How Arby's Restructured Their GL Chart of Accounts:
You Can Too

Companies Need to Change Their Oracle® E-Business Suite Without Reimplementing

eprentise Can…

- ❑ Consolidate Multiple EBS Instances
- ❑ Change Underlying Structures and Configurations
  - ➢ Chart of Accounts, Other Flexfields
  - ➢ Merge or Split Ledgers or Sets of Books, Operating Units, Legal Entities, Inventory Organizations
  - ➢ Calendars, Currency, Costing Methods
  - ➢ Asset Revaluation, Inventory Valuation
- ❑ Separate Data for a Divestiture

…So Our Customers Can:

- ❑ Avoid a Reimplementation
- ❑ Reduce Operating Costs and Increase Efficiencies
- ❑ Adapt to Change
- ❑ Reduce Complexity and Control Risk
- ❑ Improve Business Continuity, Service Quality and Compliance
- ❑ Streamline Operations with Visibility to All Parts of the Business
- ❑ Establish Data Quality Standards and a Single Source of Truth

Finished But Not Done®

After completion of this presentation you will be able to:

Objective 1: Define the process for Arby's successful COA restructuring.

Objective 2: Describe how COA restructurings are possible and beneficial as companies grow and change.

Objective 3: Explain the steps Arby's took for a successful COA restructuring.

❑ Arby's initial Oracle implementation in 2008

❑ Post implementation issues
   ❑ Legal Entity accounting and reporting

❑ Arby's R12 upgrade options and decision-making process

❑ Review the process for COA Conversion

Today's Speaker: Matt Powell

❑ Employed at Arby's for 9 years

❑ Manager, Oracle Financial Systems

❑ Graduated Mercer University in 2005

❑ CPA License in 2009

❑ Previously worked at Home Depot & Rare Hospitality

❑ mpowell@arbys.com

Austin Reason - EiS Technologies

- ❑   Founded in 2001
- ❑   160+ Clients: reach all business objectives, on time, within budget
- ❑   500,000+ Hours spent delivering value based solutions to our satisfied clients
- ❑   50+ Certifications in the Oracle Fusion / Cloud space
- ❑   Core Competency – Oracle Human Capital Management
- ❑   Over 185 Full-time resources
- ❑   Offices in US (Atlanta), UK (London), and India (Hyderabad)

Austin Reason – Director of Cloud Solutions

- ❑   18 years experience with Oracle Technologies
- ❑   Oracle Volunteering
  - ➢   President of Gulf Region OAUG
  - ➢   OHUG Co-Founder and Past Executive Board of Director for 11 years

Arby's Restaurant Group

- ❑ Founded in Ohio during 1964
- ❑ Headquartered in Atlanta, GA
- ❑ Franchisor of Arby's restaurants
  - o Domestic: +3,300 restaurants in 48 states
  - o International: +120 restaurants in 5 countries
  - o System revenue of $3.6 Billion
  - o Company revenues of $1.3 Billion
- ❑ 12.0% SSS growth for two-years

Key Players

- [ ] Arby's Restaurant Group
  - o Accounting & Finance Group
  - o IT Team
  - o Tax Department

