White Paper

Return on Investment

Upon Upgrading to

Oracle E-Business Suite Release R12

Abstract

This white paper provides a description of several financial and intangible advantages that Oracle E-Business Suite Release 12 bring to organizations.

BCCUSA-MA, Inc

Return on Investment

Upon Upgrading to

Oracle E-Business Release R12

Abstract

As the world tries to overcome the tough economic times, globalization has become the inevitable issue that each organization must face and charter successfully. Globalization may involve reacting to a new group of global competitors or entertaining new markets to pursue. Any organization has the possibility for tremendous growth when choosing to operate at a more global level. This is no easy task because there are many factors that have the possibility to go wrong and become major problems for companies.

One of the most essential goals for every organization is to work more efficiently. ERP systems allow that, but are complex by their intent and design. ERP systems must be routinely upgraded in order for companies to take advantage of the latest applications or maintain basic supportability. The release of Oracle E- Business Suite R12 marks a significant step forward for all Oracle ERP users as the new version of Oracle Applications facilitate global decisions by allowing organizations to become more compatible and operate efficiently at a global level. The release of R12 permits organization to:

- ***Regulate Globally –*** Implement, regulate, and scale global applications easier and at decreased cost.

- ***Think Globally –*** Consummate a global view of suppliers and partners, customers, and operations to make the best decisions.

- ***Operate Globally –*** Operate better using applications in order to become more competitive regionally and globally.

BCCUSA-MA, Inc presents this white paper with the purpose of analyzing the advantages of upgrading to the latest version of Oracle E-Business Suite Release 12. This white paper will provide guidance so that organizations can review their internal operations for realizing productivity gains and financial advantages of upgrading. Though we tried to take into account all major benefits of upgrading, this white paper does not include every advantage of upgrading, and organizations may have to do further analysis depending on their unique situation.

The benefits of upgrading are tremendous and besides eliminating the need for costly extensions and customizations, upgrading to Oracle E-Business Suite R12 offers significantly expanded functionality, improved user experience, and reduced total cost of ownership. Prior to the process of upgrading, organizations must determine the status of their current applications in terms of readiness for the upgrade. Planning for upgrading to R12 is a critical component for successful upgrading. Planning process involves exploring, assessing, and understanding the new features and functionally of the new software. Release R12 contains some large modifications to key areas of the applications that will require significant changes to end users.

In BCCUSA-MA's opinion, there are five stages of customer readiness. These are as follows:

1. **Not Interested in Upgrading:**
   - Not satisfied with Oracle fit

2. **May upgrade - no clear strategy**
   - Unclear of upgrade benefits, needs upgrade strategy, needs roadmap including timing and cost estimates.

3. **Ready for Upgrade - Timing undecided**
   - Aware of upgrade benefits, needs upgrade strategy, needs roadmap including timing and cost estimates.

4. **Ready for Upgrade - Need Help**
   - Upgrade strategy to be defined or validated, upgrade path to be defined, cost estimates to be prepared

5. **Ready for Upgrade Now**
   - Upgrade strategy defined, budget defined and approved

We hope that upon reading this white paper, organizations will get a better understanding on the different benefits of upgrading and operating using Oracle E-Business Suite R12.

Introduction

Oracle E-Business Suite Release R12 has outstanding benefits and facilitates organizations' operations. Oracle designed the upgrade software so that the applications assist organizations make better smarter decisions, become much more competitive by increasing performance. Companies manage better on a global scale by lowering costs in many different processes.

Oracle E-Business Suite Release R12 was launched in 2007 and includes the following main product categories:

Oracle CRM	**Oracle Financials**	**Oracle HRMS**	Oracle Logistics
Oracle Mobile Supply	Oracle Order	Oracle Transportation	Oracle Warehouse
Chain Applications	Management	Management	Management Systems

Each of these applications consists of numerous modules. This white paper will focus on three primary applications – **Oracle Financials**, **Oracle Supply Chain Management**, and **Oracle HRMS (Human Resource Management System)**. There was no specific reason for picking these three applications other than we felt that many of the benefits of these applications are substantial and more drastic so an organization can get the best benefits described in the white paper.

Financials Release 12 supports an organization by acknowledging and facilitating the intricate process of operating across divisions. Oracle HRMS allows an organization to leverage an extensive talent management strategy so that organizations can improve operational efficiencies, and create knowledgeable workers to operate better. Oracle Supply Chain Management allows organizations to maximize low-cost sourcing of raw materials and production of completed goods. As global trade continues to grow, Oracle Financials modules facilitate operating and monitoring trade and assets. Release 12 also allows organizations to increase their responsiveness in global manufacturing environments by giving certain self-servicing tools to customers.

