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

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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.

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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

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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

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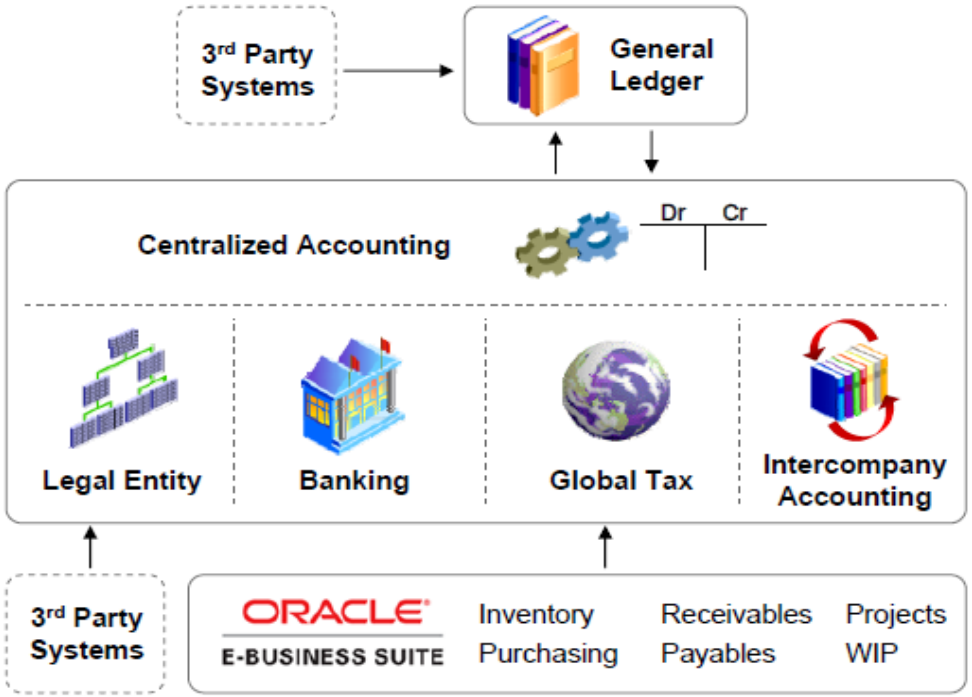
R12 is Designed for Global Operations
What Are The Global Features of R12?

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

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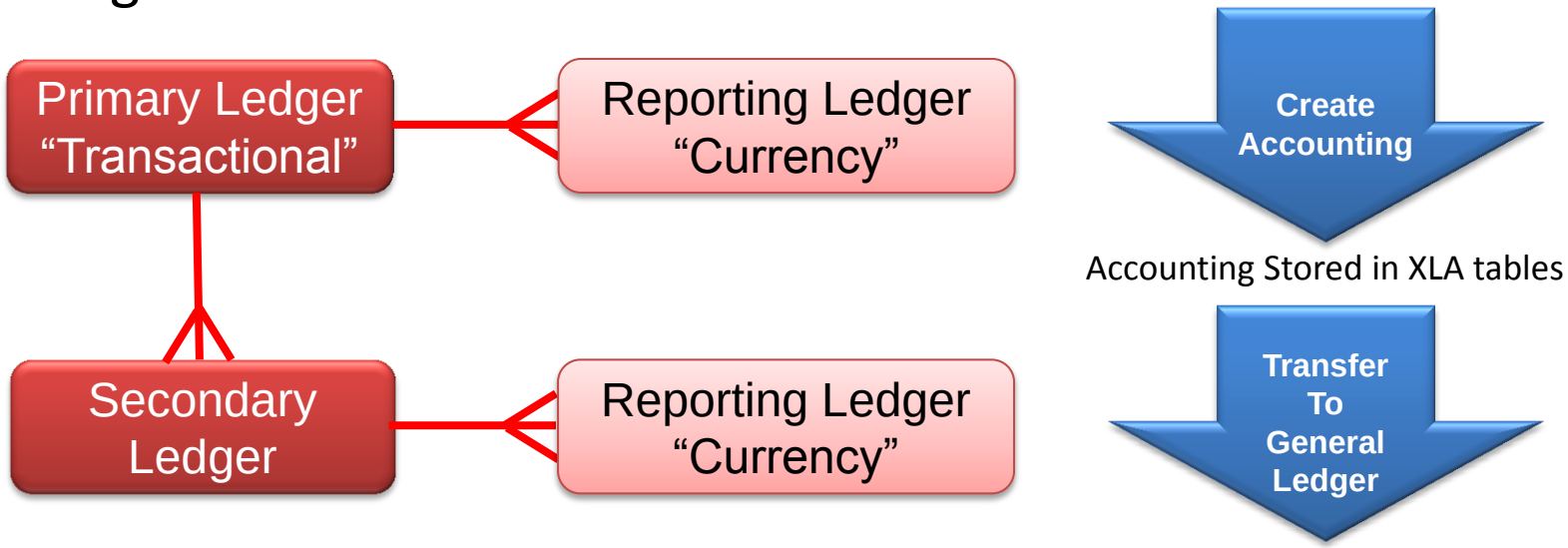
What are Ledgers, Secondary Ledgers, and Ledger Sets?