- [ ] EiS Technologies
  - o Oracle support partner

- [ ] eprentise
  - o Software product partner

ARBY'S EBS ENVIRONMENT

Oracle EBS Release 12.1.3

- General Ledger
- Accounts Payable
- Accounts Receivable
- Fixed Assets
- Property Accounting
- Projects
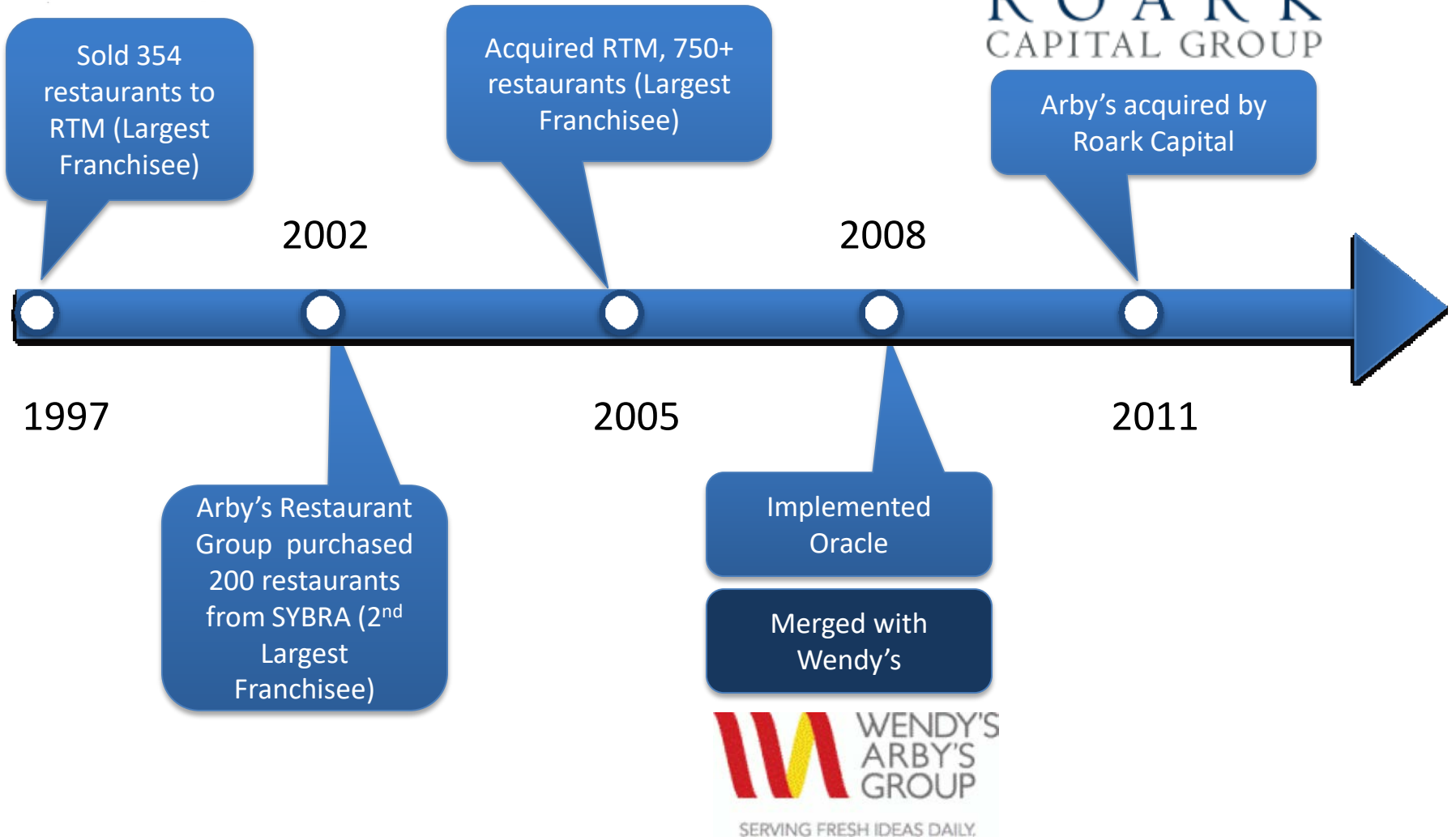- HR & Payroll