Key Advantages of Release 12 – Oracle Financials

New Features

The essential new features and new functions provided in the Financial Release 12 supports business growth by offering the most extensive and adjustable global platforms that allow an organization to have more control and flexibility. Some of the new features include:

- Ability to recognize partial revenue for a period

- Funds optimization with cash pooling and zero balancing

- Disabled Accounts Replacement

Efficiency Improvements

Oracle E-Business Suite Release 12 now includes many new standardized business functions that allow greater efficiency and compliance in increased financial regulatory environment. The new application allows organizations financial foundation to be simplified. Some of the key business functions that would increase efficiency are:

- Oracle Payments allows an organization to centrally credit and debit payments.

- New ledger system allows an organization to store financial transactions easily and have easier user access.

- Subledger Accounting allows organizations to operate under accounting policies and rules throughout the enterprise.

- Single point of access allows efficient management of Bank accounts and numerous banks.

- E-Business Tax offers an organization to consistently process and regulate numerous taxes.

Comprehensive Business Intelligence

Another great application Oracle is offering is Oracle BI Applications. Oracle Business Intelligence are intact solutions, that come prebuilt and assist in educating the performance of the organization to all members of the organization by providing an integrated view of the organizations' information and statistics. This benefits the organization as the members have better visibility into the factors that contribute to revenue, costs, and efficiency. This helps decision makers to get a global or complete view of the enterprise and expand or adjust operations using Oracle BI.

Oracle Financial Analytics enables better insight into the Ledger to further enhancing the knowledge relevant to products and profitability. Also available are statistics correlating supplier performance and revenue and customer satisfaction. Oracle Financial Analytics provides financial professionals insight so they could take the best actions by making reports and alerts visible to them. Overall, this allows an organization to reduce the time to prepare compliance financial statements. Professionals and managers can now monitor throughout the organizations' performance and be able to budget based on the performance.

Other benefits of Oracle Financial Analytics that will improve an organization performance include:

- Organization will be able to view and analyze a detailed expense report and determine factors relevant to revenue and cost.

- Easier to determine and identify debts to collect

Centralized Accounting

One of the most essential updates in Oracle E-Business Suite Release 12 is the aspect of centralized accounting. Release 12 provides greater efficiency by centralizing bank functions and accounting. Oracle introduced Subledger Accounting, which allows an organization to control and monitor every accounting entry at a detailed level. Subledger Accounting allows the user to apply all accounting rules, and provides organizations the ability to allow universal transaction accounting.

Easier Reporting

Almost every organization involved in reporting and it has become an essential requirement in order to compete with competitors. Whether reporting involves charts, numerous forms, images, and government required forms, Release 12 relinquishes a lot of the hassle involved with reporting and makes it simple to prepare and maintain forms. Oracle has evolved reporting from standard reporting to templates to increase efficiency.

Benefits of Oracle Supply Chain Management

Oracle E-Business Suite Release 12 assists an organization increase its responsiveness in global manufacturing environments. Improved manufacturing execution and increased productivity amongst the many of the improvements customers will benefit from upgrade. Release 12 evolves company's performance and allows a company to run with reduced downtime. Release 12 accomplishes this by enhanced manufacturing execution for a greater shop floor visibility and reduction in production delays.

Global Management

Many organizations often would like to view the effectiveness of the quality of products and services. Global Management facilitates this process as companies can now assess their effectiveness against the standard quality objectives. Oracle introduced templates so that organizations can receive immediate feedback from customers relating to compliance procedures and program results. Also now, organizations have the ability to produce receipts for their products. Companies can now view products in a single view that allows for exclusive serials and quality results.

Manufacturing Execution System

Oracle Manufacturing Execution System, MES, for Discrete Manufacturing is a new product included in the Oracle Supply Chain Management Suite. Oracle Release 12 has updated the Manufacturing Execution System, which enables companies to operate more efficiently. The increase in efficiency is due to improvement in floor visibility and reduction of the total cost of ownership through integrated manufacturing management and production execution. This product offers paperless record keeping which reduces operation costs for organizations. Some of the other benefits include:

- Enhanced reporting for transactions

- Clock In/Clock Out for actual time capture

Streamlined Execution

An organization can decrease substantial cost by reducing needless paper. Release 12 now offers users the Flow Execution Workstation so that during production of assemblies and components are documented. This allows users to not waste paper and easily access documents. Another key attribute that is offered is self-service capabilities. The application integrates self-service so that users can complete tasks in absence of work orders and access plans at any point of an operation. Users are also able to take a customer's request and be able to access a plan and include the request.