- 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



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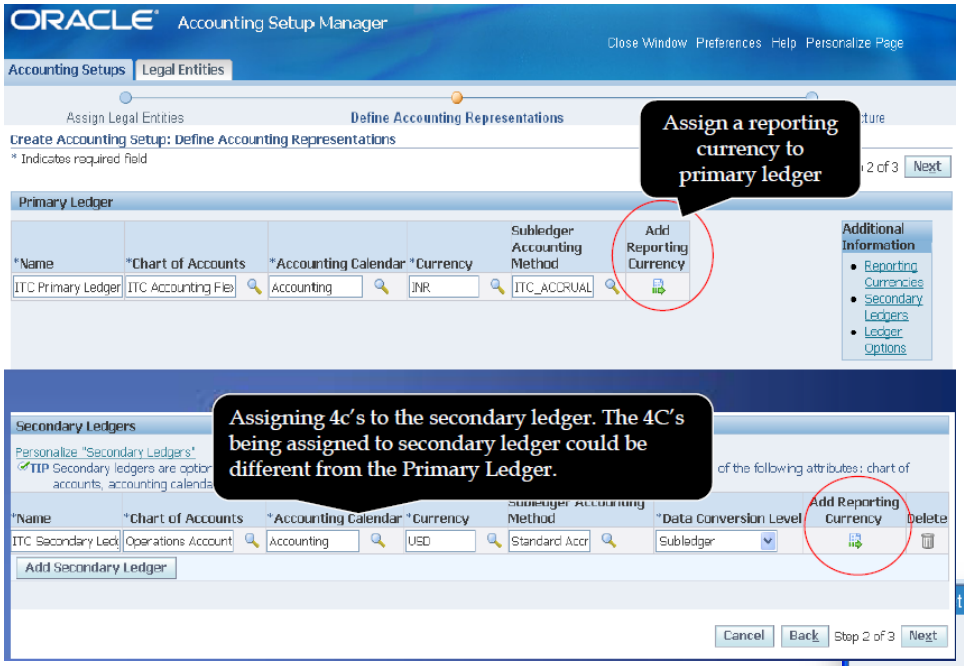
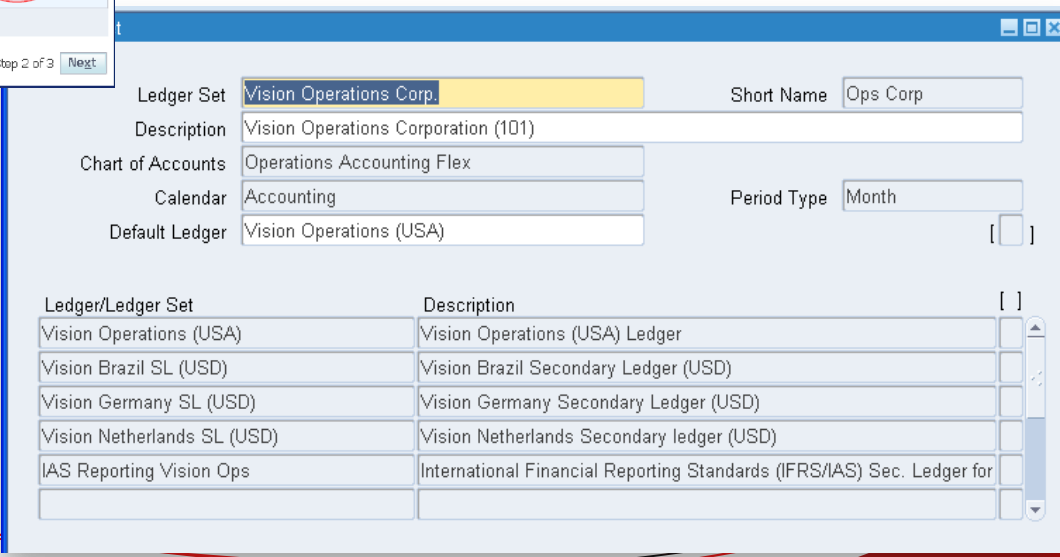
Ledgers and Ledger Sets





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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

