

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

*e*prentise[®]: Transformation Software for E-Business Suite *Company Overview: Established 2006 • Helene Abrams, CEO*

*e*prentise 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



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 CEMLI (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?

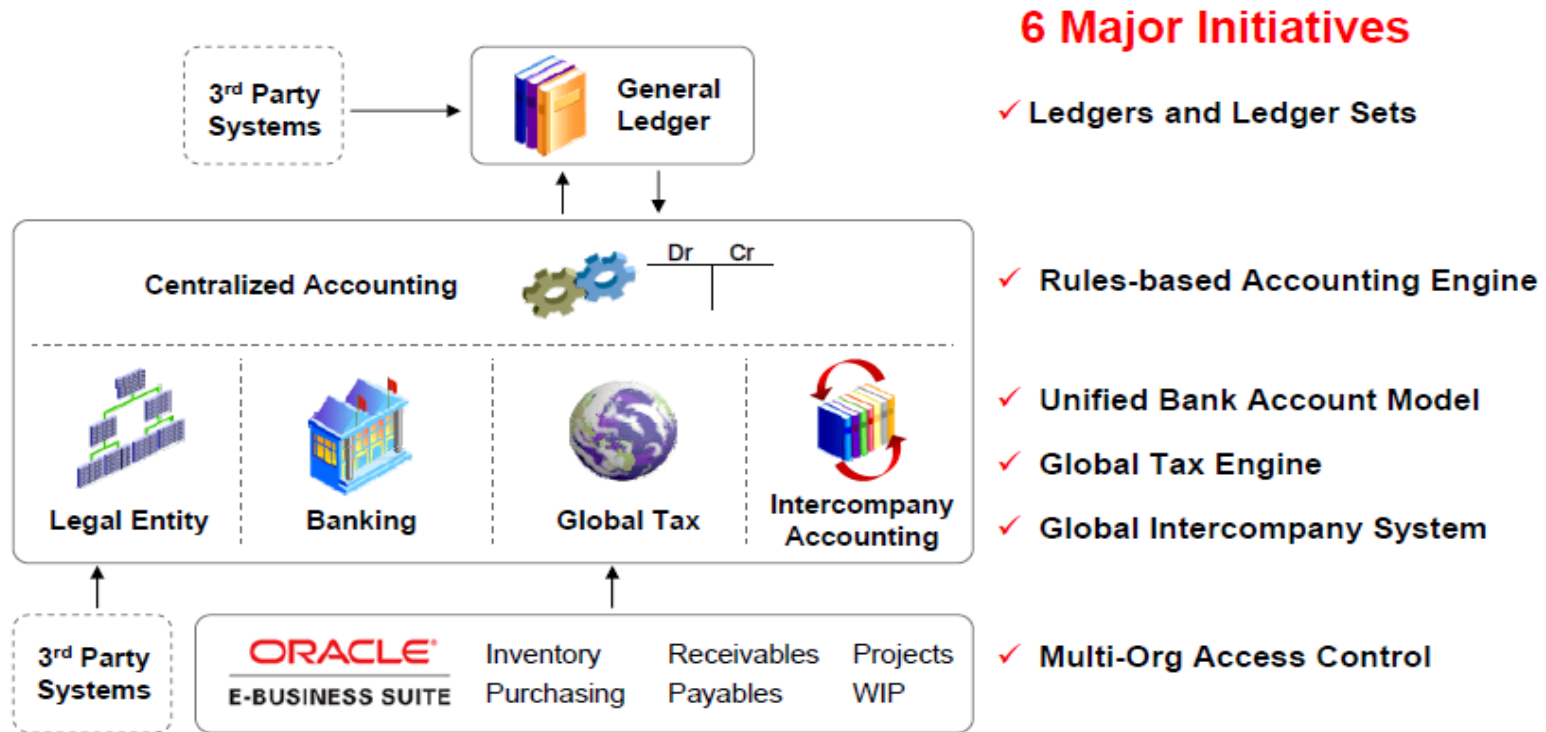
- What is the Downtime Window?
- Single Project and Downtime
 - Less Total Downtime and Testing
 - More Complex Troubleshooting
 - More Business Risk
- Multiple Projects and Downtimes
 - Likely More Total Downtime and Testing
 - Simplified Troubleshooting
 - Less Business Risk

R12 is Designed for Global Operations

What Are The Global Features of R12?