Common Inventory

Oracle has combined OPM and Discrete Manufacturing so that there is now one single template that services both. Ability to access broad supply chain capabilities allows integration that was never offered in previous Oracle releases. The benefits of this are as follows:

- Attributes of all item types increase accuracy

- Cosigned inventory allows reduction in carrying and order management costs

Multi Industry Planning

With the release of R12, now organizations will be able to combine many management processes, especially four essential planning capabilities.

1. **Strategic Network Organization** - stronger support in the supply chain network.

2. **Advanced Supply Chain Planning-** providing organization with the possibility of running plans at liberty and providing resource planning and incorporates suggestions in between inventory organizations

3. **Production Scheduling-** now organizations have stronger ability for scheduling manufacturing

4. **Calendar focusing on predictions and manufacturing –** allows a company more control of planning setup over numerous production methodologies.

Process Manufacturing

With Release 12, there are further improvements to OPM that makes it even more efficient to use. There are new modules and operational improvements that add many changes to users. Some of the changes include:

- Access from mobile devices to increase user experience

- Multi industry planning to increase planning ability

Benefits of Oracle Human Resources Management System

Improve Staff Retention

An organization can improve staff retention by hiring the best and most qualified candidates, who are fully educated to participate in the position. This would decrease costs in constantly replacing staff members and some recruiting costs. The organization also saves money from decreasing the task of training new employees. New administrative features and self-service reduces errors by simplifying access to all employees' personal information. Other improvements to staff retention include:

- Complete Statement- Employees can easily view all their benefits including stipend, stocks, bonuses, and other benefits the organization is offering.

- Workforce Performance Management- Increase in consistency around workforce through new features in objectives management. Workers now have a better understanding of goals and strategies and improve visibility of the organization.

- Employee Statement –Communication is simplified by now providing more custom personal statements pertaining to compensation.

- Global Deployments- Organizations now have the ability to maximize the use of their employees by being able to transfer employees between groups and overseas.

Streamlined Benefits

Most organizations are not operating efficiently by operating under multiple systems and processes. A more typical goal for organizations is to operate with streamlining systems. This would reduce labor costs for maintenance of the systems.

Streamlining will also help a manager become more productive. Managers can now focus on better strategies towards recruitment and gain more value within an organization.

Organizations often face tough decisions that can either work out for the companies benefit or backfire. These decisions sometimes create delays because they are difficult and costly. Release 12 facilitates this process by presenting an organization with better insight into the enterprise and reduces the delay to process decisions.

Reduce Human Resource Materials

Organizations can now provide employees with necessary common forms and documents, which allow organizations to reduce distribution costs and reduce materials Human Resource employees have to maintain. Documentation becomes simplified as a company can have soft-copies of all forms instead of hard copies.

Reduce Errors and Costs of Errors

Consistency is an action that every organization tries to maximize. Consistency reduces or eventually eliminates costly errors such as data entries. Oracle allows users to input data one-time and then is updated throughout all applications so there is no possibility for errors of data. Every process the organization operates on is updated and reduces fees incurred by the errors of incorrect data entry. A few applications offered in Oracle HRMS are:

- Compensation- eliminate guesswork out of compensation planning by different modeling scenarios

- Payroll – creation of one operation for accounting entries instead of multiple entries for updates.

- Workforce Deployment- employee's final Process Data can be changed

Reduce Recruiting Costs

Oracle now offers customers the chance to reduce recruiting costs by offering more automated recruiting strategies. Another way to reduce recruiting costs is by reducing fees paid to services for job offer letters and other processes such as resume processing. Most organizations have utilized newspapers and other paper resources to advertise but now companies can shift more to online job postings to save all money allocated to hard copy advertising and recruiting. Organizations can even send job offer letters through online resources.

Conclusion

Every organization that chooses to implement the new upgrade will benefit from countless improvements and will operate more efficiently. The new release will assist organizations to face challenges of operating in the global economy. Organizations with the new financial modules will be able to comply with new accounting regulations, and compete with new competitors. Supply Chain Management applications will assist organizations to operate much better with greater consolidation of operations and enhanced manufacturing execution. Human Resource Management Systems allows organizations to compete in the global company, and have a greater retention of their employees.

BCCUSA-MA, Inc has the depth and breadth of experience in Release 12 and of prior versions across industry segments and Oracle verticals. BCCUSA-MA has several documented best practices in implementing and upgrading Oracle Applications that allow us to provide optimum solutions to fit our customer's needs. In addition, BCCUSA-MA uses extensive customer feedback, unique practices, methodologies, and analysts' research to help any organization fulfill their vision and expectations with Oracle E-Business Suite Release 12.