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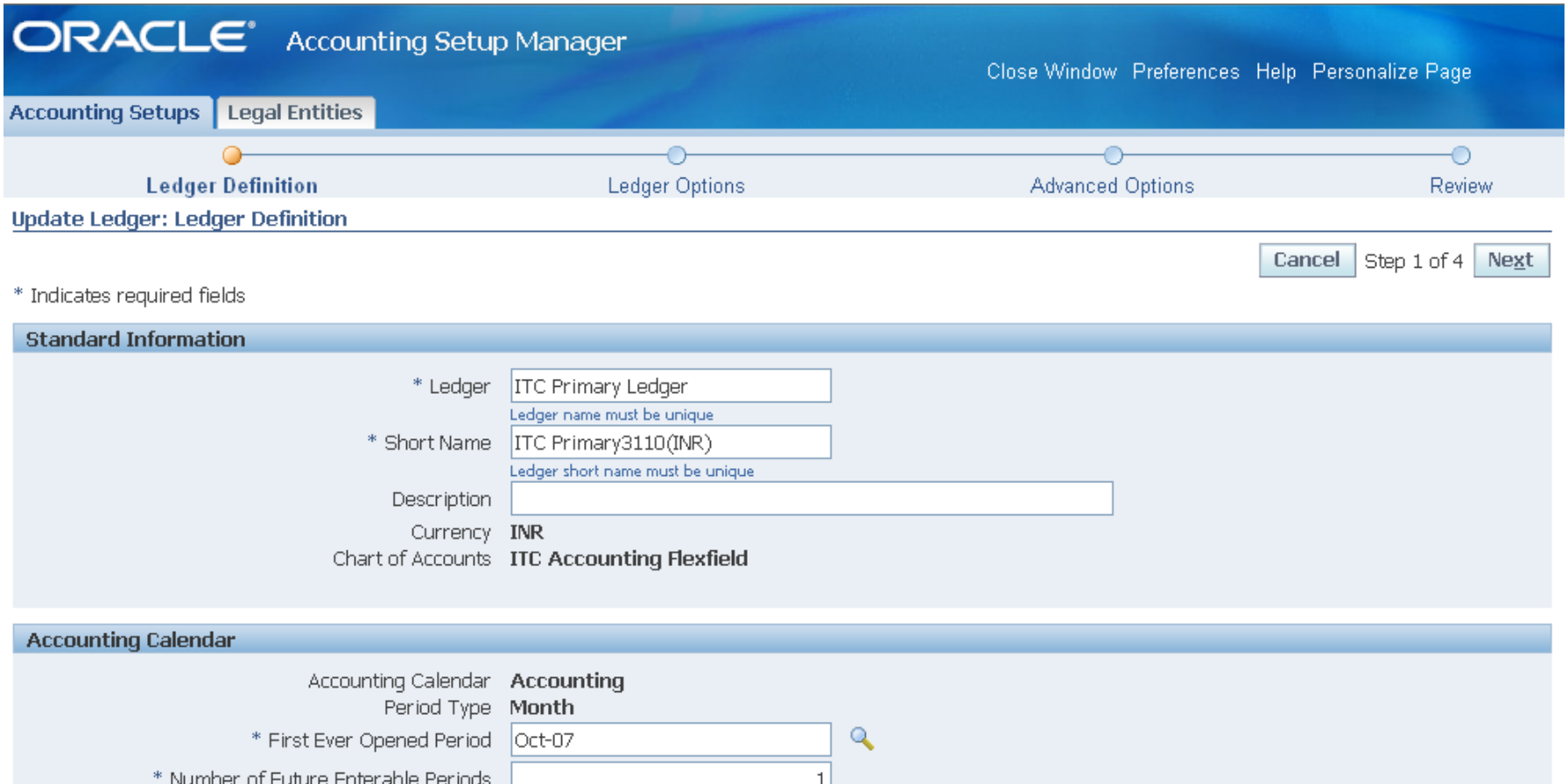
Accounting Setup Manager