Oracle PBCS & HFM
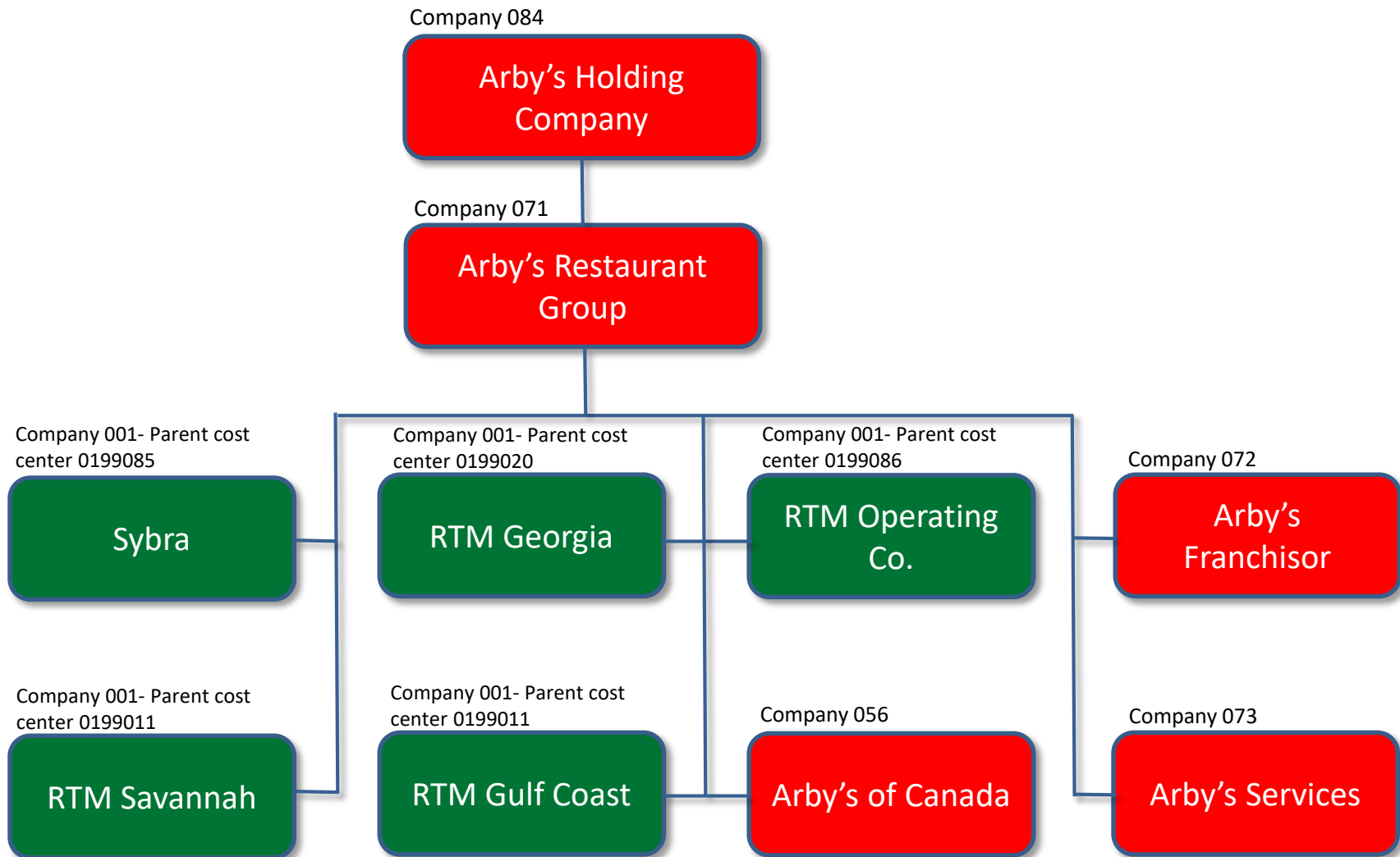
Tax

- FAMS
- Sabrix (Sales & Use Tax)
- Vertex

ERP and Reporting

CONFIDENTIAL

Arby's Recent History

Sold 354 restaurants to RTM (Largest Franchisee)

Acquired RTM, 750+ restaurants (Largest Franchisee)

Arby's acquired by Roark Capital

2002

2008

1997

2005

2011

Arby's Restaurant Group purchased 200 restaurants from SYBRA (2nd Largest Franchisee)

Implemented Oracle

Merged with Wendy's

SERVING FRESH IDEAS DAILY.

Pre-Conversion Org Chart

Company 084

Arby's Holding Company

Company 071

Arby's Restaurant Group

Company 001- Parent cost center 0199085

Sybra

Company 001- Parent cost center 0199020

RTM Georgia

Company 001- Parent cost center 0199086

RTM Operating Co.

Company 072

Arby's Franchisor

Company 001- Parent cost center 0199011

RTM Savannah

Company 001- Parent cost center 0199011

RTM Gulf Coast

Company 056

Arby's of Canada

Company 073

Arby's Services

Operating Companies not defined Using Oracle Company Segment

❑ The plan was to collapse all operating entities into a single entity in 2008-2009

    o Company "001"

❑ Used Oracle parent-children relationships in the Cost Center field for Legal Entity reporting within company "001"

❑ Company balancing was done through mass allocations during our close process

Chart of Account Structure

Company (3)

Cost Center (7)

Account (5)

Inter-company (3)

Future1 (5)

Future2 (5)

Chart of Account Structure

Company (3)

Used a single company for all operating companies

Cost Center (7)

Account (5)

Inter-company (3)

Future1 (5)

Accidently disabled during implementation

Future2 (5)

Accidently disabled during implementation

15

COA REWORK PLANNING

- ❑ 2014 Arby's started planning major system upgrades:
  - o Oracle R12
  - o HFM

- ❑ Conversion options:
  - o Reimplementation
  - o Upgrade
  - o Manual

Biggest factor in the decision:
How can we fix our Company segment in the COA?

