



# Webinar: Ensuring the Success of Your Next System Conversion Project

Today's webinar will begin shortly.

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# Introductions

- Tim O'Hara
  - CPA
  - 19 years Financial Accounting and Auditing experience



- Joe Dupree
  - 20 years in Information Technology
  - Financial systems conversion projects experience



# Webinar Agenda

- The Cost of Not Detecting Errors Early
- Key Risks Areas
- Benefits of Automated Controls
  - Validate Data Migration
  - Validate Functionality Migration
- Case Study
- Q&A



# It is Costly Not To Detect Errors Early

- According to NIST, errors cost the US economy \$59.5 Billion annually and at least \$20 Billion can be avoided with better testing.
- It costs 10 to 100 times as much to fix an error post-release than if detected earlier.

**Catch Errors As Early In the Process as Possible**

# System Conversion Projects Greatly Heighten The Risk of Costly Information Errors

## Minor Glitches in HP's ERP Rollout Snowballs into \$160M Disaster

by Christopher Koch

If CIOs want to stop being held liable for hundreds of millions of dollars in losses for relatively small IT problems, they have to convince business leaders of the vastly

## Free Cash - Almost

An ATM glitch with Nationwide Building Society led to 7,500 of its Northern Ireland customers not being debited for their cash withdrawals from November 2007 to February 2008.

## Software Glitch Leads to Dow Conundrum

by Scott Rosenberg

The New York Stock Exchange's systems were falling steadily farther behind all day - in other words, the actual drop in the market was already worse than it was being reported when we thought the Dow was

## Nike Software Glitch Pushes i2 Shares Lower

by Tiffany Kary

Shares of i2 Technologies tumbled Tuesday after Nike said it would miss its third-quarter targets and put partial blame on the supply-chain software vendor for its problems.

## IT Glitch Results in Cadbury Chocolate Glut

by Andy McCue

This led to a total hit of 32 million pounds (\$58.9 million) on Cadbury's first-quarter financial figures, 12 million pounds (\$22 million) of which the company said was directly related to the

**Information Errors Are Expensive**



# System Conversion Risk Areas

- Data Migration
  - Old system's source feeds switch to new
  - Data within old system gets converted to new
  - ETL and data conversion tools often used... many inherent risks
- Functionality Migration
  - Identification of all business rules from old system rebuilt into new
  - Parallel testing to prevent regression of functionality
  - Acceptance testing, Regression Testing, etc.

# Historical Approaches to Mitigate Risks

- Manual inspections / audits
- In-House and Ad-hoc software development
- Testing Tools
- Hope

# System Conversion Projects Have Plenty of Unmitigated Risks

- “All the testing in the world can’t prove that the system is free of defects. We can only test more until we’re exhausted.” **Limited coverage.**
- Manual inspection often requires taking sample sets of test data thereby exposing the risks of not choosing the “right” data. **Labor intensive QA.**
- The volume, pace, and importance of your production data leave no margin for error, yet there is plenty of unmitigated project risk. **Complexity.**

