Six Steps for Unleashing the Full Power of Release 12

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Agenda

- Introduction
- Planning to go to R12
- Leveraging Release 12 Features
  - Reduce Complexity
  - Global Visibility and Local Compliance
- Streamlining Business Processes with R12
  - Reduce Operating Costs
  - A Single Source of Truth
Introduction

eprentise®: Transformation Software for E-Business Suite

Company Overview: Established 2006 • Helene Abrams, CEO

eprentise Can...

- Consolidate Multiple EBS Instances
- Change Underlying Structures and Configurations
  - Chart of Accounts, Other Flexfields
  - Inventory Organizations
  - Operating Groups, Legal Entities, Ledgers
  - Calendars
  - Costing Methods
- Resolve Duplicates, Change Sequences, IDs
- Separate Data

...So Our Customers Can:

- Reduce Operating Costs and Increase Efficiencies
  - Shared Services
  - Data Centers
- Adapt to Change
  - Align with New Business Initiatives
  - Mergers, Acquisitions, Divestitures
  - Pattern-Based Strategies
    - Make ERP an Adaptive Technology
- Avoid a Reimplementation
- Reduce Complexity and Control Risk
- Improve Business Continuity, Service Quality and Compliance
- Establish Data Quality Standards and a Single Source of Truth

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Learning Objectives

After completion of this program, you will be able to:

- **Objective 1:** Define the major new features of R12 and how they are used.
- **Objective 2:** Leverage your R12 upgrade and get the most out of your EBS environment.
- **Objective 3:** List the six steps that every business should take to fully utilize the power of R12.
Prepare for the Upgrade in R11i

- Review and Standardize Setups
  - Charts of Accounts, Org Structure, Calendars
  - Eliminate Obsolete Reports, Responsibilities
  - Standardize Business Processes
- Replace Custom Functionality With Standard Oracle Products
  - Review all CEMLIs (Customization, Extension, Modification, Localization, Integration)
  - Install New Modules (Project Accounting, Time and Labor, etc.)
- Apply Latest Patches, Localizations
- Consolidate Instances
- Train the Business Users in R12 Functionality
Should You Combine Related Systems Changes With Your 12 Project & Downtime?

- What is the Downtime Window?
- Single Project and Downtime
  - Less Total Downtime and Testing
  - More Complex Troubleshooting
  - More Business Risk
- Multiple Projects and Downtimes
  - Likely More Total Downtime and Testing
  - Simplified Troubleshooting
  - Less Business Risk
R12 is Designed for Global Operations

What Are The Global Features of R12?

Support Business Growth at Lower Cost

Global Financial Management

6 Major Initiatives

- Ledgers and Ledger Sets
- Rules-based Accounting Engine
- Unified Bank Account Model
- Global Tax Engine
- Global Intercompany System
- Multi-Org Access Control
What are Ledgers, Secondary Ledgers, and Ledger Sets?

- Ledger: an accounting representation for an organization that is accountable in a self-contained way.
- A ledger owner might be a legal entity, a group of companies in a common legal environment, a substantial operation within a legal entity but with legal entity attributes, or a foreign branch.

![Diagram](https://example.com/diagram.png)
Ledgers and Ledger Sets

Assign a reporting currency to primary ledger

Assigning 4C’s to the secondary ledger. The 4C’s being assigned to secondary ledger could be different from the Primary Ledger.

Ledger Set: Vision Operations Corp
Short Name: Ops Corp
Description: Vision Operations Corporation (101)
Chart of Accounts: Operations Accounting Flex
Calendar: Accounting
Default Ledger: Vision Operations (USA)

Ledger/Ledger Set | Description
--------------------|-----------------
Vision Operations (USA) | Vision Operations (USA) Ledger
Vision Brazil SL (USD) | Vision Brazil Secondary Ledger (USD)
Vision Germany SL (USD) | Vision Germany Secondary Ledger (USD)
Vision Netherlands SL (USD) | Vision Netherlands Secondary ledger (USD)
How Do you Use Ledger Sets?