Benefits of Reworking COA

- ✓ Company segment = legal entity

- ✓ Leverage auto-accounting within Oracle

- ✓ Leverage standard functionality for closing equity and retained earnings

- ✓ Use standard functionality to report on legal entities

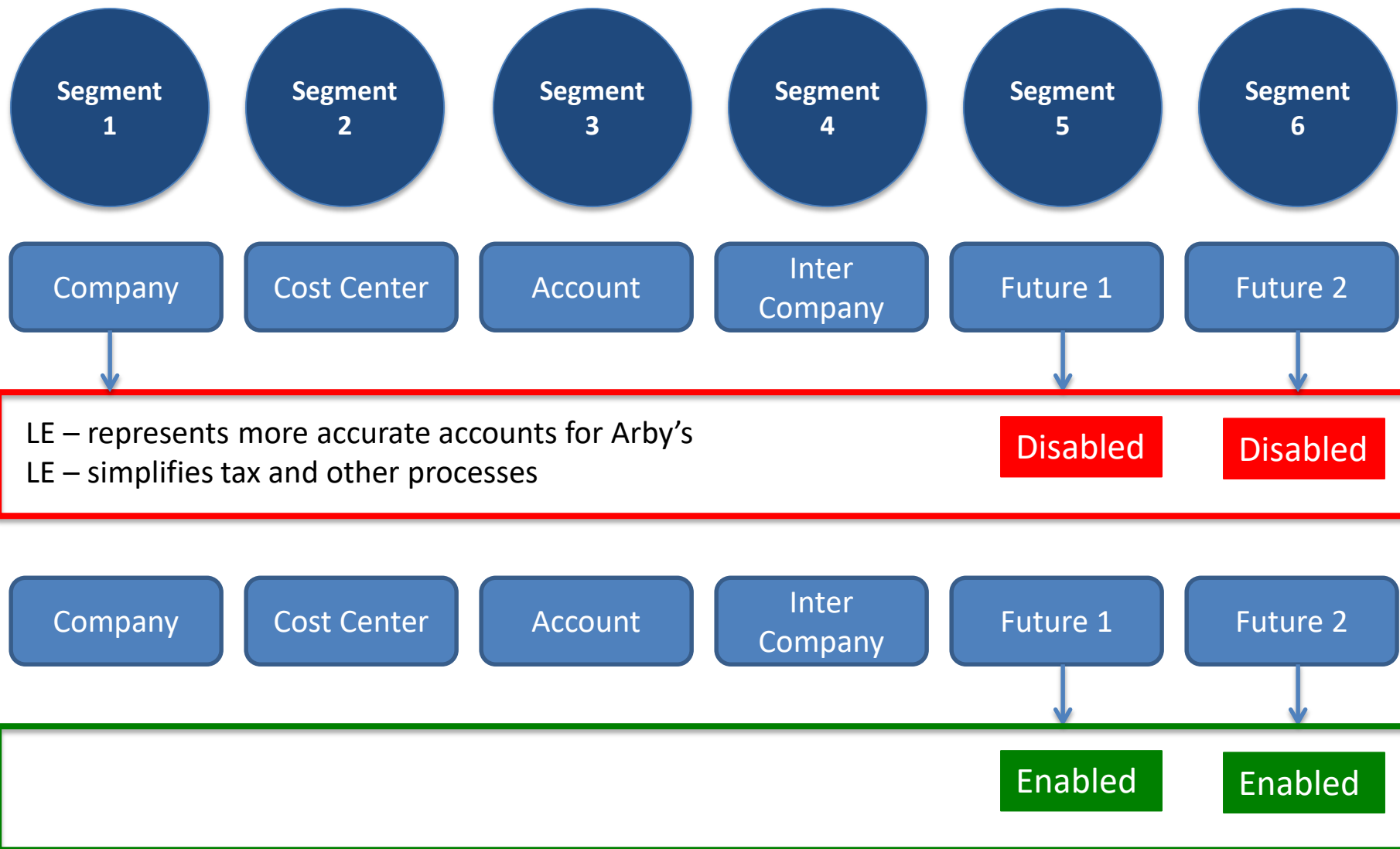- ✓ Resolved integration issues with Hyperion & other 3rd Party Tax Software

Creative Solution Identified

❑ Partnered with eprentise to use FlexField software to convert the existing 001 company balances to 18 new companies