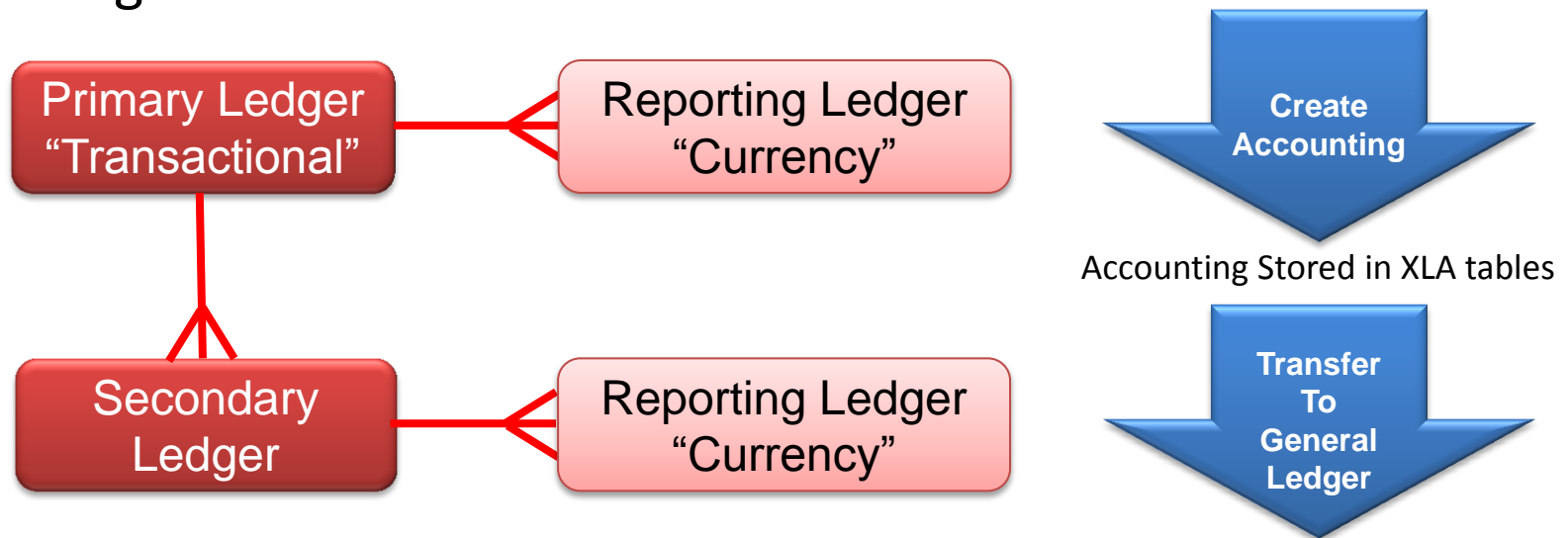
Support Business Growth at Lower Cost

Global Financial Management



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



Ledgers and Ledger Sets

ORACLE Accounting Setup Manager

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Accounting Setups Legal Entities

Assign Legal Entities Define Accounting Representations

Create Accounting Setup: Define Accounting Representations

* Indicates required field

2 of 3 Next

Primary Ledger

Name	Chart of Accounts	Accounting Calendar	Currency	Subledger Accounting Method	Add Reporting Currency
ITC Primary Ledger	ITC Accounting Flex	Accounting	INR	ITC_ACCRUAL	

Additional Information

- Reporting Currencies
- Secondary Ledgers
- Ledger Options

Secondary Ledgers

Personalize "Secondary Ledgers"

TIP Secondary ledgers are optional accounts, accounting calendars

of the following attributes: chart of

Name	Chart of Accounts	Accounting Calendar	Currency	Subledger Accounting Method	Data Conversion Level	Add Reporting Currency	Delete
ITC Secondary Led	Operations Account	Accounting	USD	Standard Accr	Subledger		

Add Secondary Ledger

Cancel Back Step 2 of 3 Next

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 Period Type Month

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)
IAS Reporting Vision Ops	International Financial Reporting Standards (IFRS/IAS) Sec. Ledger for

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

ORACLE® Accounting Setup Manager

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Accounting SetupsLegal Entities

Ledger Definition

Ledger Options

Advanced Options

Review

Update Ledger: Ledger Definition

CancelStep 1 of 4Next

* Indicates required fields

Standard Information

* Ledger

ITC Primary Ledger

Ledger name must be unique

* Short Name

ITC Primary3110(INR)