Perform the Following Across Ledgers:

- Open/Close Periods
- Create Journals
- Allocations Across Ledgers
- Recurring Journals for All Ledgers
- Elimination Sets for All Ledgers
- Submit Standard Reports

- Translate and Revalue Balances
- View Information Without Changing Responsibilities
- View Journals and Account Balances Across Ledgers
- Create Financial Statements that Include Data for Multiple Ledgers
# Accounting Setup Manager

**Standard Information**

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ledger</td>
<td>ITC Primary Ledger</td>
</tr>
<tr>
<td>Short Name</td>
<td>ITC Primary 3110(INR)</td>
</tr>
<tr>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>Currency</td>
<td>INR</td>
</tr>
<tr>
<td>Chart of Accounts</td>
<td>ITC Accounting Flexfield</td>
</tr>
</tbody>
</table>

**Accounting Calendar**

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Accounting Month</td>
<td>Oct-07</td>
</tr>
<tr>
<td>Number of Future Enterable Periods</td>
<td>1</td>
</tr>
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</table>

* Indicates required fields
Primary to Secondary Mapping

- Secondary Ledgers are Created and Assigned to the Primary Ledger using the Accounting Setup Manager
- The Primary to Secondary Ledger Mapping is a Required Setup When Establishing a Secondary Ledger
- When Dealing with Multiple Accounting Representations, All Source Transactions Will Be Associated With a Chart of Accounts of the Primary Ledger
How Do You Use Secondary Ledgers?

- Use Secondary Ledgers for Regulatory Reporting
  - Current Data Can Populate When Primary Ledger is Populated
  - Drill from Secondary to Primary to Source

- Transaction
  - No Adjusting Entries Needed
  - Have the Ability to Record Data Correctly Using Your Rules
How Can You Leverage Secondary Ledgers?

- Consolidate Your Sets of Books in R11 to Reduce the Number of Ledgers
- Move the Same Legal Entity into the Same Ledger
- Create a Secondary Ledger Only for Different Currencies or Accounting Methods
- Ledgers that Share a Common Chart of Accounts and Calendar Will Be Easier to Map and More Transparent to Reconcile
Leveraging Ledgers and Ledger Sets

- Use Ledger Sets to Group Ledgers Into a Single Bucket
- Legal Entities Must be Assigned a Balancing Segment Value
What is Subledger Accounting?

- Rule-based Accounting Engine with Centralized Data Model and Repository (XLA)
- Generates and Stores Detailed Accounting Entries
- User-defined Accounting Rules
- A Single Transaction Can Be Represented in Multiple Ledgers
- Drilldown Capability from GL
How Do You Use Subledger Accounting?

- Accounting Setup Manager
- Accounting Methods Builder
- Enhanced Accounting Accuracy
- Greater Audit Compliance
- Additional Reporting Capabilities
Accounting Methods Builder

Journal Header

Account Derivation Rule

Journal Line

Journal Line Type

Journal Lines Description
Leveraging the Chart of Accounts for Global Operations

- Two ways to handle local/regulatory requirements
  - Separate Segment
    - Each country can use a range of values for their statutory requirements
      - | Analysis Segment Ranges     | Values | Descriptions                     |
        |-----------------------------|--------|----------------------------------|
        | 000000-001000              | France | 000321 Crédit Agricole Bank Account |
        |                             |        | 000544 Droits D’enregistrement Tax |
        | 001001-002000              | Italy  | 001321 Intesa Sanpaolo Bank Account |
        | 002001-003000              | UK     | 002321 Barclays Bank Account     |
        |                             |        | 002584 VAT Tax                   |
  - Secondary Ledger
What is MOAC?

- Centralized Administration, Consistent Processes
- Flexible Shared Services Model

Functional Tasks
- Accounting
- Billing, Dunning & Collections
- Procurement
- Order Management
- Payments
- Data Management
Why Use MOAC?

How Can You Use MOAC?

- Visibility, transparency, access, governance, compliance, and controls
- Leverage suppliers
- Reduce complexity

How Can You Leverage MOAC?

- Eliminate Silos
  - Similar Business Processes Should be in the Same SOB, Operating Unit
    - Security Enforced Through Responsibilities
    - Shared Services Through MOAC – R12
  - Merge Redundant Structures
# Example of Silos in the Enterprise