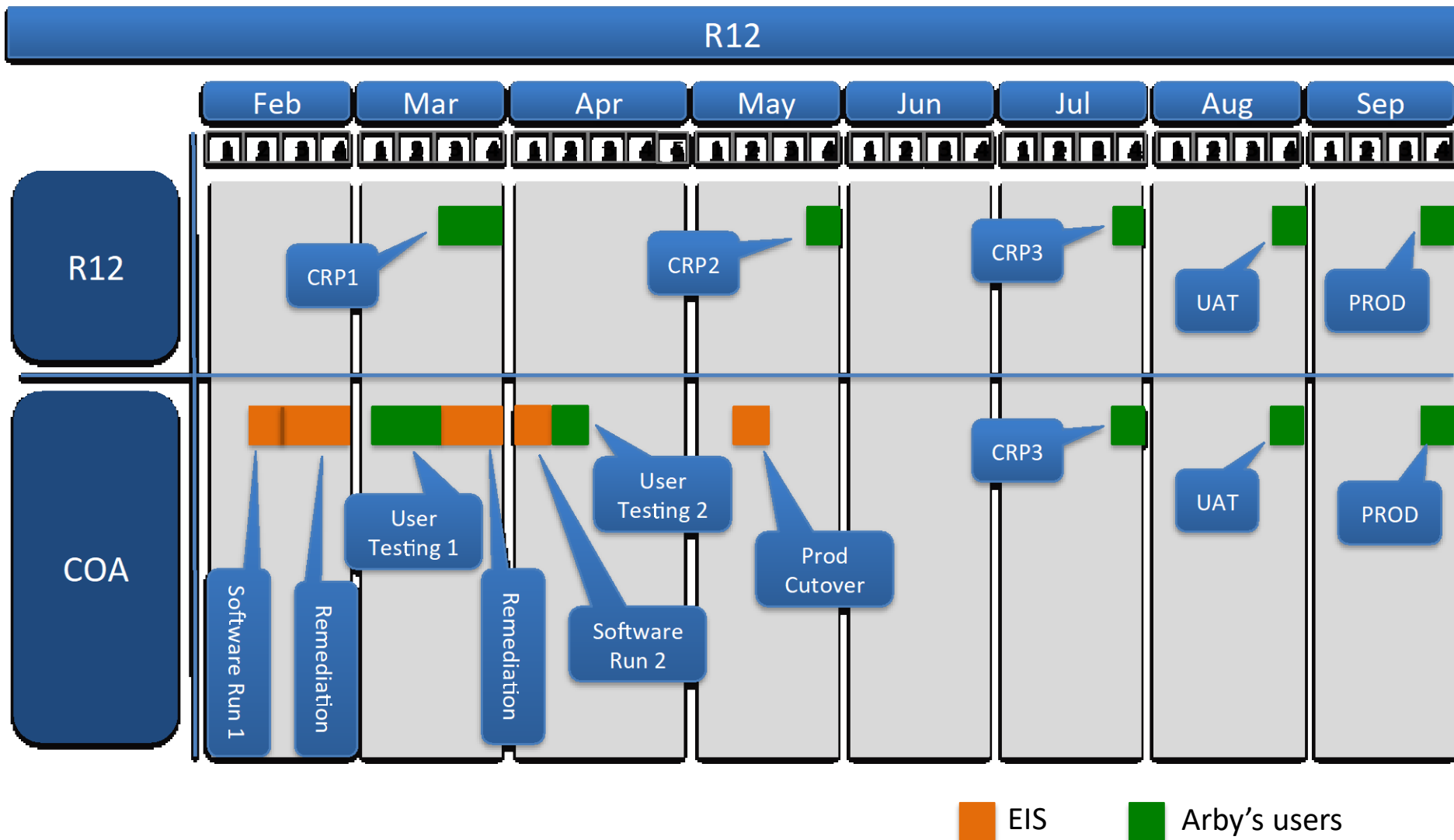❑ COA Conversion process to be done slightly in advance of the R12 upgrade
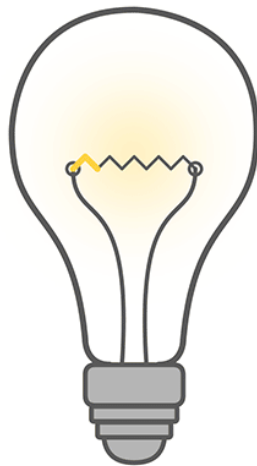
Change COA Structure Design

Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Company	Cost Center	Account	Inter Company	Future 1	Future 2

LE – represents more accurate accounts for Arby's
LE – simplifies tax and other processes

Future 1: **Disabled** Future 2: **Disabled**

Company	Cost Center	Account	Inter Company	Future 1	Future 2

Future 1: **Enabled** Future 2: **Enabled**

CHART OF ACCOUNT CONVERSION PROCESS

Timeline – R12 and COA(11i)

CONFIDENTIAL

www.eprentise.com

Validation – 2.5 rounds

❑ 1st Round

➢ Ran the eprentise solution (initial testing)

➢ Remediation to fix any mapping, and process issues

❑ 2nd Round

➢ Ran the eprentise solution again to validate

➢ Went smoother with little or no issues

▪ Mapping Issue

❑ Last Round

➢ Mainly to resolve mapping issue from Round 2

➢ Very limited end-user testing

- [ ] 5 month conversion process including design, software selection, 2.5 testing windows, and implementation

