comparison of alternatives
 - Re-writing your applications in newer technologies, like Java, is both very expensive and very risky
 - Moving to packaged applications has a little risk (made more comfortable by those who have done it before), but is very costly and can take a lot of time to get to 100% replacement.
 - *Associate a value to the hardship and complexities of moving to packaged applications.*
 - Migration of what you currently have is the least risky and least costly by far.
 - Leaving things as they are on the HP e3000 is the least costly today, but the risks increase exponentially over time.



Total Cost of Ownership

- Today the HP e3000 is nearly unparalleled for its low TCO.
 - Low system and database administration costs
 - Multi-year up-time (stability)
 - Low maintenance requirements
 - Simplicity of OS and tools.
- Moving to other systems will increase TCO.
 - System administrators
 - Database administrators
 - Frequent maintenance
 - Uptime / Stability (more for Windows)
 - Complexity of OS and breadth of tools



Total Cost of Ownership

- That being said, TCO of HP e3000 systems will go up (as it becomes more and more rare)
 - Increased maintenance and support costs
 - Increased cost of rare skilled resources (admin, programmers, operators, etc)
- At some point TCO will meet and then HP e3000 TCO will go higher.
 - Along with increased TCO, there is a hidden cost of not being able to do things that can be done on modern platforms with emerging technologies.



Project Plan

- Identify and itemize all aspects of the migration plan
 - Hardware, software, compilers, utilities, databases, migration tools, resources, etc.
- Define how the migration process will be approached
 - All apps at once
 - Small app first, then the rest.
 - Wave of application / database migrations
 - Parallel processing (application and database)?
 - Testing processes
- Identify milestones (goals and dates)



Project Plan

- Assemble plan
 - Identify all steps required to reach the various milestones
 - Including time and skillsets required to complete tasks
 - Identify resource requirements (internal and external)
 - Identify parallel activities
 - Identify competing IT projects and the resources required
 - Put all items on a project plan
- Review and scrutinize from several angles
 - Concurrent activity contention
 - Resource availability (skills and quantity)
 - Timelines
- Identify critical paths and potentially weak areas
 - Make back-up plans for weak areas



What to put in the Budget

- Current annual costs
 - IT Resources
 - Amortized hardware costs
 - Software
 - Annual support and maintenance costs
- Transition Project Costs (fully burdened)
 - Hardware
 - Software
 - Database
 - Replacement utilities and reporting tools
 - If you are going to packaged applications, show Package App costs, implementation costs, customization costs, missing module replacement costs, future change requests, and all annual costs
 - Migration tools
 - External contractors
 - separated by their role in the project
 - Additional IT resources required (temporary and permanent)
 - Internal resource usage (IT department and other) broken out annually
 - Training and Implementation costs



What to put in the Budget

- Future annual costs
 - IT Resources (count and cost)
 - Amortized hardware costs
 - Software
 - Annual support and maintenance costs
- Important Notes
 - Show the expenditures over a multi-year budget
 - Include all annual support costs
 - Identify initial costs from annual costs and amortized costs
 - Be sure to show the current costs to understand the net-effect
 - Include parallel costs (maintaining 2 environments)
- Be prepared to show this level of detail for alternatives
 - Be prepared to discuss cost (current / project / future), timeline, risk, and resource impacts of alternatives



Spending Schedule

- It is critical that expenditures are closely linked to the project plan
 - Purchases should only happen when they are necessary
- Creating a spending schedule will be important for the company to plan for costs and not jeopardize the migration project timeline
 - When are the various costs expected to be incurred.
 - Separate hardware, software, migration tools, external consultants, and new hires.
 - Explain additional support costs.
 - Formulate in a multi-year, quarterly budget format.



It's not what you've chosen, but what you've disqualified...

- Be prepared to discuss why some paths were rejected
- Be prepared to defend the selection process
- Break this down into 3 pieces
 - The analysis of alternatives
 - The selection process
 - The rationale



The Analysis of Alternatives

- Summarize all the alternatives you researched
 - including alternatives you didn't research and why
- Be prepared to discuss at length the level of research that was undertaken for each alternative
 - Vendors researched
 - Experts consulted
 - Costs (front-loaded, amortized, annual, etc)
 - Implementation timelines
 - Risks
 - Resources required
 - Other criteria



The Selection Process

- What were the criteria behind the choice that was made
- What assumptions were made about
 - Corporate strategic direction
 - IT resources
 - Costs
 - Timelines



The Rationale

- Why was the current path chosen?
- How was this one chosen over each of the other alternatives?
- Why is this path better for the company in the long run?
- What were the key determining factors?
- *Be prepared.*



Presenting to Executives

- Put together high-level overview of the proposed plan
- Summarize project plan (timeline, resources, key milestones)
- Threats
 - Identify what can go wrong (weak areas) and the alternative actions to compensate and bring project back on track
- Overview the major budget items
 - Include the spending schedule associated to large expenses
 - Include any significant cost savings
- Review the scope of the research that went into the project
 - Summarize the alternatives looked at
 - Summarize selection process
 - Summarize the rationale of the chosen path



Presenting to Executives

- Review the Risk Assessments with respect to:
 - critical path of the plan
 - project completion (on-time and on budget)
 - downtime
 - stability of company operations
 - How is risk being mitigated
- Tips on presenting
 - Wear a suit
 - Use correct business terminology
 - Stay away from technology details
 - Keep explanations short and to the point
 - Use graphs and numbers wherever possible
 - Be prepared to justify paths chosen and to discuss what was disqualified and why (including costs)
 - Be prepared to do additional research
 - Be prepared to bring in external experts if it will help



Conclusions

- Stack the deck in your favor
 - Try to prime the meetings by talking with attendees before the meeting about pieces of it. Make them feel confident you've researched this thoroughly
 - Seek and integrate their input into your plan (so they can see a little of their ideas in it)
- Be sure to interview other departments and include their input in your decisions.
 - This will add strength and buy-in to your proposal
- Do thorough research of all alternatives and be prepared to justify each.
- Be prepared with an external expert to help you make the case and justify the direction.
- Be sensitive to the future direction of the company



Thank You

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