<table>
<thead>
<tr>
<th>Instance</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>Distinct</th>
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<tr>
<td>Release</td>
<td>11.5.10.2</td>
<td>11.5.10</td>
<td>11.5.10.2</td>
<td>11.5.9</td>
<td>-</td>
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<tr>
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<td>548</td>
<td>61</td>
<td>96</td>
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<td>Languages</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
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<td>Sets of Books</td>
<td>104</td>
<td>48</td>
<td>1</td>
<td>30</td>
<td>183</td>
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<tr>
<td>Calendars</td>
<td>10</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>19</td>
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<tr>
<td>Charts of Accounts</td>
<td>40</td>
<td>43</td>
<td>1</td>
<td>18</td>
<td>102</td>
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<tr>
<td>Legal Entities</td>
<td>120</td>
<td>48</td>
<td>0</td>
<td>47</td>
<td>215</td>
</tr>
<tr>
<td>Operating Units</td>
<td>121</td>
<td>49</td>
<td>0</td>
<td>47</td>
<td>217</td>
</tr>
<tr>
<td>Inv Orgs</td>
<td>137</td>
<td>50</td>
<td>1</td>
<td>48</td>
<td>236</td>
</tr>
<tr>
<td>Modules Installed</td>
<td>9</td>
<td>17</td>
<td>4</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td>Security Rules on Value Set</td>
<td>13,012</td>
<td>300</td>
<td>15</td>
<td>153</td>
<td>13,480</td>
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<tr>
<td>Security Rules X Responsibilities</td>
<td>17,350</td>
<td>445</td>
<td>6</td>
<td>75</td>
<td>17,876</td>
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<tr>
<td>Cross Validation Rules</td>
<td>86,845</td>
<td>39,925</td>
<td>25</td>
<td>165</td>
<td>126,960</td>
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<tr>
<td>Currencies</td>
<td>56</td>
<td>28</td>
<td>1</td>
<td>28</td>
<td>64</td>
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<tr>
<td>EBS Users</td>
<td>43,986</td>
<td>30,494</td>
<td>247</td>
<td>3,023</td>
<td>N/A</td>
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</tbody>
</table>
What is AGIS and Why Do You Need It?

- Advanced Global Intercompany System
  - Intercompany Balancing
  - Intercompany Invoicing
  - Intercompany Reconciliation/Eliminations
  - Manual Intercompany Transactions
- Netting Process
- E-Business Tax Rules
- Ability to Handle Deferred COGS, Advanced Accounting and Transfer Pricing Options
How Do You Use AGIS?

- Product Transfers Between Entities
- Intercompany Entity Fulfilling a Sales Order of Another Entity (Intercompany Drop Shipments)
- An Entity Acting as a Procurement/Supplier-facing Hub that Buys on Behalf of Other Entities (Global Procurement)
- Intercompany Services – Cross Charges, Allocation of Expenditures, Dividend Transfers, etc.
- Lines of Business Transactions that Operate Within the Same Ledger
How Do You Leverage AGIS?

- Common Chart of Accounts
- Intercompany Segment
- Leverage the Trading Community Architecture by Having a Single Party Definition for Customer/Supplier
Global Architecture Features

*Oracle E-Business Suite Release 12 is designed for ease of deployment in a single global instance that meets the complex requirements of a worldwide enterprise.*

Key Globalization features include:

- Multiple Languages and Character Sets
  - Produce external documents in any of the active languages, simultaneously and with a single request

- Flexible Date and Number Formats

- Reporting Currencies
  - Either Primary or Secondary Ledgers with a different currency
  - Unlike secondary ledgers, reporting currencies must share the same chart of accounts, accounting calendar/period type combination, subledger accounting method, and ledger processing options as their source ledger

- Always use reporting currencies instead of secondary ledgers if you only need to maintain an accounting representation that differs in currency alone
A New Architecture

- Centralized Accounting Setup
  - Central Point of Control that Maintains Complex Accounting and Reporting Requirements While Adhering to Statutory, Corporate Requirements and Business Needs
- Legal Entity Structure
- Trading Community Architecture
  - AP / AR Netting

- Bank Account Model
- eBusiness Tax
  - Tax Configuration Manager
  - Tax Determination Services
  - Tax Simulator
  - Tax Reporting
  - Centralized Tax Record Repository for Audit and Reporting
New Architecture Summary

**Issue**

- Entity Autonomy
- Independent Open/Close
- Read/Write Access
- Access to Multiple Ledgers

- Reporting Across Entities
- Efficient Processing
- Access to Multiple Ledgers

- Setup and Maintenance
- Definition Security

**Solution**

- Data Access Set
- Ledger & Ledger Set
- Definition Access Set
Global Visibility

Subledger Accounting, Accounting Methods Builder Replaces Global Accounting Engine