- [ ] Mapping File

  - Critical Document

  - Developed and evolved throughout the conversion process

- [ ] Triggers on concurrent programs for future data conversion

  - References Alias table

Pre- & Post-Conversion Set Ups

- ❑ Alias creation (HR & GL)
  - o Critical item
  - o Used to automatically populate company numbers for staff during data entry
- ❑ Mass allocations
- ❑ Cross-Validation Rules
  - o Critical Item
  - o Used to keep each restaurant cost center in the correct legal entity
  - o Over 1,000 restaurants
- ❑ Leveraged Dataloader Software (free)
- ❑ One-time Oracle responsibility
- ❑ FSGs
- ❑ Summary Templates (deletion & recreation)
  - o Extensively used in Arby's Business

❑   End users expressed a significant amount of concern during planning phase

❑   Standard download from EBS

❑   Leveraged SharePoint

   o   Retrieves data from Oracle alias table

   o   Captures any updates or changes to the company-cost center relationship in real-time

   o   Ensures staff are all using the same table and method to retrieve company number

Go-Live Preparation

- Developed an extensive playbook

- Communicate to all stakeholders throughout the organization

- Coordinated timing with end users

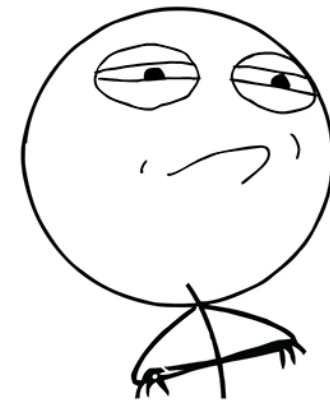| **COA PROD Cutover - All Activities**								
#	**Activity**	**Details**	**Assigned T**	**Day**	**Date**	**Time**	**Status**	**Notes**
1	Finalize Mapping	Finalize Cost Center - New Company Mapping	MP	Sat	04/26/2015	3:00 PM	Done	
2	Finalize Cutover Acct Users & Resp	To finalize the acct grp that will work over the cutover wkend	MP	Sat	04/26/2015	3:00 PM	Done	
3	Prepare COA Remediation Patch	For all objects modified for COA change	TB	Tue	04/28/2015	3:00 PM	Done	
4	Prepare Technical Design Doc	MD70	TB	Tue	04/28/2015	3:00 PM	Done	
5	Prepare Func Setup Docs	MD50	PB	Wed	04/29/2015	3:00 PM	Done	
6	Prepare Arby's Communication	To communicate to all stakeholders	JH	Fri	05/01/2015	3:00 PM	Done	
7	Create TriCore tkt for COA Cutover	596004, 595912	RH	Fri	05/08/2015	3:00 PM	Done	
8	Install ePrentise Software	Software Installation-local machine	PB,TB	Fri	05/08/2015	3:00 PM	Done	
9	ePrentise mappings in advance	GL mapping could be prepared in advance.	PB,eP	Fri	05/08/2015	3:00 PM	Done	
10	Prepare SQLs to verify pre/post setups	To make sure all functional setups are completed	PB	Fri	05/08/2015	3:00 PM	Done	

❑ Summary Template Deletion

  o Database performance issues that caused the deletion process to take significantly longer than planned

