

# CASE STUDY: PEOPLESOFT OPTIMIZATION

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# INTRODUCTION

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Vanguard is one of the world's largest investment companies, offering a large selection of low-cost mutual funds, Exchange-Traded Funds (ETFs), advice, and related services. Founded in 1975, Vanguard currently manages \$5.3 trillion in assets across approximately 410 funds worldwide. With 16,000 employees around the world and 20 million investors in 170 countries, Vanguard is a truly global enterprise. Vanguard is known for taking a stand for all investors, treating them fairly, and giving them the best chance for investment success.

Like many clients, Vanguard was live on PeopleSoft FSCM 9.2 (Image 11) but had focused on technical and tools updates rather than adoption of new features or removal of customizations. Many clients that lag in their adoption of PUM images end up facing an image adoption project that looks more like an upgrade, due to the large number of application changes, features and customizations that need review. With a substantial project ahead of them—a planned move to PUM Image 29 and PeopleTools 8.55.20—Vanguard had the opportunity to take a deep dive into their PeopleSoft code and business processes to transform their business.

Vanguard enlisted Elire to guide them through their optimization project due to Elire's thoughtful, tools-based methodology and demonstrated history of success. In addition to PeopleSoft technical changes, Vanguard was looking to evaluate and implement industry best practices across their financial processes. Elire's thoughtful Success Delivered Methodology™ and supporting tools were powerful arguments to Vanguard. Interlaying business process mapping with customization assessment brought immediate understanding of whether individual customizations were required for the business, obsolete, or could be better designed. In addition, Elire consultants were able to easily identify new features and unused functionality that Vanguard could utilize.

The optimization project faced familiar challenges. The project scope was broad, and the timeline was set aggressively based on the steering committee's expectation that Vanguard staff would make time and provide resources to support the project. Additional scope was added after work had begun and required the roll-on of additional resources to meet an unchanged project timeline. Vanguard's stringent security requirements caused delays in staffing, network access, and tool installation.

# APPROACH

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Transformation of Vanguard's business took place along 3 different dimensions: identifying PeopleSoft customizations that would have an outsize maintenance cost or provided low value, identifying unused or underutilized features that could substantially improve Vanguard's financial, accounting, and procurement processes, and identifying business process changes that better approach industry best practices. Many organizations fall into the trap of optimizing along only one axis at a time, looking at change solely from either an IT or business management perspective instead of both. By bringing process optimization together with IT optimization, Elire and Vanguard had the opportunity to intelligently redesign the system or the process where it made sense.

The project took a phased approach to ensure scope, resources, and results all aligned before moving forward. Phase 1 consisted of a technical customization analysis and summary to assist with resource capacity planning for later phases. Phase 2 included business process mapping, best practice assessment, and new feature reviews to set the groundwork for the final phase. Phase 3 was dedicated to implementation of the recommended changes.

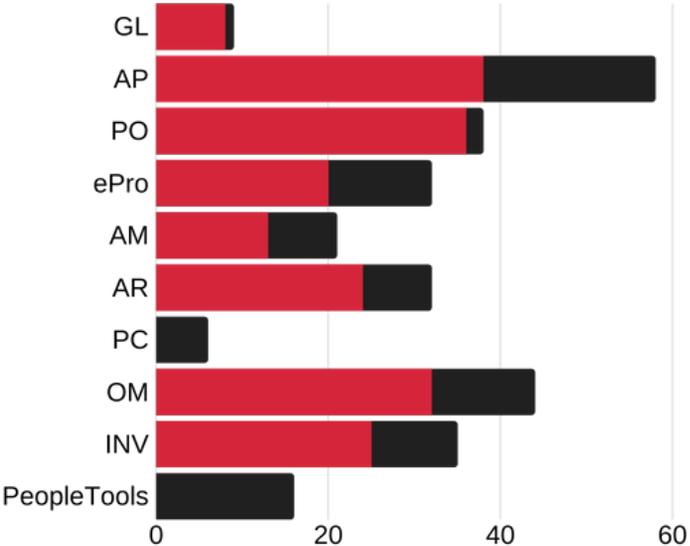
# PHASE 1

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In order to minimize the maintenance cost related to retrofitting customizations to work within each new image, Elire executed a comprehensive assessment to accurately quantify the cost/benefit of each customization. Elire started by using a proprietary customization analysis tool to identify all modified pages and components within a client's PeopleSoft codebase. Our PeopleSoft experts were able to run a program which quickly identified and cataloged all types of custom code.

As with most external programs, Vanguard required a security review of the application to ensure compliance with risk mitigation policies. Elire was happy to oblige, and our tool passed Vanguard's stringent security requirements. Once run, we were able to summarize the data to give a clear high-level understanding of which modules and pages were most customized and would require the most effort to analyze.