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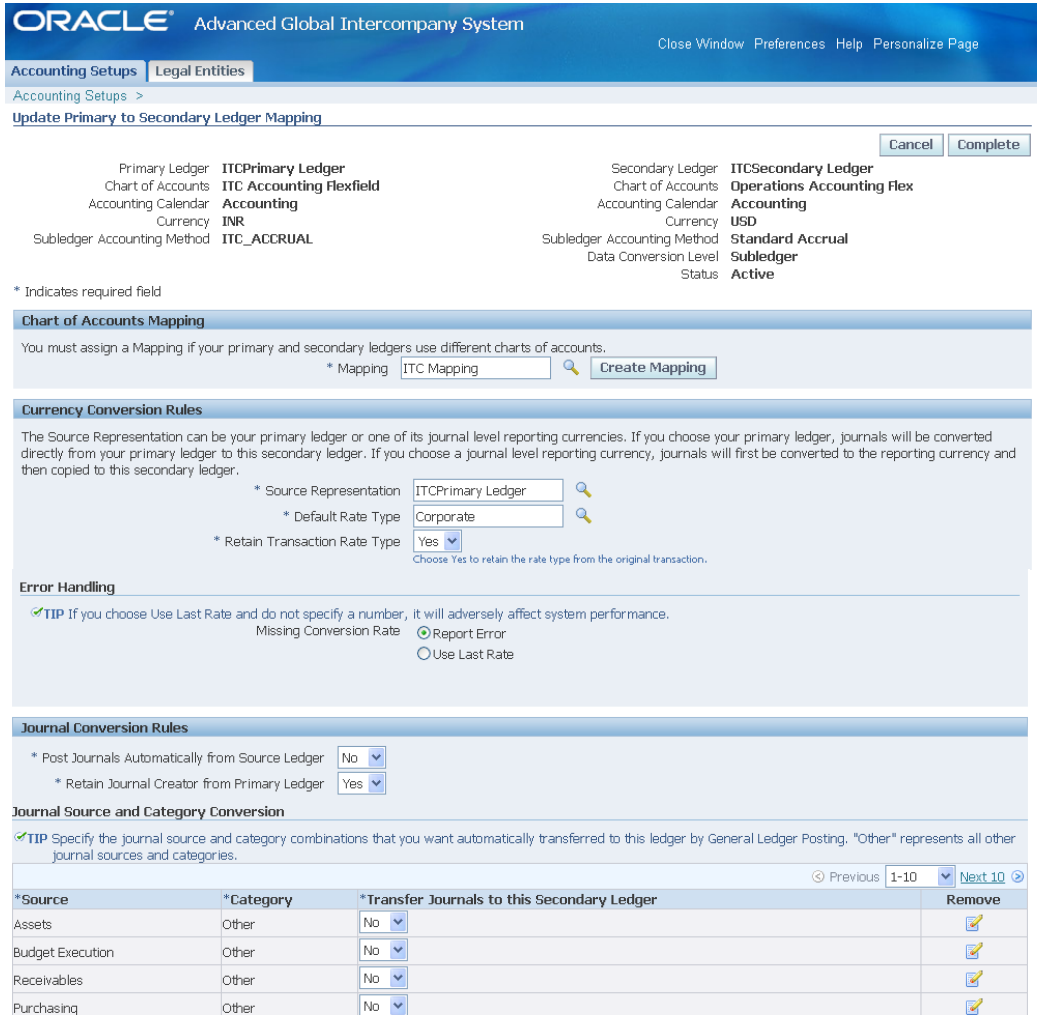
Primary to Secondary Mapping



- 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

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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

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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

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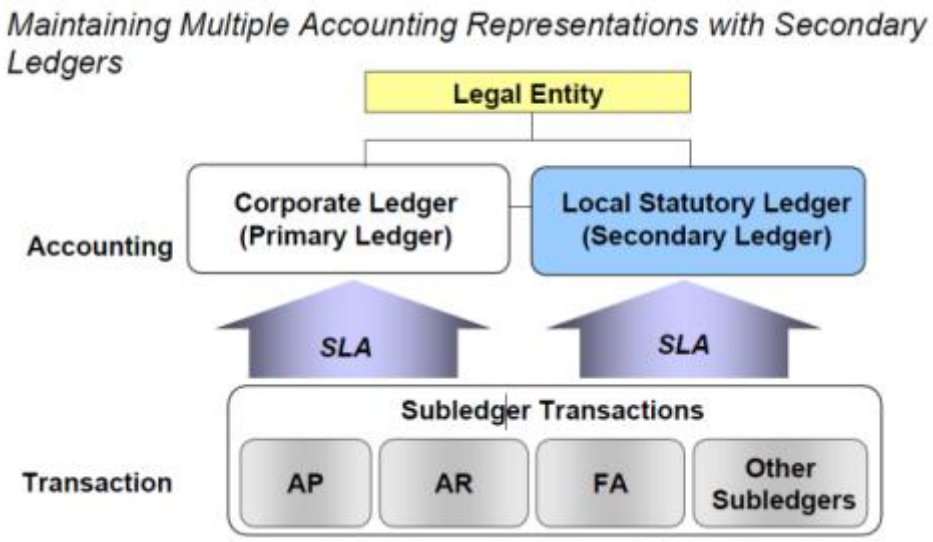
Leveraging Ledgers and Ledger Sets