  o Caused 18 hour delay during Go-Live

  o Database performance resumed to normal levels and deletion process completed shortly thereafter
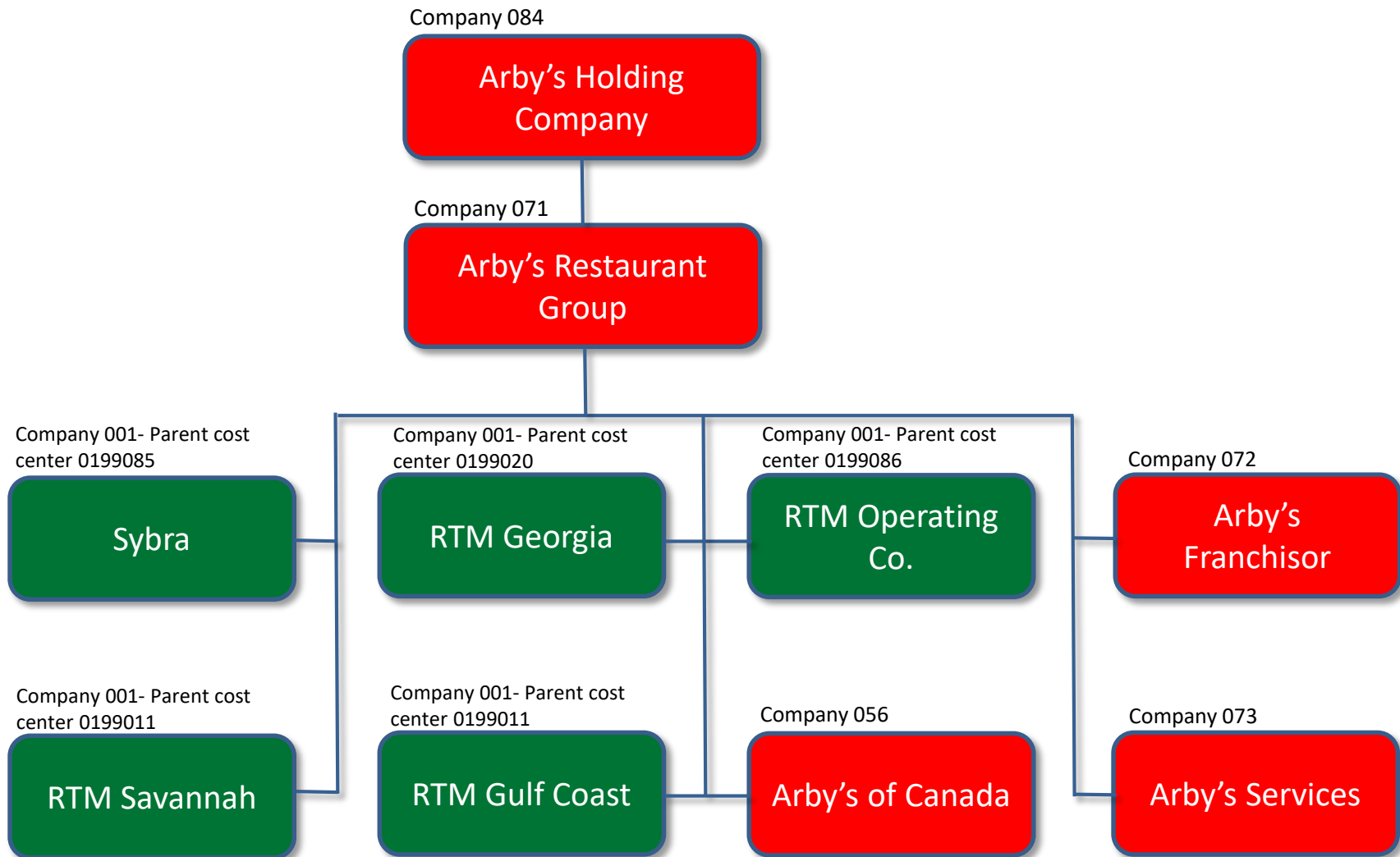
❑ Internet Outage at the Office
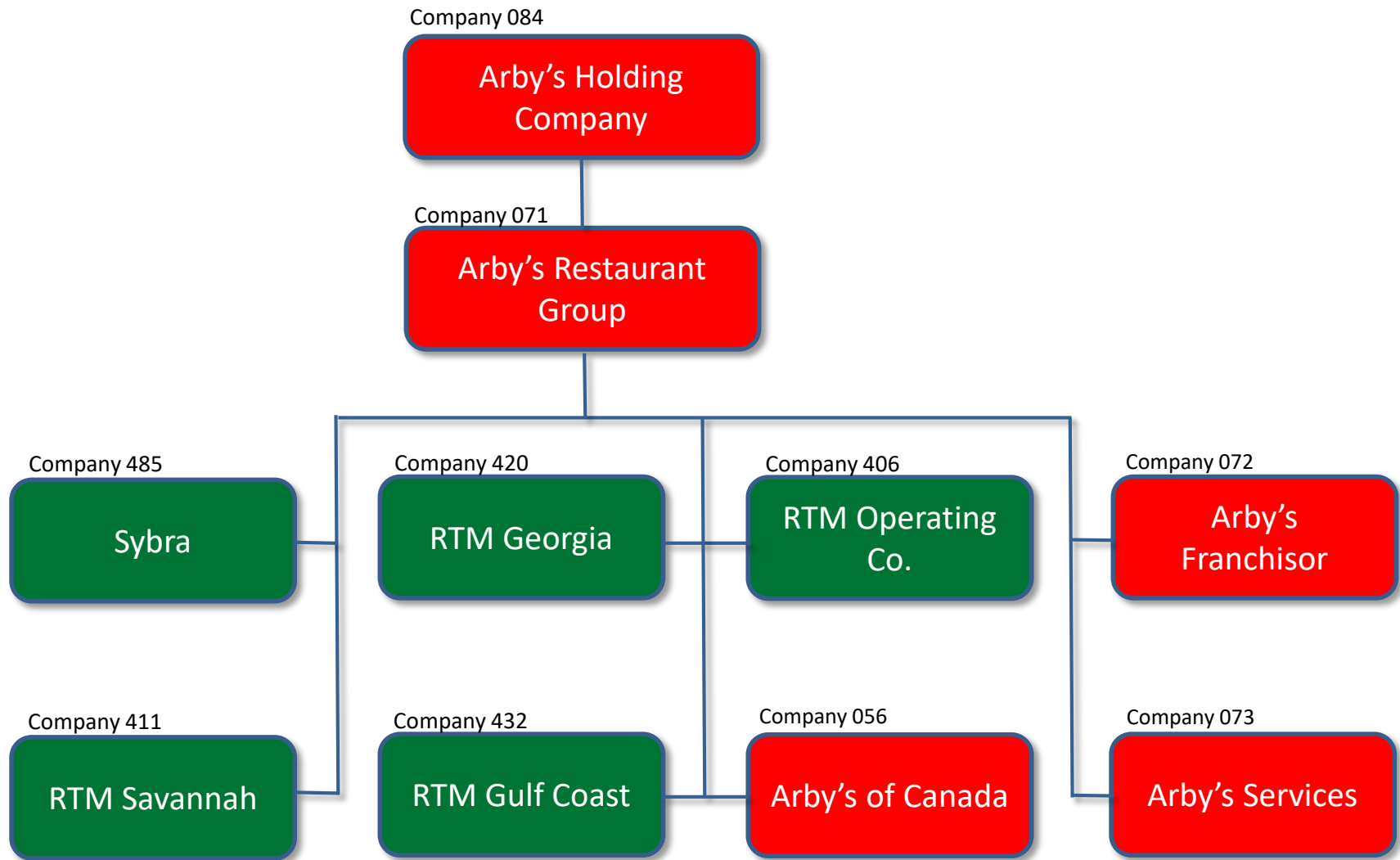
❑ Legal Entity Balancing was not done for an open period