**Manual QA and Inspection is Expensive, Time Consuming, and Limited in Effectiveness**



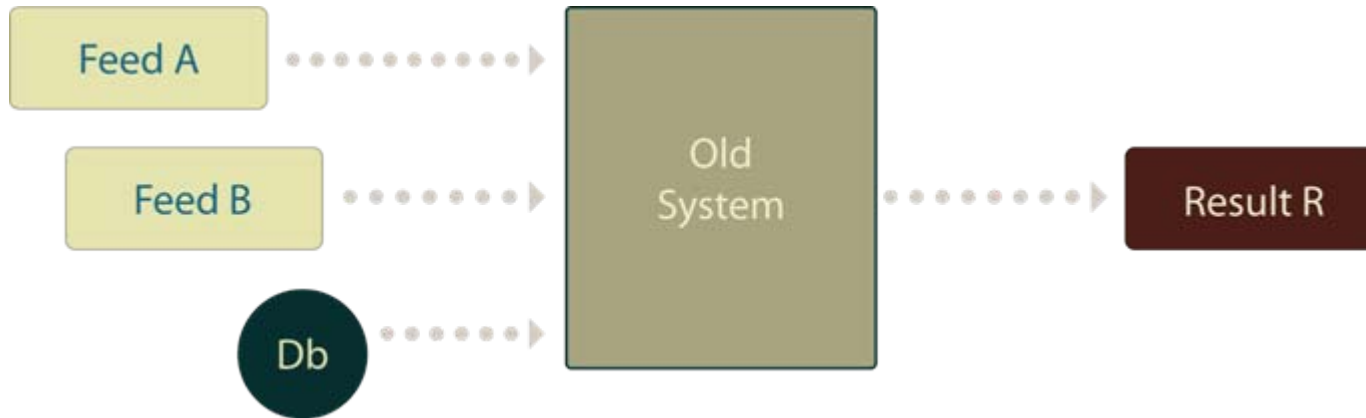


# Benefits of Automated Information Controls In System Conversion Projects

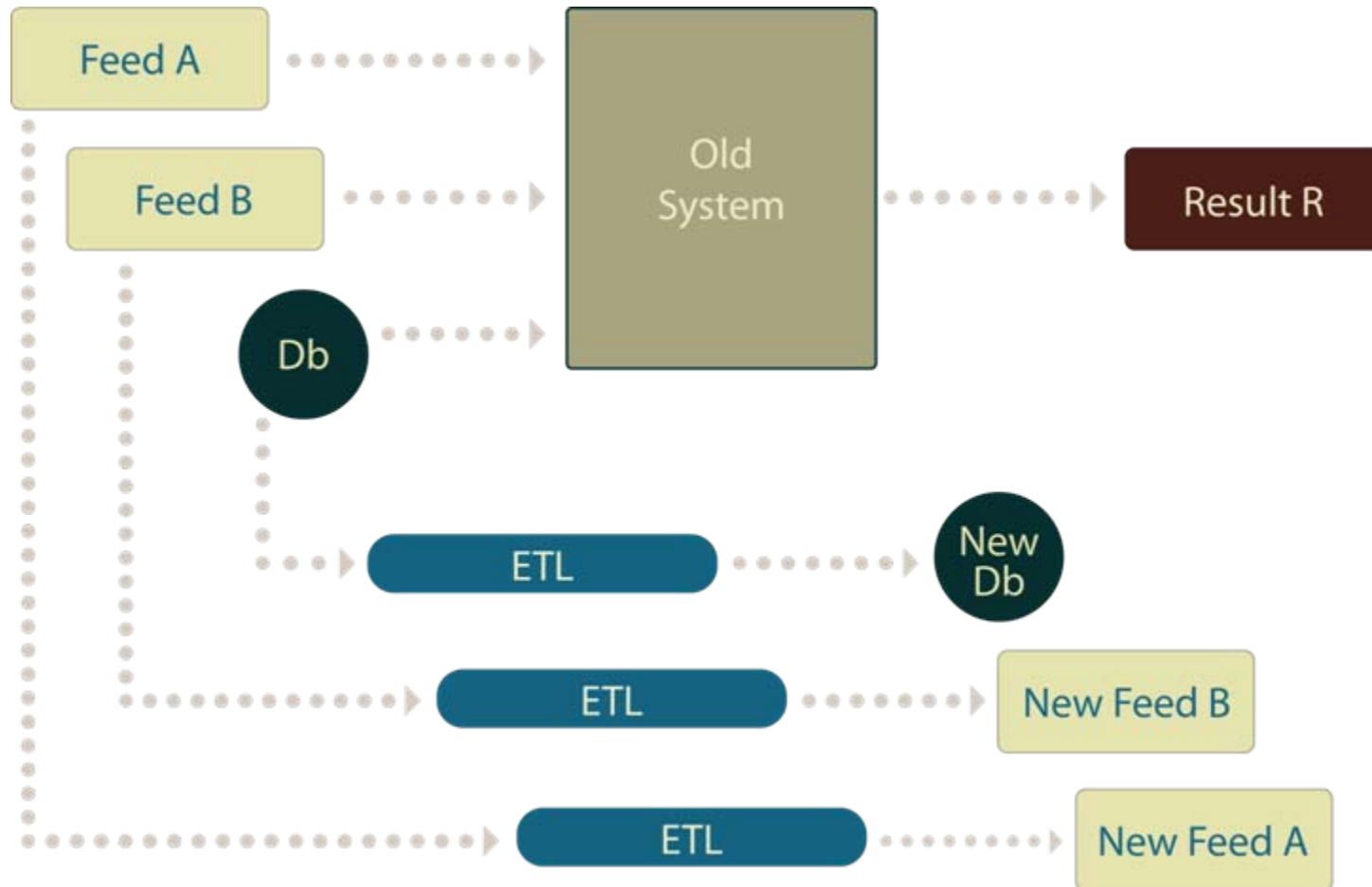
- Increase QA effectiveness
  - Greater test scenario coverage
  - Leverage testing in post-production
  - Self-documenting QA test result audit-trails
- Reduce cost
  - Build more comprehensive tests faster
  - Eliminate expensive information errors
- Reduce risks
  - Catch errors before they do damage
  - Build confidence in mission critical system execution