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



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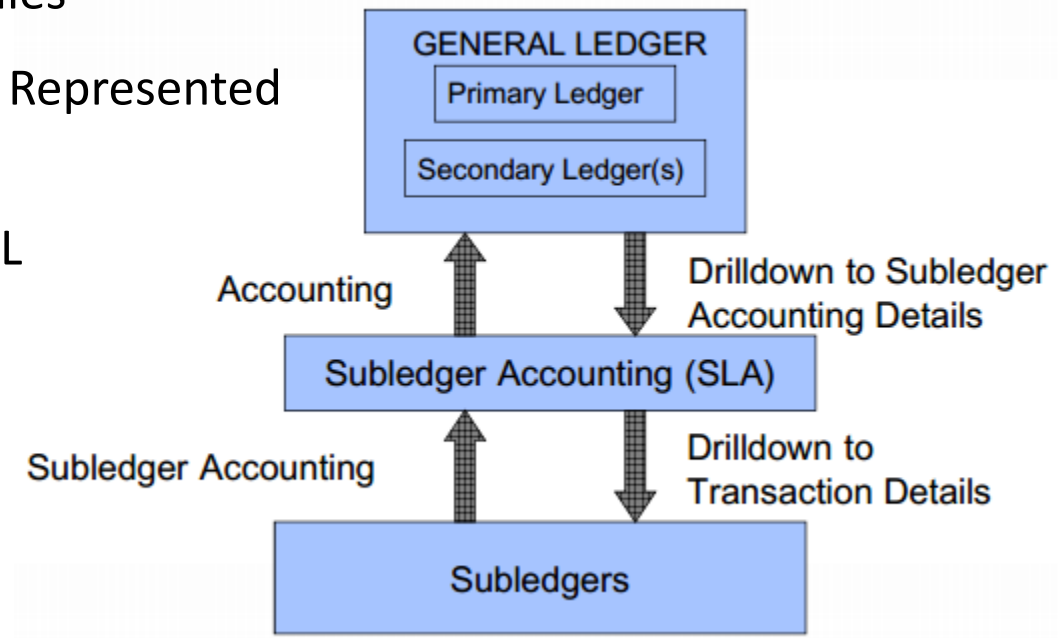
What is Subledger Accounting?

- 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



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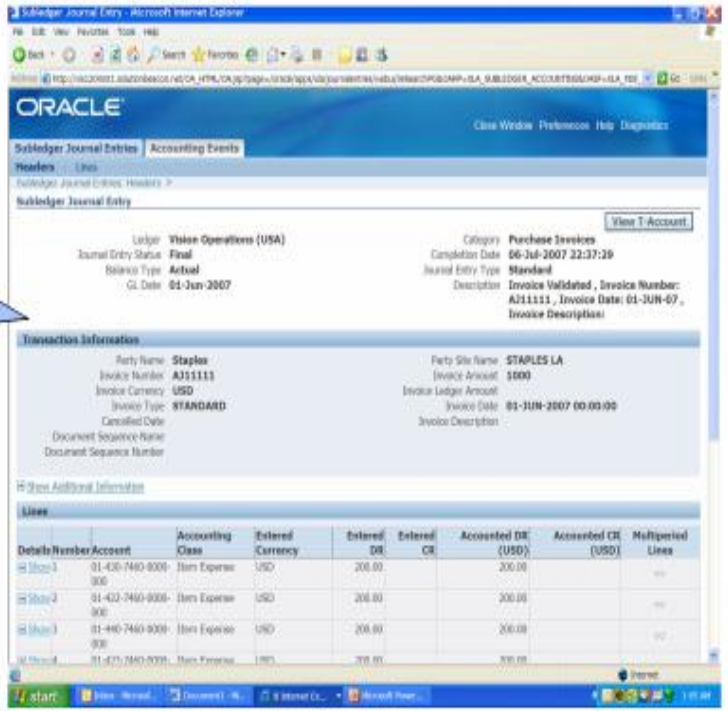
How Do You Use Subledger Accounting?