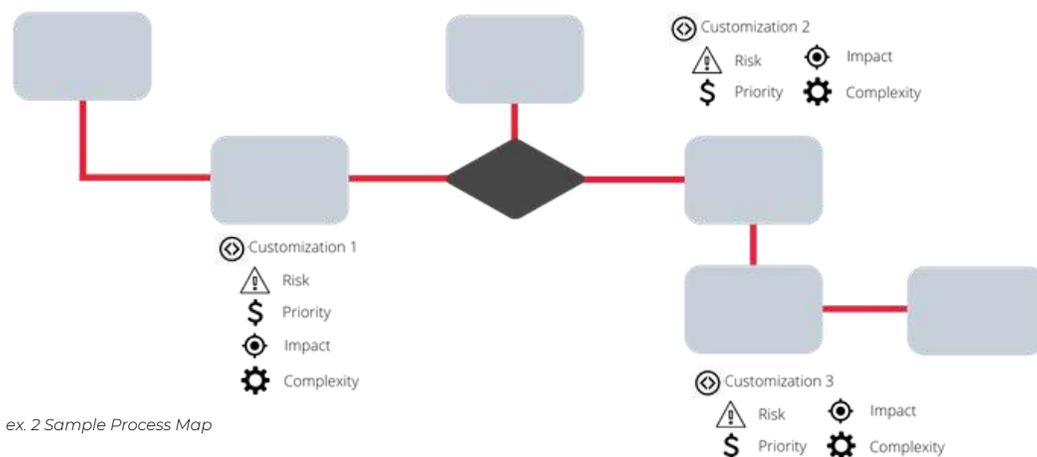
Summary customization information from our tool was used to help scope out resources for the following phases. For example, substantial customization in Vanguard's Procurement and Accounts Payable modules indicated the need for multiple functional consultants in the following deep dive phase. Careful scoping and project planning is central to Elire's approach to ensure successful projects.



ex. 1 Customization Count and Bolt-on Count by Module

# PHASE 2

During the second phase, Elire and Vanguard resources began working through the details of each customization by gathering comprehensive technical and functional explanations of the code's purpose, cost, and impact. A technical evaluation was performed to understand the intrusiveness and design of the customization, while the functional business case for using custom code was explored through business process mapping. An Elire business process consultant hosted facilitated discovery sessions to understand the overall business process in key areas, and uncover if or how customized code supported business requirements. As part of these facilitated sessions, business priority, complexity, risk, impact, cost, and benefit details for each customization were gathered. This comprehensive view allowed Elire consultants to make well-supported recommendations that took all the different facets of the client's business into consideration.



The team began exploring the additional dimensions of process and opportunity in this second phase. During discovery sessions, Elire consultants were able to identify disconnects and inefficiencies that were unrelated to the application but painful nonetheless. What's more, understanding the functional business process in detail allowed Elire to identify opportunities for process change based on industry best practices, which an IT-centric approach misses. Finally, by tapping our consultants' deep knowledge and experience we were able to identify un- and under-utilized functionality that could be taken advantage of immediately.

The final analytical dimension explored during this phase was the review of new features available in later PUM images. Like they did with Vanguard's customizations, functional consultants reviewed each of the items from the Cumulative Feature Overview tool and evaluated the priority, impact, risk, and benefit of configuring each element.

# PHASE 2

The end results of Phase 2 were multifold. Vanguard obtained current state business process maps with key pain points, customizations, and reports identified (a crucial resource for any organization that wants to focus on continuous improvement). Second, Elire produced a list of all customizations, new features from PUM Images, and unused base functionality with associated cost, benefit, risk, and complexity details so Vanguard would have complete knowledge of the potential development scope of the Image adoption project. Finally, Elire identified best practice recommendations, business process changes, and other improvement opportunities outside of the PeopleSoft application that Vanguard could tackle in parallel with application changes.

Just like the full list of customizations helped set scope for the deep dive analysis workshops, the comprehensive list of potential scope objects and associated work effort for each gave Vanguard's leadership all the information it needed to effectively define requirements for the implementation of the new PUM image. Estimated development hours, cost, benefit, and risk were all immediately visible so Phase 3 of the project (Image Adoption) could be primed for success.