Ledger short name must be unique

Description

Currency

INR

Chart of Accounts

ITC Accounting Flexfield

Accounting Calendar

Accounting Calendar

Accounting

Period Type

Month

* First Ever Opened Period

Oct-07

* Number of Future Enterable Periods

1

Primary to Secondary Mapping

ORACLE® Advanced Global Intercompany System

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Accounting Setups Legal Entities

Accounting Setups >

Update Primary to Secondary Ledger Mapping

Cancel Complete

Primary Ledger: ITCPrimary Ledger	Secondary Ledger: ITCSecondary Ledger
Chart of Accounts: ITC Accounting Flexfield	Chart of Accounts: Operations Accounting Flex
Accounting Calendar: Accounting	Accounting Calendar: Accounting
Currency: INR	Currency: USD
Subledger Accounting Method: ITC_ACCRUAL	Subledger Accounting Method: Standard Accrual
	Data Conversion Level: Subledger
	Status: Active

* Indicates required field

Chart of Accounts Mapping

You must assign a Mapping if your primary and secondary ledgers use different charts of accounts.

* Mapping: ITC Mapping

Currency Conversion Rules

The Source Representation can be your primary ledger or one of its journal level reporting currencies. If you choose your primary ledger, journals will be converted directly from your primary ledger to this secondary ledger. If you choose a journal level reporting currency, journals will first be converted to the reporting currency and then copied to this secondary ledger.

* Source Representation: ITCPrimary Ledger

* Default Rate Type: Corporate

* Retain Transaction Rate Type: Yes

Choose Yes to retain the rate type from the original transaction.

Error Handling

☒ TIP If you choose Use Last Rate and do not specify a number, it will adversely affect system performance.

Missing Conversion Rate: ☒ Report Error ☐ Use Last Rate

Journal Conversion Rules

* Post Journals Automatically from Source Ledger: No

* Retain Journal Creator from Primary Ledger: Yes

Journal Source and Category Conversion

☒ TIP Specify the journal source and category combinations that you want automatically transferred to this ledger by General Ledger Posting. "Other" represents all other journal sources and categories.

*Source	*Category	*Transfer Journals to this Secondary Ledger	Remove
Assets	Other	No	<input type="button" value="Remove"/>
Budget Execution	Other	No	<input type="button" value="Remove"/>
Receivables	Other	No	<input type="button" value="Remove"/>
Purchasing	Other	No	<input type="button" value="Remove"/>

- 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

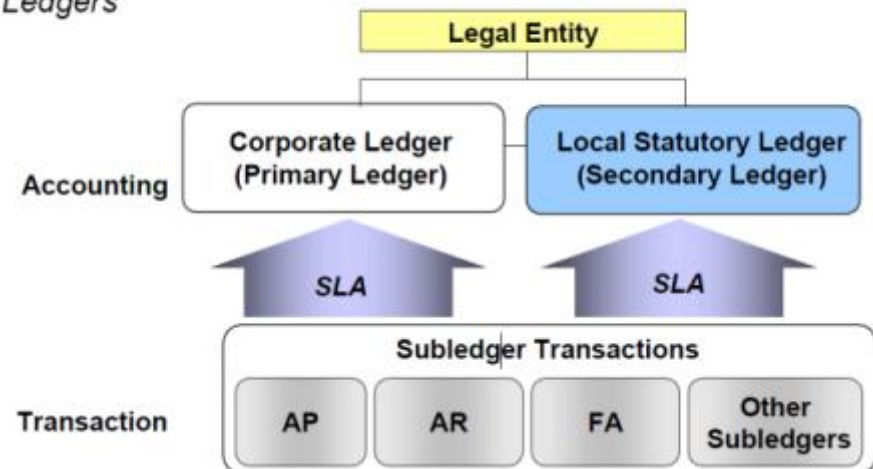
How Can You Leverage Secondary Ledgers?