- 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



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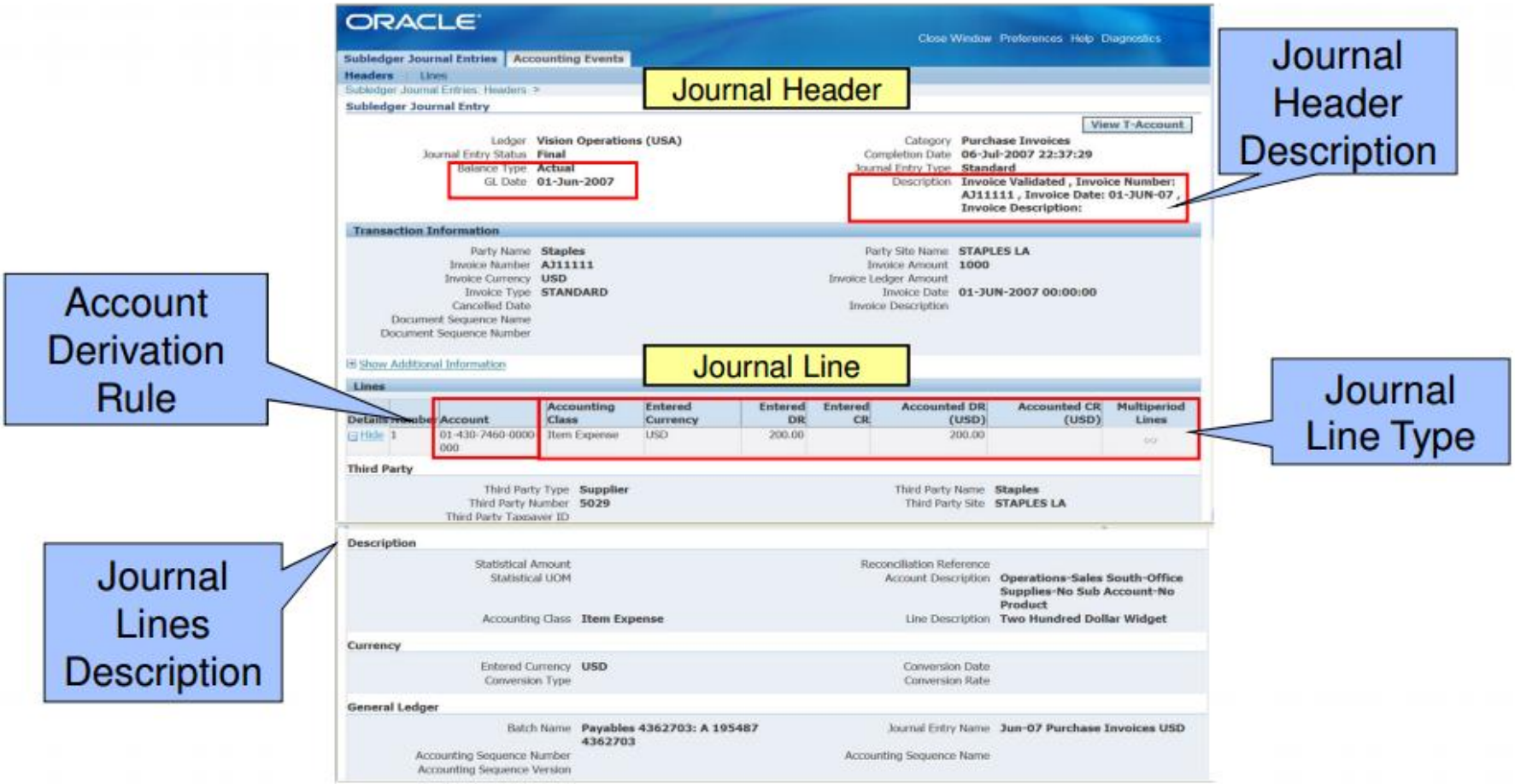
Accounting Methods Builder



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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

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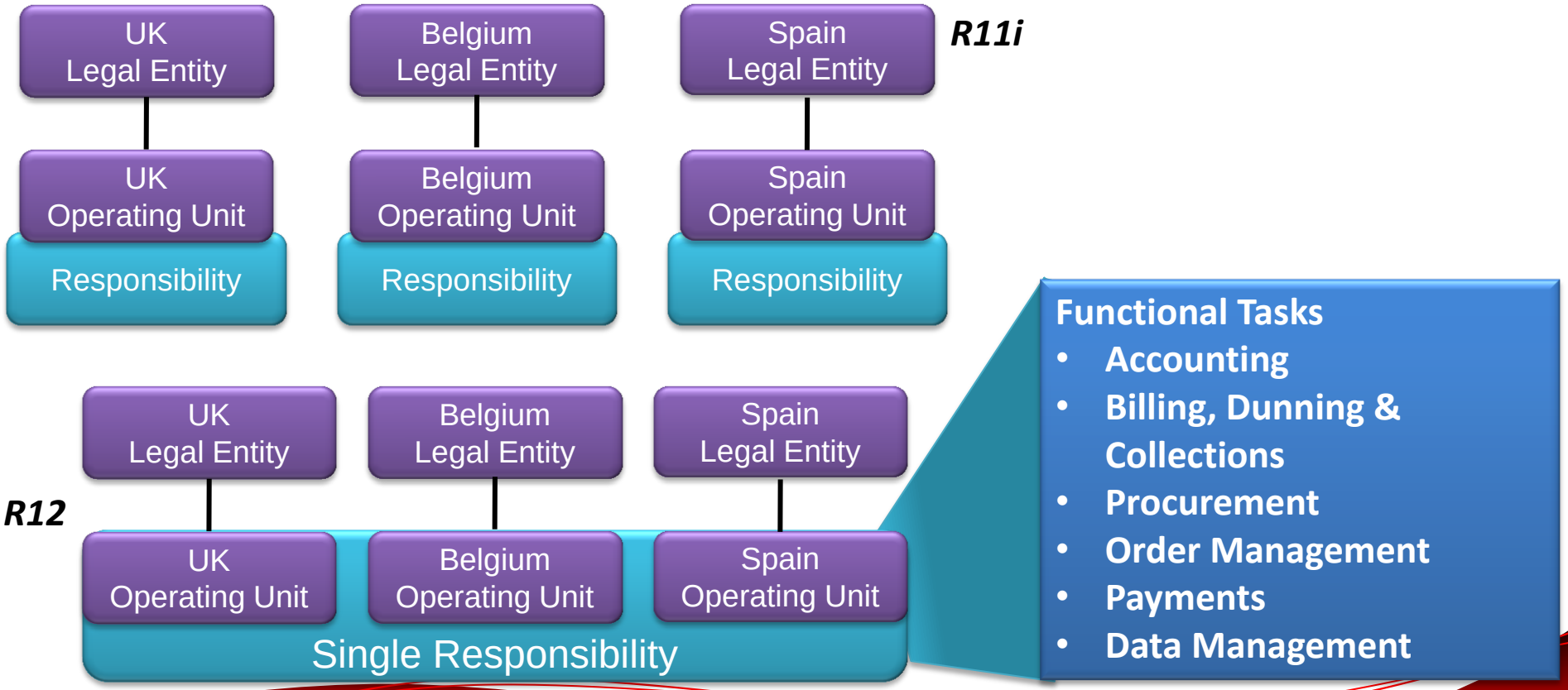
What is MOAC?

