



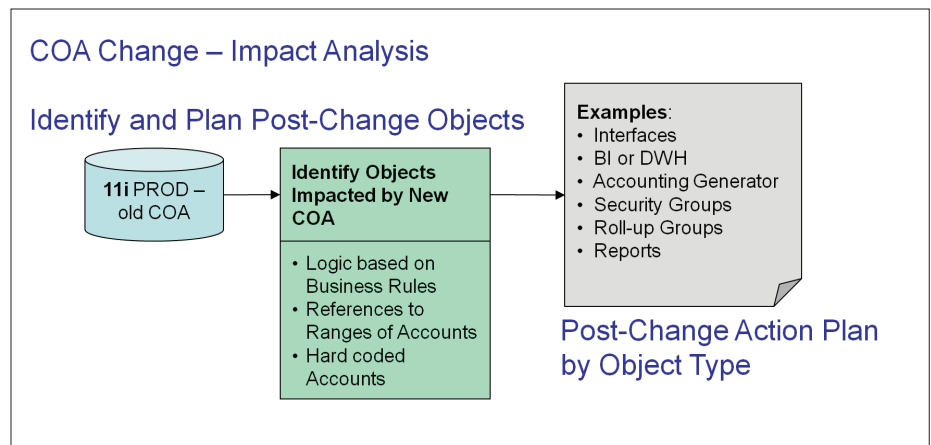
Seven Years on E-Business Suite: It Is Time to Change

Cochlear™ has approximately 70% of the world's market share in the development, manufacture, and marketing of implantable hearing devices that help those who are severely to profoundly hearing impaired. The company employs over 1800 employees in three regions in the Americas, Europe, and Asia Pacific, including more than 200 employees focused on research and development. The company's products are exported to more than 90 countries, where 1000+ clinics are available to help tens of thousands of those in need. Cochlear has significantly grown in size and geographic scope over the past seven years since implementing Oracle E-Business Suite (EBS).

Cochlear runs EBS 11i financials, sales, service, manufacturing, supply chain, and human resources. With eprentise software they have been able to make necessary changes that are not possible or practical using standard EBS functionality.

Wayne Ceely, Manager of Finance Systems, and Francis Nocom, Applications Manager, needed to update Oracle EBS to accommodate growth and global operations, and to support a major 2010 Business Intelligence initiative.

The Finance Department determined that within the Chart Of Accounts (COA) the Balance Sheet accounts had issues due to the company's rapid growth and geographic expansion. Ceely knew that EBS did not provide setups, tools, or utilities to change a COA. Nocom realized that if Finance changed the COA in GL, a number of other changes to interfaces and reports would be needed, and the transactions in the subledgers would not align with the new COA.



Nocom learned that FlexField software can change the COA in Oracle E-Business Suite. He liked several aspects of the software:

- » The Finance Department could use FlexField to map the old COA values to the new, validate the changes, and execute multiple test cycles using FlexField's workbench-like interface. They would require minimal IT technical support.
- » That would free up IT for impact analysis and any post-COA-change adjustments to the reports or interfaces.
- » Since FlexField changes everything in the EBS where old COA values are used, everything balances.
- » After running FlexField, it would look like the new COA values had been used since the initial implementation.
- » FlexField makes all the changes efficiently, and after the data conversion, there would be no add-on software or translation tables in the EBS environment.