**Assure the ROI of Your System Conversion Project**

# The “Old” System



# Migrating The “Old” Data



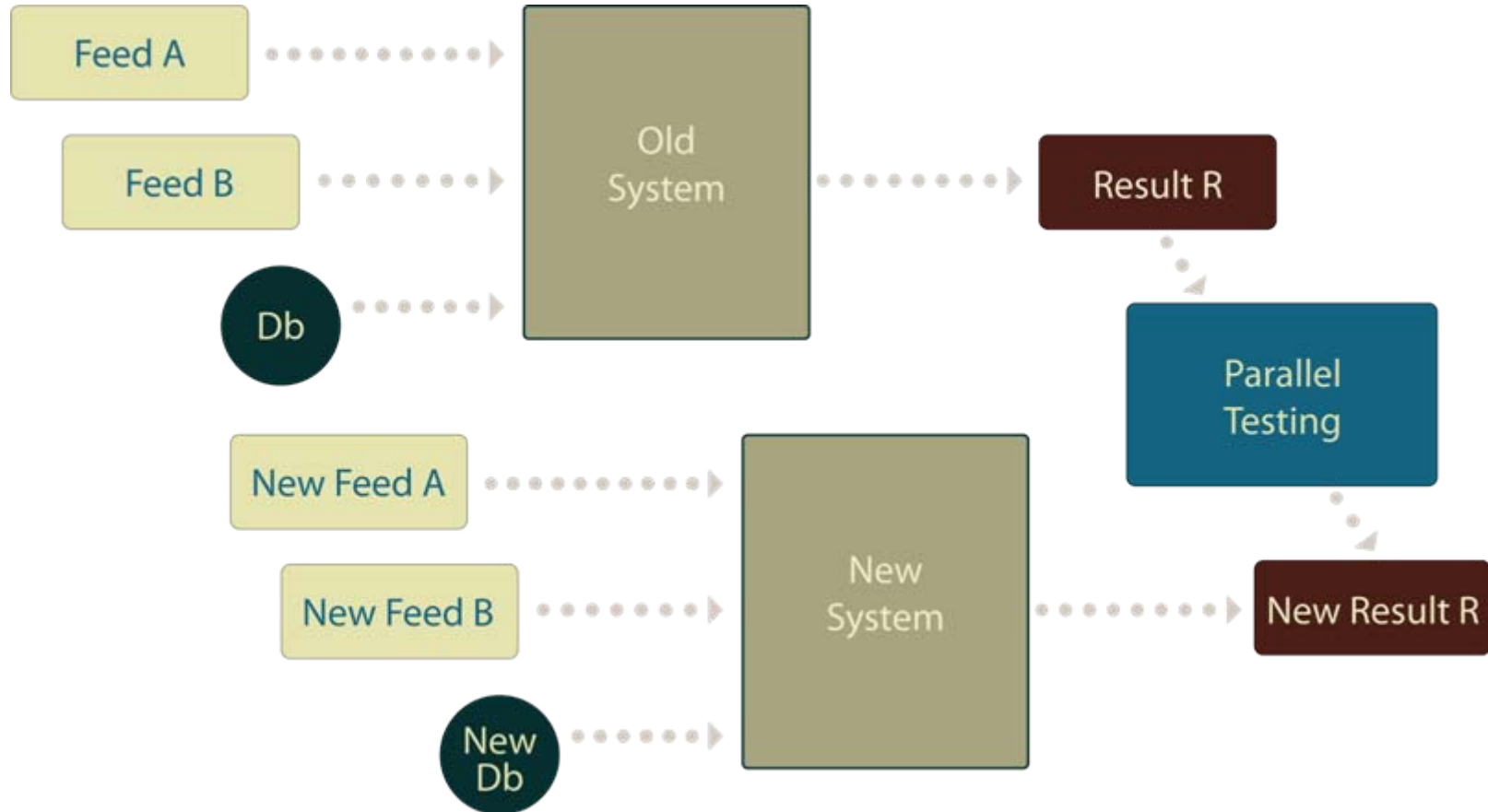
# Testing ETL Transactions

- Test 100% of all of the content instead of sampling methods or specific test cases.
- Assure ongoing integrity in production.