### Global COA Plan Comptable General

<table>
<thead>
<tr>
<th>Number</th>
<th>Accounting Class</th>
<th>Account</th>
<th>Accounted DR (EUR)</th>
<th>Accounted CR (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Item Expense</td>
<td>101.100.53580.000.730.000.000.000 6,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Item Expense</td>
<td>101.100.53580.000.720.000.000.000 4,000.00</td>
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<td></td>
</tr>
<tr>
<td>3</td>
<td>Recoverable Tax</td>
<td>101.100.13200.3101.100.000.000.000 1,960.00</td>
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<td></td>
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<tr>
<td>4</td>
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<td></td>
</tr>
<tr>
<td>5</td>
<td>Liability</td>
<td>101.100.22100.000.720.000.000.000 4,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Liability</td>
<td>101.100.22100.000.000.000.000.000 1,960.00</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number</th>
<th>Accounting Class</th>
<th>Account</th>
<th>Accounted DR (EUR)</th>
<th>Accounted CR (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Item Expense</td>
<td>101.100.616100.000.730.000.000.000 6,000.00</td>
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<td></td>
</tr>
<tr>
<td>2</td>
<td>Item Expense</td>
<td>101.100.616100.000.720.000.000.000 4,000.00</td>
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</tr>
<tr>
<td>3</td>
<td>Recoverable Tax</td>
<td>101.100.445623.3101.000.000.000.000 1,960.00</td>
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</tr>
<tr>
<td>4</td>
<td>Liability</td>
<td>101.100.401009.000.000.000.000.000 10,000.00</td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>Liability</td>
<td>101.100.401009.000.000.000.000.000 1,060.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Liability</td>
<td>101.100.401009.000.000.000.000.000 1,060.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Security

- Data Access Control
- Definition Access Sets Allow You to Assign Users Access to Specific Definitions and Specify Actions

Ledgers must share same COA/Calendar combination

Assign ledgers and/or ledger sets

Specify Read Only or Read/Write Access
Other Architecture Features

- Oracle Applications Tablespace Model - OATM
  - Reduces Number of Tablespaces to 12 from 2 Per Product
  - Compacts Database, Optimizes Storage Settings and Reduces I/O
How Do You Leverage the Global Features of R12?
Reduce Maintenance - Simplify the Business
R12 – A Single Global Instance.
How Do You Get There?

- Instance Consolidation
- Standards
  - COA
  - Calendars
  - System Items
  - Asset Books – Standard Depreciation Methods
    - Asset Categories
    - Key Asset
    - Asset Locations
  - Central Supplier Organization
  - Standard Costing Methods
- Similar Business Processes Should be in the Same SOB, Operating Unit
  - Security Enforced Through Responsibilities
  - Shared Services Through MOAC – R12
  - Everything Feeds into Upstream/Downstream Systems in a Consistent Way Directly from EBS
  - Seamless Reconciliations
  - Customizations - What Gets Carried Forward to R12?
Roadmap – Best Practices
Consolidate All Instances

• Agreement on All Requirements Up-front
• Reduced Space – Test, Dev, QA Prod Instances
• Reduced Resources – Maintenance, Patching, Upgrades
• Complete Information – All Data in Same Place (History, All Operations)
• Agility for Strategic Initiatives (Acquisitions, Spin-offs)
• Significant Savings in Operational Costs of Shared Services Center
Roadmap – Best Practices
Establish Standards

- COA, Calendars, Items, Other KFF
- Make the Changes Globally Rather than for Each Project
- Get Input from All Stakeholders; Make the Decisions Once and Change the Business Processes
  - Consistent and Correct Data - Common Definitions Without Ongoing Translations for BI, Reporting
  - Streamlined Business Processes
  - Testing Impact of Change One Time
  - RICE-W Objects Standardized
  - History Can Be Merged
Six Steps for Unleashing the Power of R12

1. Have a **Single Instance**
2. Define **Standards**
3. Design a Single, Global **Chart of Accounts**
4. Evaluate the Organizational Structure that You Need to **Optimize Visibility, Maximize Security and Streamline Operations**
5. Ensure **Enterprise-wide Security, Access & Control**
6. Test, Test, Test
Conclusion

- Use the Upgrade to R12 as an Opportunity to Make Changes to Your EBS Environment
- Reduce the Complexity so that You Have the Ability to Change as the business Changes
Thank You!

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- One World, One System, A Single Source of Truth -