Customer Case Study:
A Single Version of the Truth – Top 10 Benefits of a Global Consolidation

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10:30 AM - 11:30 AM
Breakers F

Paul Phillips  Manager – Oracle EBS Development – CARQUEST Technologies, LLC
Bob Von Der Ahe  Director, Global Projects – Experian Global Corporate Systems
Helene Abrams  Founder and CEO – eprentise, LLC
Session Objectives

- Why did CARQUEST and Experian want to consolidate their instances? – a business justification
- How did they plan for a global consolidation and get buy-in from the business? – the project description
- What decisions needed to be made and the impact of those decisions? – in a global environment
- What were the top 10 benefits to the business and IT of consolidating? – growing with agility
- What were the critical success factors and how did we assess the system’s effectiveness? – ROI
Oracle E-Business Suite Customer Trends

- **Consolidate** for operating a shared service center or a centralized data center.
- **Resolve** duplicates and standardize data.
- **Merge** all configuration, master, and transaction data.
- **Reorganize** entities, sets of books, and operating units.
- **Reduce** operating and maintenance costs.
- **Create** a single source of truth.
- **Enable** revenue optimization.
CARQUEST Auto Parts is the premier supplier of replacement products, accessories, supplies and equipment for virtually all makes of automobiles, as well as light and heavy-duty trucks, off-road equipment, buses, recreational vehicles and agricultural equipment.

- Automotive aftermarket is worth more than $250 billion and growing annually
- CARQUEST Auto Parts Stores are local, independently owned and operated businesses with deep roots in their communities – 16,000 teammates

- Private Company with 3,000 locations in North America and 43 years in business
  - CARQUEST Canada extends our network throughout Canada

- Oracle 11i - GL, AP, AR, FA, PO, HR, Payroll
Experian (LON:EXPN)

- Global information services company.
- Provides data, analytical tools, and marketing services to organizations and consumers to help manage the risk and reward of commercial and financial decisions.
  - Known for its comprehensive understanding of individuals, markets, and economies.
  - Helps organizations find, develop, and manage customer relationships to make their businesses more profitable.
  - Promotes greater financial health and opportunity among consumers by enabling them to understand, manage, and protect their personal information.
- Constituent of the United Kingdom's FTSE 100 index.
- 2009 Revenue $3,821 USD (millions).
- Clients in more than 65 countries.
- 15,000 employees in 40 countries.
- Oracle 12.0 – All Financials, All HR Modules
Why Consolidate Instances?

- Reduction in infrastructure costs (hardware, maintenance, licenses)
- Reduction in personnel to support multiple systems
- Operation of a single business with consistent data, streamlined processing and the ability to leverage markets, suppliers of other parts of the business
- Agility to grow and to embrace new initiatives
- Provision of better customer service and the ability to operate globally
CARQUEST Business Drivers

- Regional production instances were an obstacle to business improvements
- Made very little sense for 10% of the revenue to be burdened by the cost structure of an entire EBS instance and support.
- Different areas made their own business case
  - Finance / HR
    - Facilitate efficient and effective decision making with timely and reliable fact based information
    - Obtain a single version of the truth / single system of record
    - Access real-time information at consolidated level
    - Create Centralized Shared Services (maintenance, setup, centralized processing handled by Finsys AR and Finsys Acct)
  - IT
    - Reduce expenditure on hardware and IT personnel (fewer servers, fewer databases, less storage)
    - Maintain consistent support by eliminating multiple instances
    - Eliminate duplicate integrations and interfaces
    - Reduce testing during patches and upgrade

“IT wanted to consolidate because of the reduced hardware footprint, reduced maintenance and support across all areas, but it wasn’t until the stakeholders saw a direct business benefit that we finally received approval.”
CARQUEST Business ROI

➢ HRMS / Finance / Supply Chain
  ♦ Staffing efficiencies
  ♦ Single source of truth
  ♦ Customer service and history
  ♦ Consistency in business processes
  ♦ Easier to prepare consolidated financial reports
  ♦ No spreadsheets to reconcile among systems
  ♦ Leverage Suppliers

➢ IT
  ♦ Reduced maintenance, patching, storage, backups, and DR
  ♦ No sunset instance
  ♦ Lower license and support fees
Experian Business ROI

➢ Going from 3 distinct instances to 1 creates natural operational savings
  ◦ Removes current duplication of hardware, software licenses, and support team
  ◦ Reduces cost of keeping systems upgraded and supported

➢ Adoption of Shared Service Center
  ◦ Requires putting global business processes in place
  ◦ Enables labor arbitrage

➢ Hard cost savings is the major driver
  ◦ However, soft benefit to be realized in the future includes enabling a common warehouse of data
    ○ Enables customer analysis, cross-sell, up-sell, taking market share from competitors, knowing when to buy into or expand into new markets/countries.

➢ Enable revenue optimization: Hard to quantify, wide range
  ◦ Customers are global
  ◦ Many customers span regions
  ◦ Global brand → Global standard service products
  ◦ Global standard data and business intelligence → optimization
Experian Gemstone – Globalization Program

How to mobilize international company created out of two regional powerhouses, while continuing global expansion and acquisitions, to get to a single global instance?