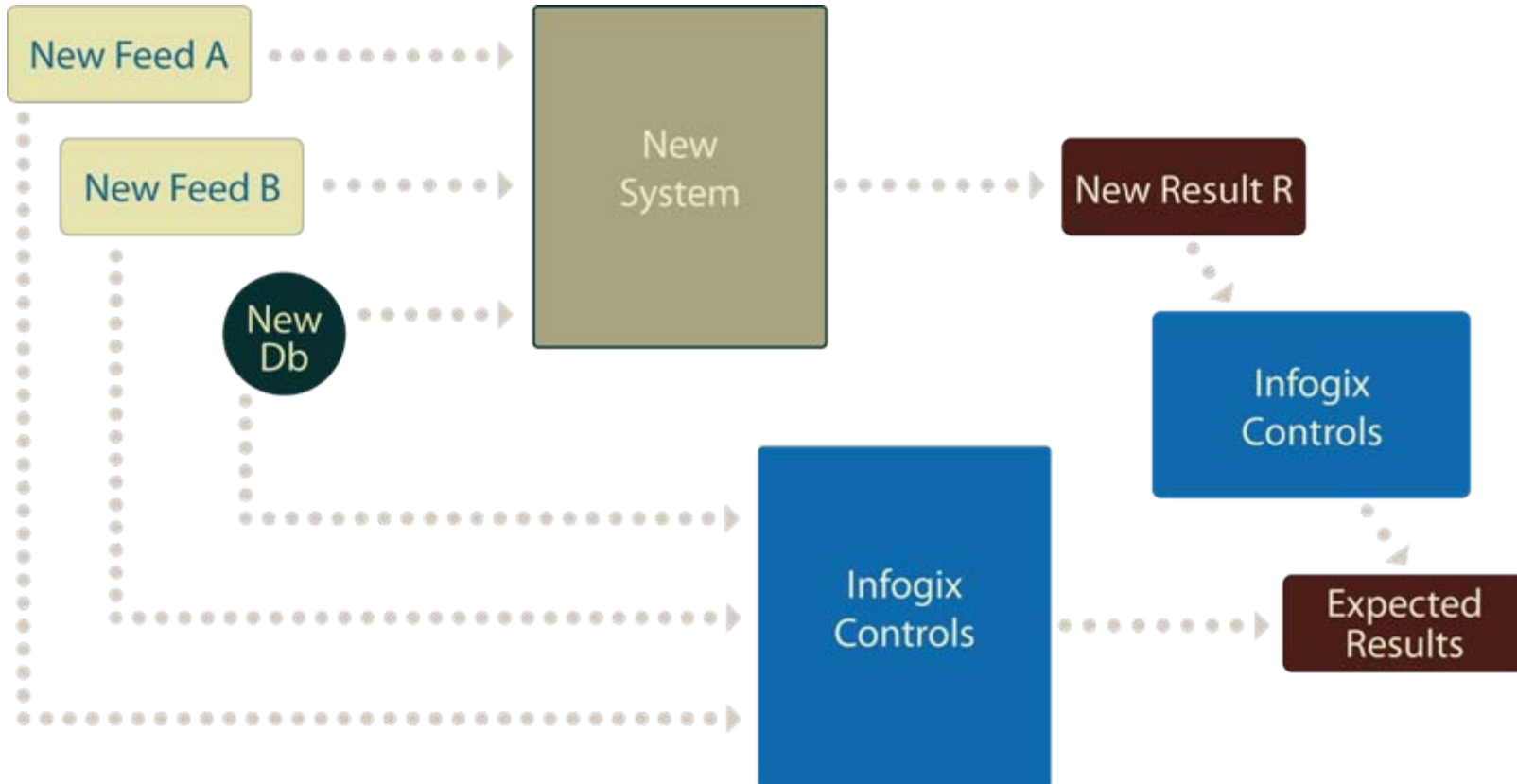


**Increase QA effectiveness while  
reducing project cost**

# The “Old” System vs. New System



# The “New” System vs. New System Expectations

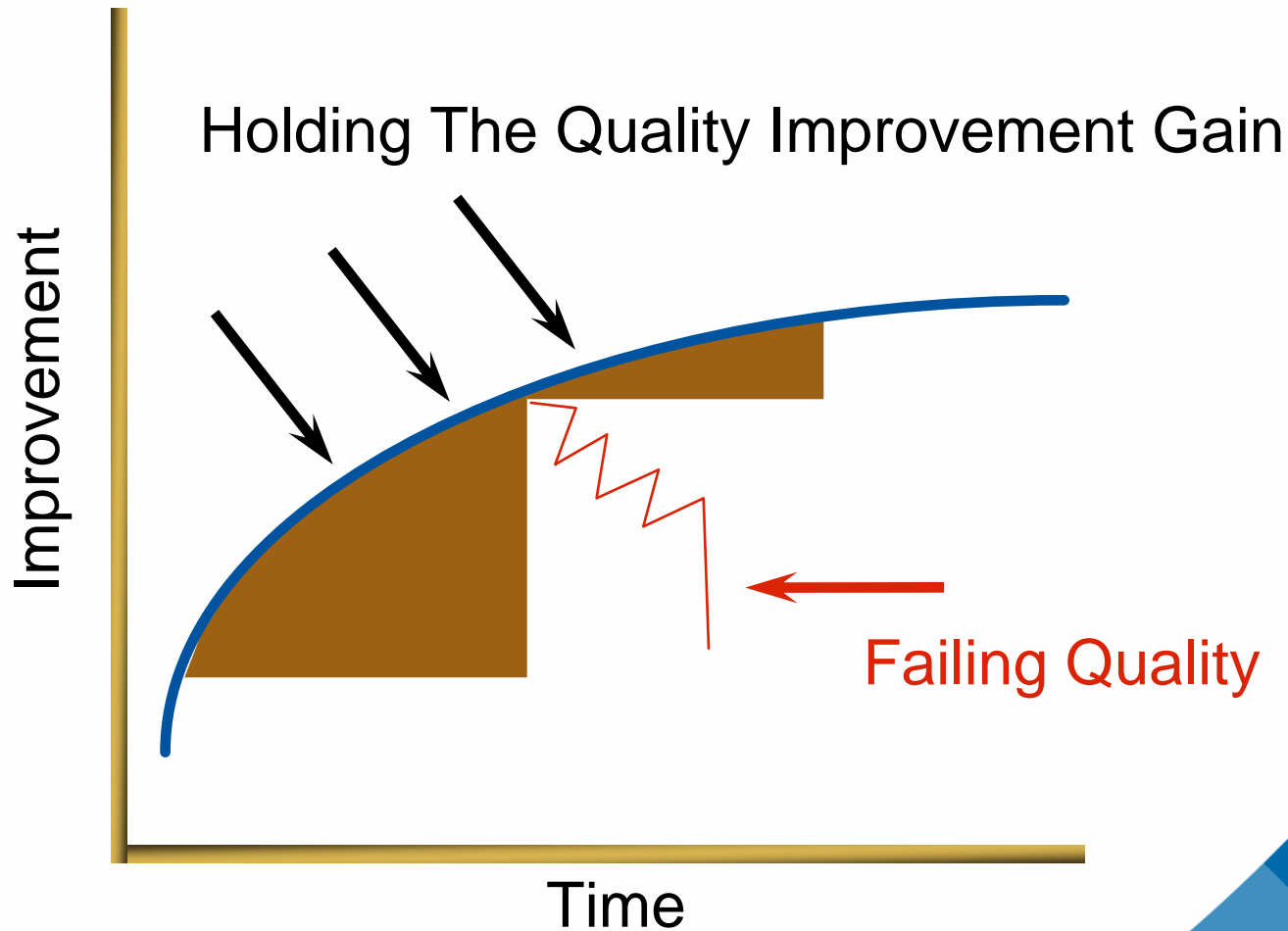


# Automated Information Controls

- Independent execution of business rules to validate results of the new system
- Instead of manual inspection of selected test cases, validate 100% of source data against 100% of new system functionality
- Roll controls into production to provide ongoing quality assurance

**Increase QA effectiveness while  
reducing project cost**

# Keep Automated Controls Running... Even While in Production



# Case Study: Large Regional Bank

- A leading commercial and retail banker in the Northeast US.
- Infogix Customer Since: 2004
- Infogix Controls: 1,200
  - GL Accounts automatically reconciled against hundreds of source files from core banking systems
  - Ongoing Automated Reconciliation of Oracle GL