- Centralized Administration, Consistent Processes
- Flexible Shared Services Model



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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

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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**

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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

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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

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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

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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

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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

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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

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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:

Lines

Global COA

SSC France				
Number	Accounting Class	Account	Accounted DR (EUR)	Accounted CR (EUR)
1	Item Expense	101.100.63580.0000.730.000.000	6,000.00	
2	Item Expense	101.100.63580.0000.720.000.000	4,000.00	
3	Recoverable Tax	101.100.13200.3101.000.000.000	1,960.00	
4	Liability	101.100.22100.0000.730.000.000		6,000.00
5	Liability	101.100.22100.0000.720.000.000		4,000.00
6	Liability	101.100.22100.0000.000.000.000		1,960.00

Plan Comptable General

SSC France SL (EUR)				
Number	Accounting Class		Accounted DR (EUR)	Accounted CR (EUR)
1	Item Expense	101.100.616100.0000.730.000.000.000	6,000.00	
2	Item Expense	101.100.616100.0000.720.000.000.000	4,000.00	
3	Recoverable Tax	101.100.445623.3101.000.000.000.000	1,960.00	
4	Liability	101.100.401009.0000.000.000.000.000		10,000.00
5	Liability	101.100.401009.0000.000.000.000.000		1,960.00

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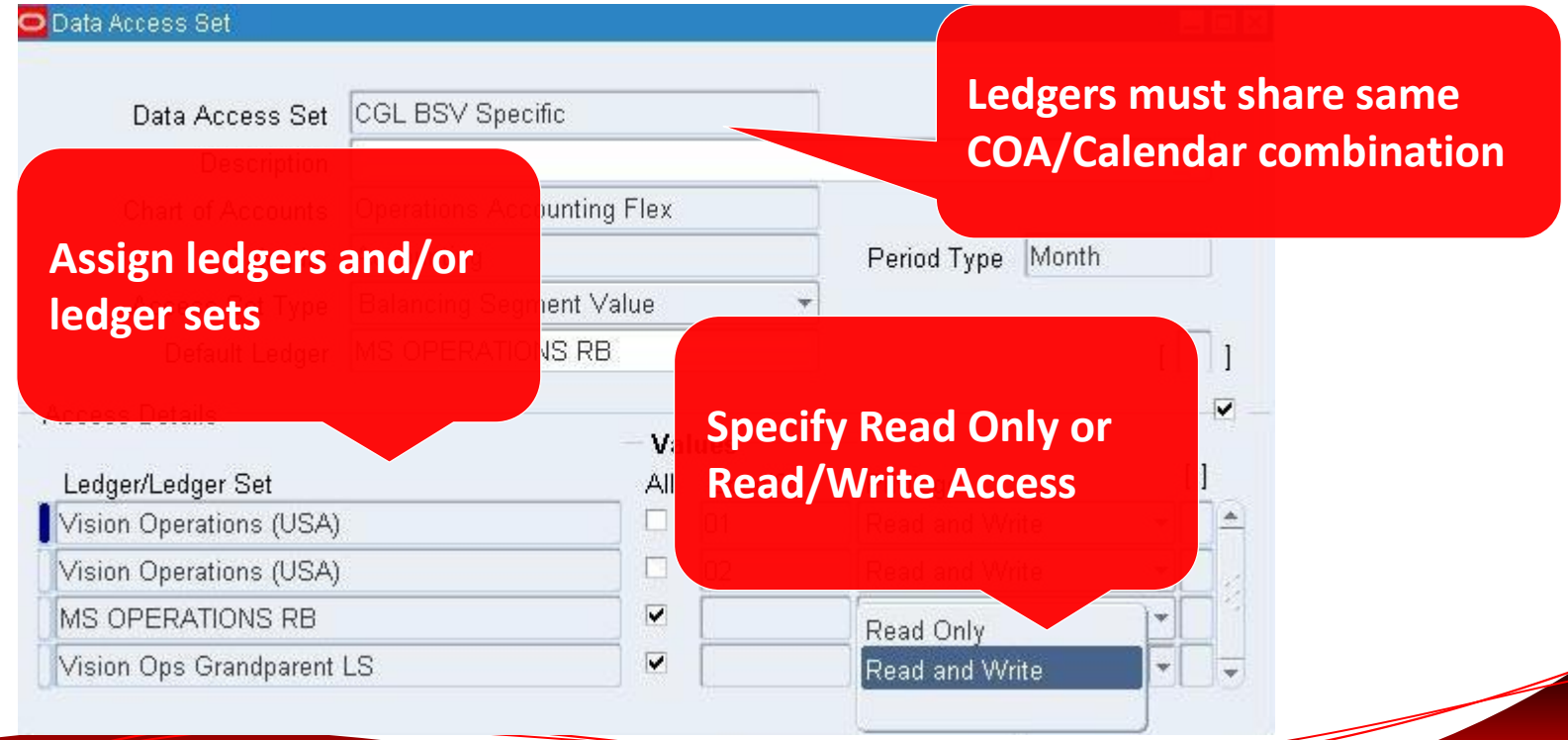
Security