Elire delivered all the required groundwork for Phase 2 on time and on budget. Eight modules, dozens of business processes, and hundreds of customizations were mapped and prioritized in the span of just a few weeks. In addition, dozens of new items (unused functionality and net new features from later PUM images) were evaluated, demonstrated, and prioritized for inclusion in the upgrade project. With a full understanding of which customizations to remove, which to reconfigure, and which to replace with new functionality, Vanguard was able to start their implementation of the new PUM image and approved recommendations with confidence that they were still supporting business needs.



ex. 3 Vanguard Disconnections by Level

# PHASE 3

The final phase of the project consisted of removing obsolete customizations, configuring new features, training on new delivered functionality, and executing business process changes within various Vanguard departments. With all potential scope sufficiently well defined, Vanguard leadership were able to prioritize the highest value tasks and implement a project plan knowing their own developer capacity and budget for additional consultants. Finalization of scope took place in the weeks between phases 2 and 3, and items that were deemed lower priority for the implementation project were postponed to later phases.



ex. 4 - Sample Capacity Analysis Dashboard

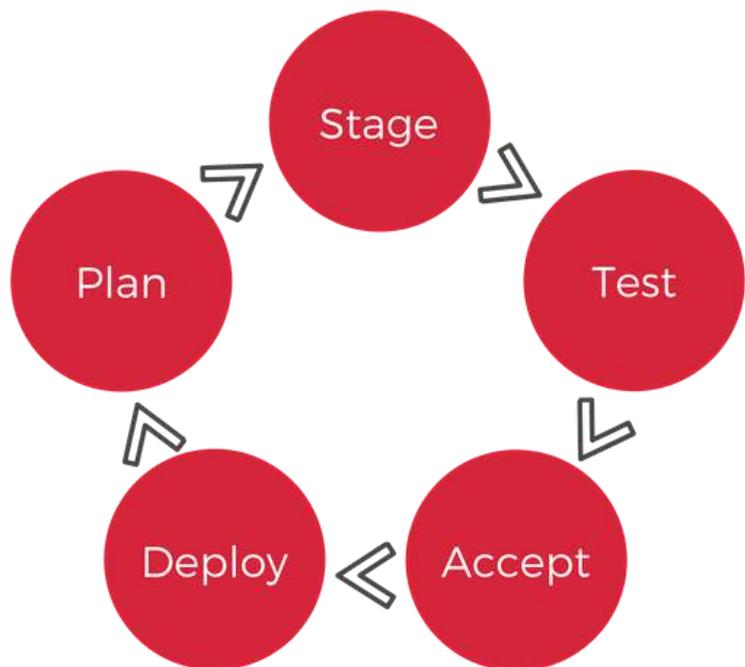
By addressing each individual piece of development comprehensively, Vanguard was able to laser in on a thoughtful project plan that would have the highest chance of success and minimize the risk of delays or additional cost. Additionally, when presented with a menu of alternatives including process changes and training on using delivered features to replace custom code, Vanguard's leadership were able to tailor solutions specifically to their taste and the capacity of their departments. For example, within the Asset Management accounting space, a PeopleSoft Lease Administration implementation project was already in progress to comply with ASC 842 and both business and technical resources were already near capacity. As a result, the only changes in that functional area were the removal of some obsolete customizations and minor report changes. Other departments with more capacity for change were able to accommodate substantial changes to their multi-book accounting structure, voucher approval workflow, and receivables tracking.

# PHASE 4

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One of the cornerstones of the Vanguard optimization project was the widespread use of Elire's proprietary project management and scope tracking module within PeopleSoft. Keeping an inventory of all development helps ensure not only that the immediate project will fit into scope and budget, but also that lower priority items are still tracked and maintained for follow ups. In the middle of Phase 2 deep-dives, Vanguard began thinking forward to phases 4, 5, and beyond. This forward-thinking, continuous improvement mindset was facilitated by staff's confidence that even low priority wishlist items would be tracked and re-evaluated when more capacity was available. People felt comfortable asking for better reports or redesigned processes because they felt that they would be heard, and their requests given a fair evaluation. Everyone from staff accountants to senior management bought into the idea of continually improving both their PeopleSoft application as well as their overall business process.

Vanguard's optimization project was more than a successful adoption of an updated PUM image; it was a fundamental shift in their attitude towards their ERP application. By taking a people, process, and technology focused approach, PeopleSoft optimization became the catalyst for enterprise optimization.



ex. 5. CDM Lifecycle Deployment Methodology

# ABOUT THE AUTHOR

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Mr. Kwiatkowski is a Consultant within Elire's Strategic Advisory Services Practice. Stephen's experience includes projects across industries including professional services, financial services, government, utility operations, and healthcare services. Areas of focus include business process mapping and analysis (both current state and future state), data-driven strategic analysis and decision making, business process improvement and redesign initiatives, Accounts Payable automation and optimization, and software implementation and optimization. He leverages technology, best practice research, and creative problem solving to bring evidence based and actionable solutions to clients.

Elire Inc. is an IT Consulting and Advisory Services firm with 14+ years of experience in the ERP space. Elire's Strategic Advisory Services practice offers services in the areas of Strategic Roadmap, Business Process Improvement, Accounts Payable (AP) Automation, as well as Training and Change Management. These areas combine to help Elire's clients understand their organization's Current State problems and develop the necessary solutions to move to their desired Future State. The Elire methodology allows the client to move forward with confidence and also develops the materials necessary to win internal support for the project.