CHALLENGE ACCEPTED

Company 084

Arby's Holding Company

Company 071

Arby's Restaurant Group

Company 001- Parent cost center 0199085

Sybra

Company 001- Parent cost center 0199020

RTM Georgia

Company 001- Parent cost center 0199086

RTM Operating Co.

Company 072

Arby's Franchisor

Company 001- Parent cost center 0199011

RTM Savannah

Company 001- Parent cost center 0199011

RTM Gulf Coast

Company 056

Arby's of Canada

Company 073

Arby's Services

Company 084 — Arby's Holding Company

Company 071 — Arby's Restaurant Group

Company 485 — Sybra

Company 420 — RTM Georgia

Company 406 — RTM Operating Co.

Company 072 — Arby's Franchisor

Company 411 — RTM Savannah

Company 432 — RTM Gulf Coast

Company 056 — Arby's of Canada

Company 073 — Arby's Services

Conclusion

- ❑ Consolidation plan for the operating legal entities fell through and we were left with an awkward G/L structure

- ❑ Arby's company structure in Oracle prevented us from leveraging standard functionalities

- ❑ A conversion was made possible without a reimplementation by using the eprentise flexfield software

- ❑ Arby's is very satisfied with our conversion solution and our new chart of accounts

Five Fundamental Criteria for a Good COA

1. There is only one type of information in each segment.

2. Information in the chart of accounts is not repeated from other modules.

3. There is enough room to expand within each segment.

4. Summary accounts and rollup groups fall naturally within ranges.

5. You are able to report on critical business components with standard reports without resorting to spreadsheets. FSGs and other reports should be easy to create.

A Global Chart of Accounts

- ❑ Primary ledger is single source of truth for all accounting, reconciliation, and analytical reporting
- ❑ Consistency but flexibility to accommodate different requirements
- ❑ External reporting without relying on a separate financial consolidation system
- ❑ Drill down to individual transactions in the subledgers without translation
- ❑ Transparency (3 - 5 years) to meet IFRS standards and international auditing requirements
- ❑ Common metrics and reporting structures with common interpretation

Enterprise Visibility with Subledger Accounting and Secondary Ledgers

Thank You!

Matt Powell
mpowell@arbys.com | www.arbys.com

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

Hosted by eprentise:
www.eprentise.com
www.AgilityByDesign.com

Questions and Responses will be posted on EBS Answers:
http://www.linkedin.com/groups/EBS-Answers-4683349/about