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



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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

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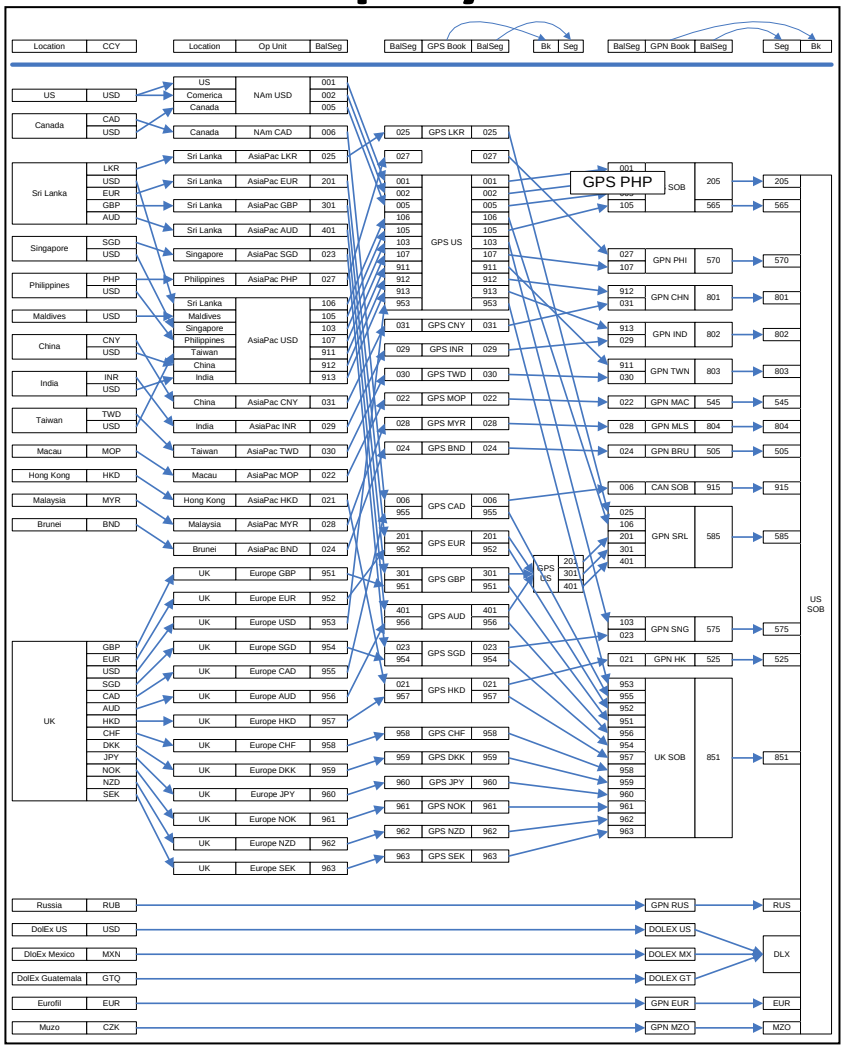
How Do You Leverage the Global Features of R12?

Reduce Maintenance - Simplify the Business



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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?

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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

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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

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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**

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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

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Thank You!

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

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