- 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

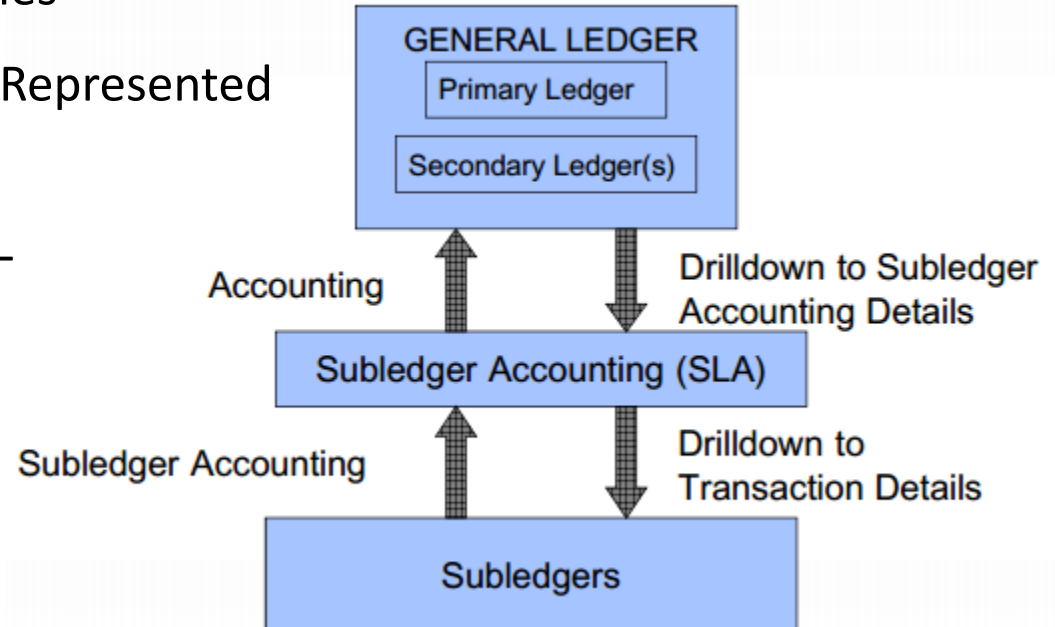
- Use Ledger Sets to Group Ledgers Into a Single Bucket
- Legal Entities Must be Assigned a **Balancing Segment Value**

Maintaining Multiple Accounting Representations with Secondary Ledgers



What is Subledger Accounting?

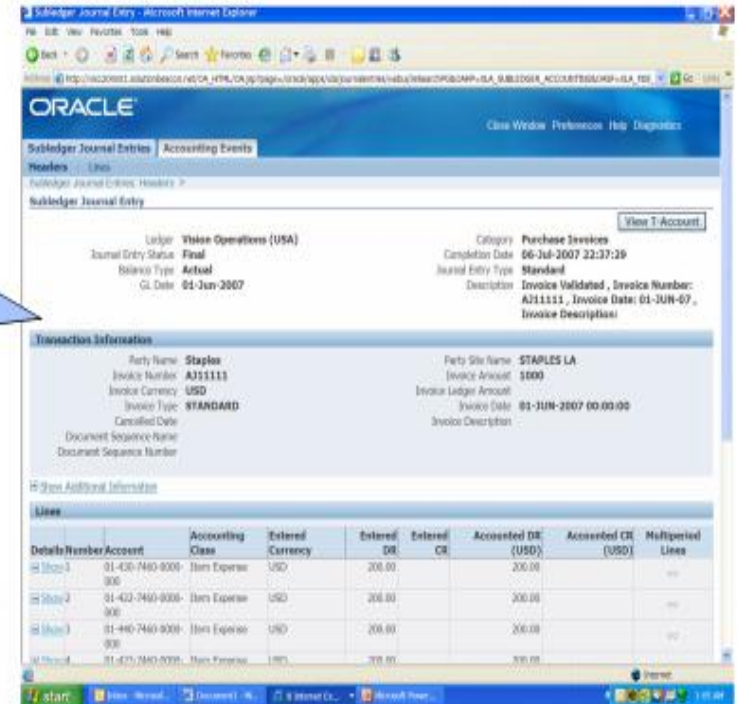
- Rule-based Accounting Engine with Centralized Data Model and Repository (XLA)
- Generates and Stores Detailed Accounting Entries
- User-defined Accounting Rules
- A Single Transaction Can Be Represented in Multiple Ledgers
- Drilldown Capability from GL



How Do You Use Subledger Accounting?