- **Diamond**
  - Create “seed” Unify 11i instance for new Europe and Asia Pacific countries
  - Upgrade Unify to R12
  - Continue implementation of countries into Unify
  - Converge older UK and US 11i instances into Unify R12

- **Ruby**
  - Create global reporting environment
  - OBIEE and Hyperion

- **Sapphire**
  - Create shared business service centers
  - Develop global standard business processes
## CARQUEST – Comparing Alternatives

<table>
<thead>
<tr>
<th>Use Software to Consolidate</th>
<th>Reimplement</th>
<th>Keep Separate Instances</th>
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<tbody>
<tr>
<td><strong>Pros</strong></td>
<td></td>
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<tr>
<td>• Software</td>
<td>• Industry standard procedure</td>
<td>• No initial investment required</td>
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<td>• Reusable</td>
<td>• Recommended by Oracle Consulting</td>
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<td>• A fraction of the cost of reimplementing</td>
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<td>• Staged rollout</td>
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<td>• Shorter duration</td>
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<td>• Industry expert</td>
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<tr>
<td>• Reduces Risk</td>
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<tr>
<td>• Brings over all history</td>
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<tr>
<td>• Accurate, consistent results (no need to worry about different coding styles, standards, skill levels, corrupting database, differences in different versions)</td>
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<td>• Generates code automatically without technical knowledge</td>
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<tr>
<td><strong>Cons</strong></td>
<td></td>
<td></td>
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<tr>
<td>• Early Adopter Stage</td>
<td>• Expensive</td>
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<td>• Simple</td>
<td>• Complex, multi-year effort</td>
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<td>• Limited carry-over of historical data</td>
<td>• Not able to take advantage of:</td>
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<td>• Standards, data quality, consistency not enforced</td>
<td>• Instant Access</td>
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<td>• Requires data conversion</td>
<td>• ePresentment, eInvoice and ePayment</td>
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<td>• Human capital requirements are large</td>
<td>• Trintech / Cash Management</td>
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<td>• Extensive setup time</td>
<td>• No single source of truth</td>
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<td>• Supply Chain / Demantra – requires duplicate installations and integration.</td>
<td>• High cost of ongoing maintenance</td>
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<td>• Not able to take advantage of:</td>
<td>• Maintain multiple environments for development, testing, DR</td>
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<td>• ePayment</td>
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<td><strong>Benefits</strong></td>
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<td>• Results in a single, consolidated instance</td>
<td>• Opportunity to reconfigure and streamline existing processes</td>
<td>• Users are familiar with the current state of IT</td>
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<td>• Benefits IT organization as well as operational and business side of business</td>
<td>• Opportunity to streamline existing data</td>
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<td>• Minimizes maintenance and increases data quality – establishes a single source of truth</td>
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<td>• Enables CARQUEST to rationalize suppliers</td>
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<td>• Resolves inconsistencies (different HR configurations, duplicate suppliers, sequences, organization units)</td>
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CARQUEST

Approaches

Used eprentise software to merge Canadian instance into US instance.

Made changes in 11i environment first

Single Global Instance

Started with small R12 instance for Spain, Hong Kong. Other countries were implemented in same instance. Manually migrated (extract, transform, & load) data from UK and US into R12 Instance.
1. US Instance
   - USA 11i
   - History: US

2. Canadian Instance
   - Canada 11i
   - History: Canada

3. Consolidation, June 2010
   - eprensitee Consolidation
   - History: US, Canada

4. Upgrade date TBD
   - CARQUEST Global – 11i
   - R12 Upgrade
   - CARQUEST North America – R12

Timeline:
- Nov. 2009
- June 2010
Experian - Diamond Road Map

1. **Unify – 11i**
   - January 2009
   - Spain and Hong Kong COA v.1
   - Europe COA v.2

2. **Unify – R12**
   - September 2009
   - Spain and Hong Kong COA v.1
   - Europe COA v.2

3. **FlexField**
   - HK & Spain
   - COA v.2
   - January 2010

4. **Unify – R12**
   - Europe, Spain and Hong Kong COA v.2
   - US and UK Global COA v.3
   - June 2010

5. **Convergence**
   - Europe
   - Spain
   - Hong Kong
   - History
     - Europe
     - Spain
     - Hong Kong
     - UK
     - US
   - History
     - US

June, 2010
Planning for Consolidation

Required Activities for Both Projects

- **RICE Activities**
  - Data warehouse integration
  - Reporting requirements
  - OFA – Oracle Financial Analyzer impact
  - Interfaces/Integration to and from third party systems
  - Tax requirements

- **New Functionality in R12**

- **Upgrade to R12**
Consolidation Resources Required

Both Teams

✓ Project sponsor
✓ Project management
✓ DBA
✓ Testing team
✓ Technical resources for interfaces, customizations, reports, integration of non e-business suite modules
✓ Standard EBS support and maintenance (clones, backups, access, security)

CARQUEST Team

➢ Total FTE (in addition to those above) = 0

Experian Team

➢ Business/Functional for setup and decisions
➢ Technical team to create extract, transform, load scripts
➢ Total FTE (in addition to those above) =
Results

CARQUEST
- All history moved
- No need to configure new responsibilities, new operating units, new parameters
- One instance – no sunset instance to maintain
- Only had to redo Canadian interfaces, RICE, customizations
- Still need to upgrade to R12

Experian
- Spain, HK, Europe all history
- US, UK 2 years history
- Maintaining 2 (R11i) sunset instances for history, OBIEE
- All interfaces, RICE objects, customizations need to be redone
- Time spent in configuring Unify instance to accommodate additional data (org units, ledgers, etc.)
Top 10 Benefits of Consolidation

1. Dramatically reduced operational costs
2. Standardized business processes
3. Increased supplier leverage
4. Easier consolidated financial reporting
5. Single source of truth
6. Decreased IT footprint
7. Easy to access accurate, real-time data
8. Ability for global operations
9. Reduced training
10. Agility for new technologies (R12 functionality), new business initiatives (mergers, divestitures)
Critical Success Factors and Lessons Learned

- Were there projects and initiatives that competed with instance consolidation? Why did consolidation win and get launched?
- What advice do you have for others going through an instance consolidation?
Questions?
Thank You!

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</tr>
<tr>
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