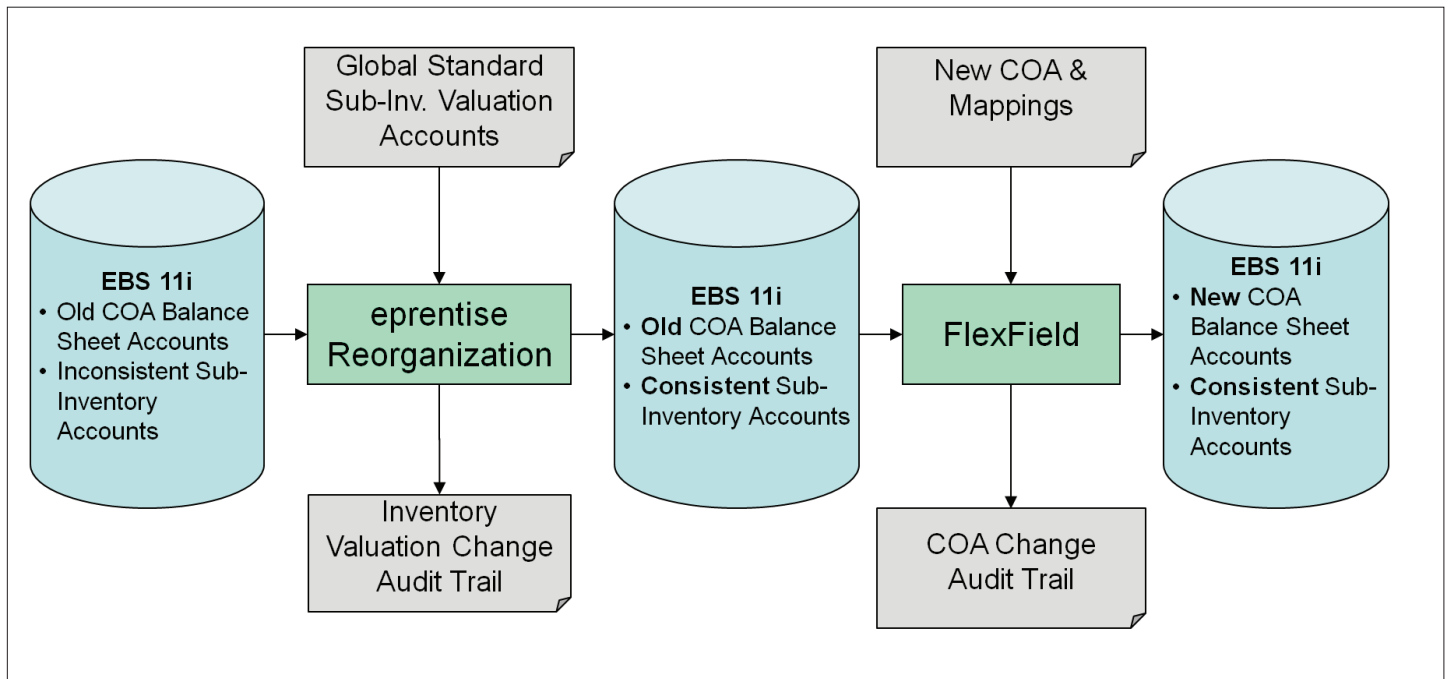
Ceely arranged discussions with FlexField customers. The Finance team became comfortable that they could indeed change the COA and better accommodate the growth and company globalization.

Linda Shepherd, Global Cost & Inventory Manager, had a more pressing financial problem to solve for Cochlear. There was no consistency in the way inventory valuation accounts were applied across regions and sometimes even within an inventory organization. At times the same account was used for all the costing accounts (material handling, overhead processing, material overhead, outside processing, and expense) and at other times that same account was used only for one of the costs. Shepherd planned to standardize global use of the valuation accounts and correct the prior inconsistencies.

Oracle states on Metalink that it is not possible to alter a sub inventory account that contains stock. Shepherd's organization would have had to remove reserved items from sales orders and manufacturing jobs, then from the sub inventory, change the sub inventory account, and then reverse the process. Other considerations contributed to her decision to look for a different solution:

- » The regions relied on inventory aging reports to manage older items, but the valuation account change procedure would erase the aging data.
- » Changes would have to be coordinated across regions, with a number of people involved over a significant time. It would be a big effort.
- » Mistakes could "impact our ability to supply customers when required."

She asked if FlexField could help her correct the sub inventory valuations, but it only changes the COA in EBS. However, the eprentise Reorganization software was able to make the changes Shepherd required. Using eprentise, Cochlear made the account changes at one time, updated the costing batches in the General Ledger, and made the changes everywhere in the EBS database. All the balances tied out, aging data was unaffected, and the entire process was completed in just a few weeks.



Nocom coordinated both projects without re-implementing Oracle or draining IT's resources:

- » Adopt global sub inventory valuation standards for consistent inventory management without disrupting customer sales orders.
- » Change the COA to better support growth, global operations, and the BI project.

Ceely said "Enterprises now have a lot more options to fine tune E-Business Suite."

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