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

Users can view both the Journal Entry and the Transaction Information together



Accounting Methods Builder

ORACLE

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Subledger Journal Entries Accounting Events

Headers Lines

Subledger Journal Entries: Headers >

Subledger Journal Entry

Journal Header

Ledger: Vision Operations (USA)
 Journal Entry Status: Final
 Balance Type: Actual
 GL Date: 01-Jun-2007

Category: Purchase Invoices
 Completion Date: 06-Jul-2007 22:37:29
 Journal Entry Type: Standard
 Description: Invoice Validated, Invoice Number: AJ11111, Invoice Date: 01-JUN-07, Invoice Description:

View T-Account

Transaction Information

Party Name: Staples
 Invoice Number: AJ11111
 Invoice Currency: USD
 Invoice Type: STANDARD
 Cancelled Date:
 Document Sequence Name:
 Document Sequence Number:

Party Site Name: STAPLES LA
 Invoice Amount: 1000
 Invoice Ledger Amount:
 Invoice Date: 01-JUN-2007 00:00:00
 Invoice Description:

Show Additional Information

Journal Line

Details	Account	Accounting Class	Entered Currency	Entered DR	Entered CR	Accounted DR (USD)	Accounted CR (USD)	Multiperiod Lines
<input type="checkbox"/> Hide	01-430-7460-0000-000	Item Expense	USD	200.00		200.00		00

Third Party

Third Party Type: Supplier
 Third Party Number: 5029
 Third Party Taxpayer ID:

Third Party Name: Staples
 Third Party Site: STAPLES LA

Description

Statistical Amount:
 Statistical UOM:

Reconciliation Reference:
 Account Description: Operations-Sales South-Office Supplies-No Sub Account-No Product
 Line Description: Two Hundred Dollar Widget

Accounting Class: Item Expense

Currency

Entered Currency: USD
 Conversion Type:

Conversion Date:
 Conversion Rate:

General Ledger

Batch Name: Payables 4362703: A 195487
 Accounting Sequence Number: 4362703
 Accounting Sequence Version:

Journal Entry Name: Jun-07 Purchase Invoices USD
 Accounting Sequence Name:

Journal Header Description

Account Derivation Rule

Journal Line Type

Journal Lines Description

Leveraging the Chart of Accounts for Global Operations

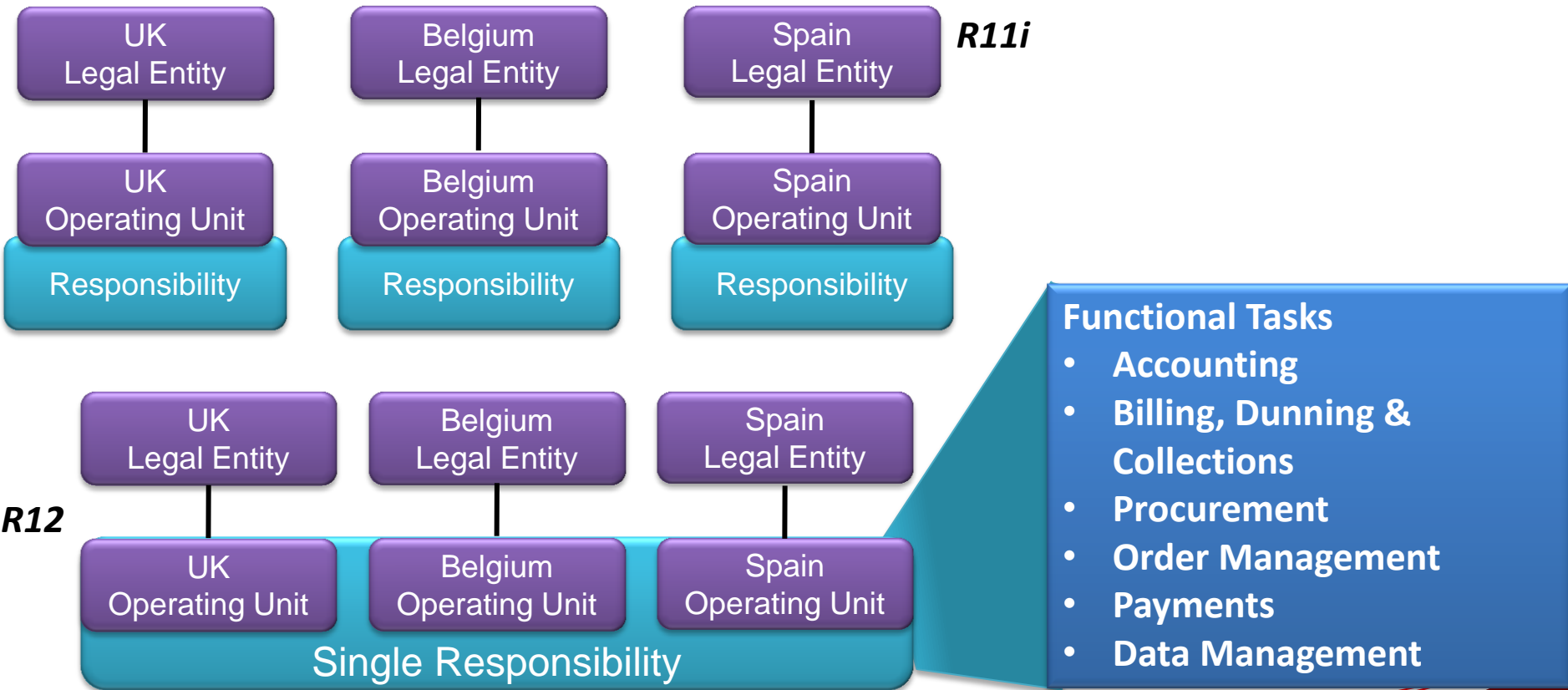
- Two ways to handle local/regulatory requirements
 - Separate Segment
 - Each country can use a range of values for their statutory requirements