  - Controls Dashboard automatically escalates exceptions to management

**Infogix Controls assured 26 successful system conversion projects and the implementation of Oracle GL.**



# Case Study: Large Investment Bank

- A leading provider of investment services with trillions of dollars of assets under custody
- Infogix Customer Since: 2008
- Infogix Controls: 800
  - Eliminate errors in compliance and risk management.
  - Shorten software quality assurance cycle times.
  - Eliminate errors in ETL transactions.
  - Automated QA of 100% of fields in 100% of records

**With Infogix Controls a team of 130 is producing work that would otherwise require 850.**





# What Our Customers Say...

- “Automating the testing process for migrations and conversions saves us more than \$1.5M annually.”
- “For every \$1 we invest on prevention, we get a \$15 return.”
- “Automating our testing processes has allowed us to shift our focus from error detection to root cause analysis. We are more valuable now!”
- “We reduced our cycle time associated with integration and conversion testing by 30% to 50%.”

# Conclusion

- Increase effectiveness of QA
- Reduce risks
- Assure project ROI by catching errors early
  - Before they make news!
- Improve the durability of your QA.
  - Automate and run it in production

**Use Automated Controls to Ensure the Success of Your System Conversion Projects**



**Joe Dupree**

1240 East Diehl Road, Suite 400, Naperville, IL 60563  
P 630.505.5460 F 630.505.1812  
jdupree@infogix.com



**Timothy O'Hara**

1240 East Diehl Road, Suite 400, Naperville, IL 60563  
P 630.505.5576 F 630.505.1812  
tohara@infogix.com

# For More Information

- Contact Joe or Tim with questions or to discuss upcoming conversion projects
- Attend the Infogix Conference  
October 19-22, 2008 – Chicago, Illinois
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