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



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

Instance	A	B	C	D	Distinct
Release	11.5.10.2	11.5.10	11.5.10.2	11.5.9	-
Size (GB)	1,425	548	61	96	-
Languages	4	2	1	1	4
Sets of Books	104	48	1	30	183
Calendars	10	7	1	1	19
Charts of Accounts	40	43	1	18	102
Legal Entities	120	48	0	47	215
Operating Units	121	49	0	47	217
Inv Orgs	137	50	1	48	236
Modules Installed	9	17	4	5	21
Security Rules on Value Set	13,012	300	15	153	13,480
Security Rules X Responsibilities	17,350	445	6	75	17,876
Cross Validation Rules	86,845	39,925	25	165	126,960
Currencies	56	28	1	28	64
EBS Users	43,986	30,494	247	3,023	N/A

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

Solution

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



Data Access Set

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



Ledger & Ledger Set

- Setup and Maintenance
- Definition Security



Definition Access Set

Global Visibility

Subledger Accounting, Accounting Methods Builder Replaces Global Accounting Engine

Compare Subledger Journal Entries									
SSC France					SSC France SL (EUR)				
Journal Entry Status Final					Final				
Balance Type Actual					Actual				
Journal Entry Type Standard					Standard				
Category Purchase Invoices					Purchase Invoices				
GL Date 17-Oct-2006					17-Oct-2006				
Completion Date 17-Oct-2006 17:15:21					17-Oct-2006 17:15:21				
Application Accounting Definition Training AAD					RZ AP (No specific COA)				
Description SLA is the coolest!!! RZ987653 is the invoice number.					Invoice Validated , Invoice Number : RZ987653 , Date : 17-OCT-06 , Document Sequence Category : STD INV , Document Sequence Name : SSC FR AP , Invoice Voucher Number : 36 , Invoice Description :				
Global COA					Plan Comptable General				
SSC France					SSC France SL (EUR)				
Number	Accounting Class	Account	Accounted DR (EUR)	Accounted CR (EUR)	Number	Accounting Class	Account	Accounted DR (EUR)	Accounted CR (EUR)
1	Item Expense	101.100.63580.0000.730.000.000.000	6,000.00		1	Item Expense	101.100.616100.0000.730.000.000.000	6,000.00	
2	Item Expense	101.100.63580.0000.720.000.000.000	4,000.00		2	Item Expense	101.100.616100.0000.720.000.000.000	4,000.00	
3	Recoverable Tax	101.100.13200.3101.000.000.000.000	1,960.00		3	Recoverable Tax	101.100.445623.3101.000.000.000.000	1,960.00	
4	Liability	101.100.22100.0000.730.000.000.000		6,000.00	4	Liability	101.100.401009.0000.000.000.000.000		10,000.00
5	Liability	101.100.22100.0000.720.000.000.000		4,000.00	5	Liability	101.100.401009.0000.000.000.000.000		1,960.00
6	Liability	101.100.22100.0000.000.000.000.000		1,960.00					

Security

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

The screenshot shows the 'Data Access Set' configuration window. The 'Data Access Set' field is set to 'CGL BSV Specific'. The 'Description' field contains 'Chart of Accounts Operations Accounting Flex'. The 'Period Type' is set to 'Month'. The 'Default Ledger' is 'MS OPERATIONS RB'. The 'Access Details' section shows a list of 'Ledger/Ledger Set' entries: 'Vision Operations (USA)', 'Vision Operations (USA)', 'MS OPERATIONS RB', and 'Vision Ops Grandparent LS'. The 'Access' column has checkboxes for 'Read Only' and 'Read and Write'. The 'Read and Write' option is selected for 'MS OPERATIONS RB' and 'Vision Ops Grandparent LS'. A red callout box points to the 'Data Access Set' field with the text 'Ledgers must share same COA/Calendar combination'. Another red callout box points to the 'Access' column with the text 'Specify Read Only or Read/Write Access'. A third red callout box points to the 'Ledger/Ledger Set' list with the text 'Assign ledgers and/or ledger sets'.

Data Access Set

Data Access Set: CGL BSV Specific

Description: Chart of Accounts Operations Accounting Flex

Period Type: Month

Default Ledger: MS OPERATIONS RB

Access Details

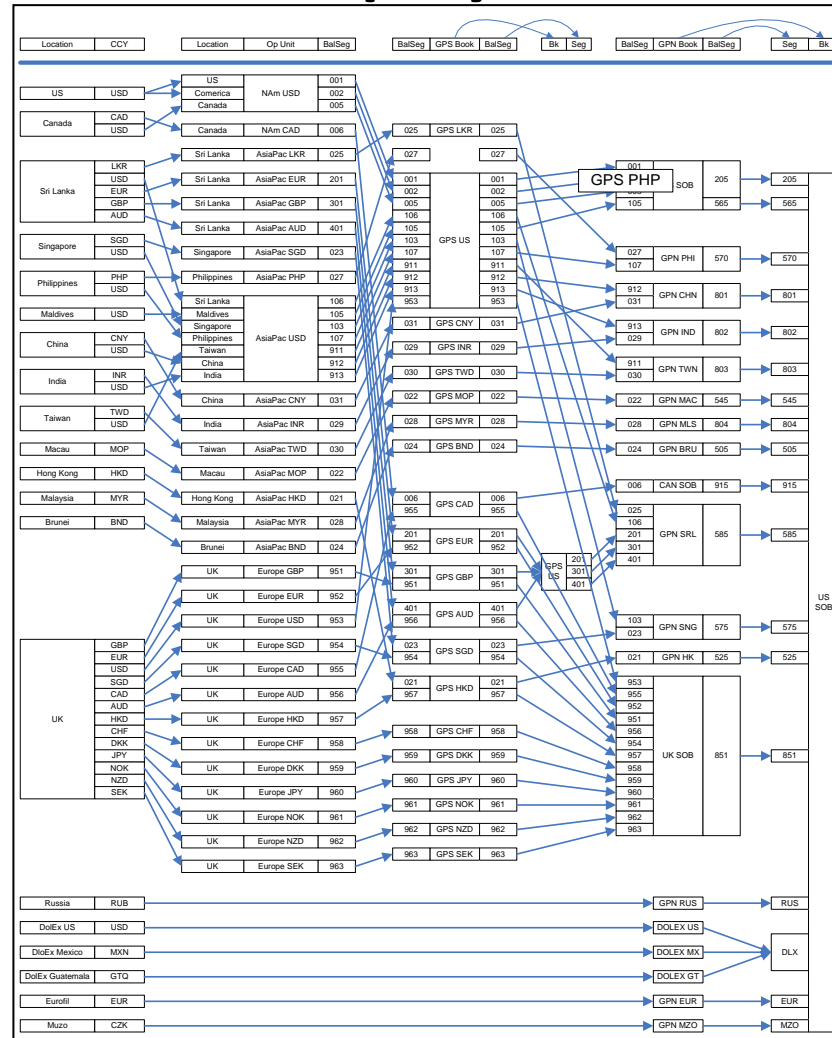
Ledger/Ledger Set	Access
Vision Operations (USA)	<input type="checkbox"/> Read Only <input type="checkbox"/> Read and Write
Vision Operations (USA)	<input type="checkbox"/> Read Only <input type="checkbox"/> Read and Write
MS OPERATIONS RB	<input checked="" type="checkbox"/> Read Only <input checked="" type="checkbox"/> Read and Write
Vision Ops Grandparent LS	<input checked="" type="checkbox"/> Read Only <input checked="" type="checkbox"/> Read and Write

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 -

