



J I B E

Management and Technology Consulting

R12 Upgrade Preparedness

Bringing all the pieces together.

- Topics
 - Tactical View of an EBS Upgrade
 - Strategic Considerations for the Upgrade
 - Macro Considerations
 - Micro/Upgrade-Specific Considerations
 - Summary of New Functionality

Tactical View of EBS Upgrade

Initiation	Project Planning	<ul style="list-style-type: none"> -Upgrade or Re-implement -Form Team, Bus Office Buy-in, Budget, Project Plan, Assign Resources -Target a Go-live Date 	<p>Significant Data Model and Architecture Enhancements</p>
Cycle 1	Technical/DBA Upgrade	<ul style="list-style-type: none"> -Tech Stack Readiness -Patched for Apps Footprint and Platform -Begin Customization Analysis -Begin Rationalizing New Functionality <ul style="list-style-type: none"> -Replace customizations -Assess New Functionality Impact 	
CRP1	Full Functional Upgrade	<ul style="list-style-type: none"> -Regression test current processes -Test/affirm new functionality -Refine test scripts -Regression test high priority customizations -Retrofit surviving customizations: start -Performance test and tuning -Timings 	<p>Significant Functionality Enhancements</p>
UAT	User Acceptance Upgrade	<ul style="list-style-type: none"> -Finalize test scripts -Fully adopt new functionality and incorporate into business processes -Retrofit of surviving customizations: complete -Document disposition of all customizations (including eliminated) -Full end-to-end and performance testing -Timings 	
Deploy	Upgrade Weekend	<ul style="list-style-type: none"> -Based on timings, schedule downtime -Execute upgrade cutover plan -Production transactions post upgrade, but pre-deployment -Go Live -Deploy system to users and production support processes 	



Strategic Considerations: “Strategery”

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- Taking a Step Back from Tactics
- What Strategic Elements Should You Consider for an R12 Upgrade?
 - Macro-level Considerations
 - Economy and Corporate IT Spend
 - Positioning for Fusion Apps Launch Point
 - Mapping and Assessing Oracle’s Acquisition Strategy
 - Micro or Upgrade-Specific Considerations
 - Tech Stack/Platform Considerations
 - Condition of Master Data
 - Evaluate Retrofitting Some Customizations on Fusion Architecture
 - Opportunity to Implement Strategic Bus Apps (SBAs)
 - New Functionality

ERP Is Becoming Infrastructure?

- The arrival of the internet has accelerated the commoditization of IT by providing the perfect delivery channel for generic applications and their embedded processes.
- ERP's very power and presence has begun to transform from potentially strategic resources into commodity factors of production: as availability increases (open standards based) and implementation costs decrease does ERP become a cost of doing business?
- While in total ERP is not a commodity, but the value on investment (VOI) is definitely becoming more localized within ERP suites of functionality

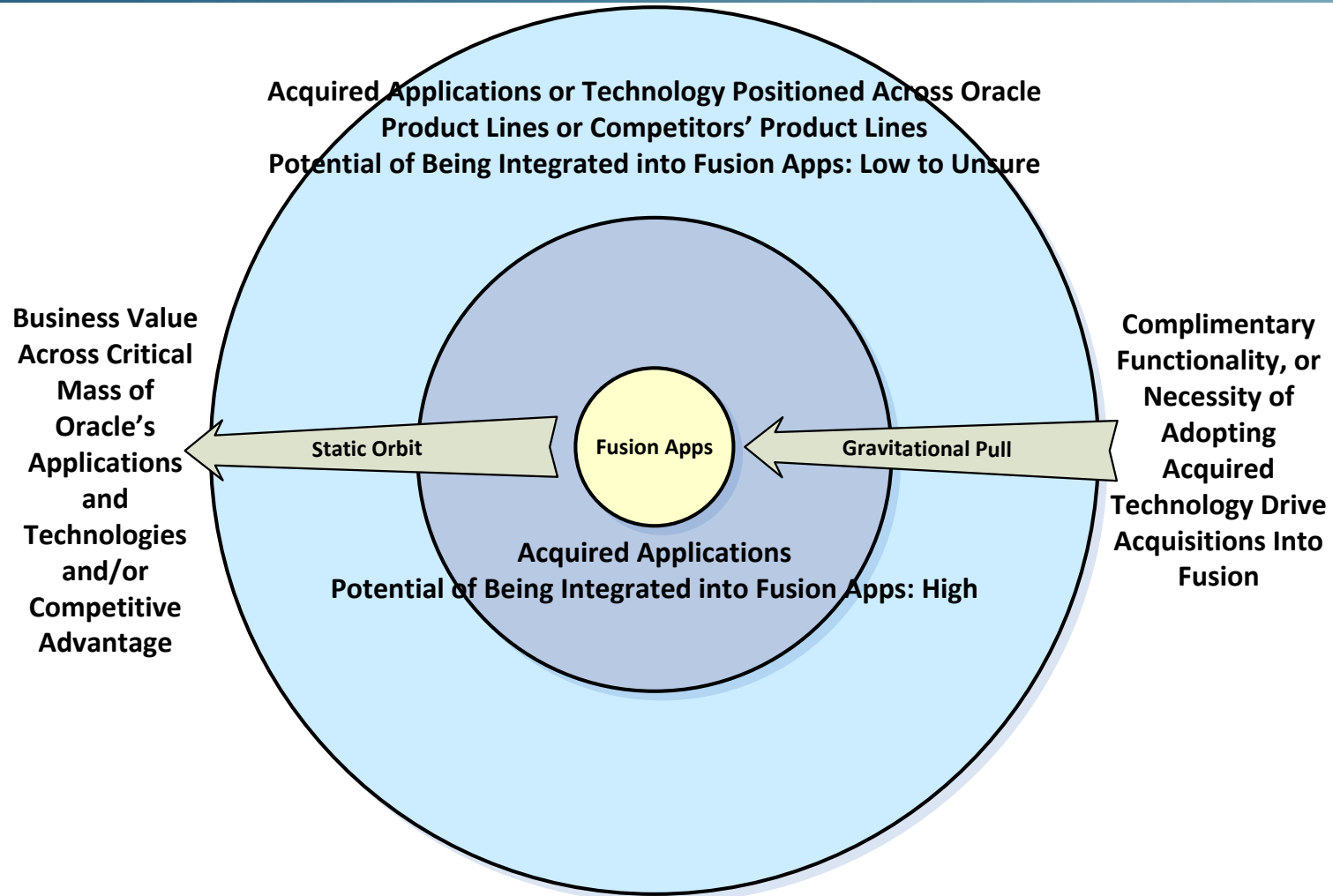
ERP being engrained in critical business functions and core competencies means it will continue to consume a large portion of corporate IT spend

- IT Spend/Budget Strategies

- Focus on immature, or neglected, process areas of the organization where ERP ROI can still be achieved (e.g. supply chain, business intelligence, etc...)
- Separate essential investments from discretionary
- Look for and shore up vulnerabilities that constrain users from making your products, delivering your services, connecting with your customers/suppliers, and/or foul your companies reputation
- During a down economy and shrinking IT budgets, it is imperative to identify constraints and have a financial strategy to eliminate or minimize those constraints

- Fusion Launch Points
 - eBusiness Suite: 11i10, R12, and beyond
 - PeopleSoft Enterprise: 8.8, 8.9, 9.0 and beyond
 - JD Edwards Enterprise One: 8.11, 8.12 and beyond
 - JD Edwards World: A7.3, A8.1, A9.1 and beyond
 - Siebel: 8.0 and beyond
- Recommend Upgrading to Current Releases for Optimal Fusion Upgrade Position

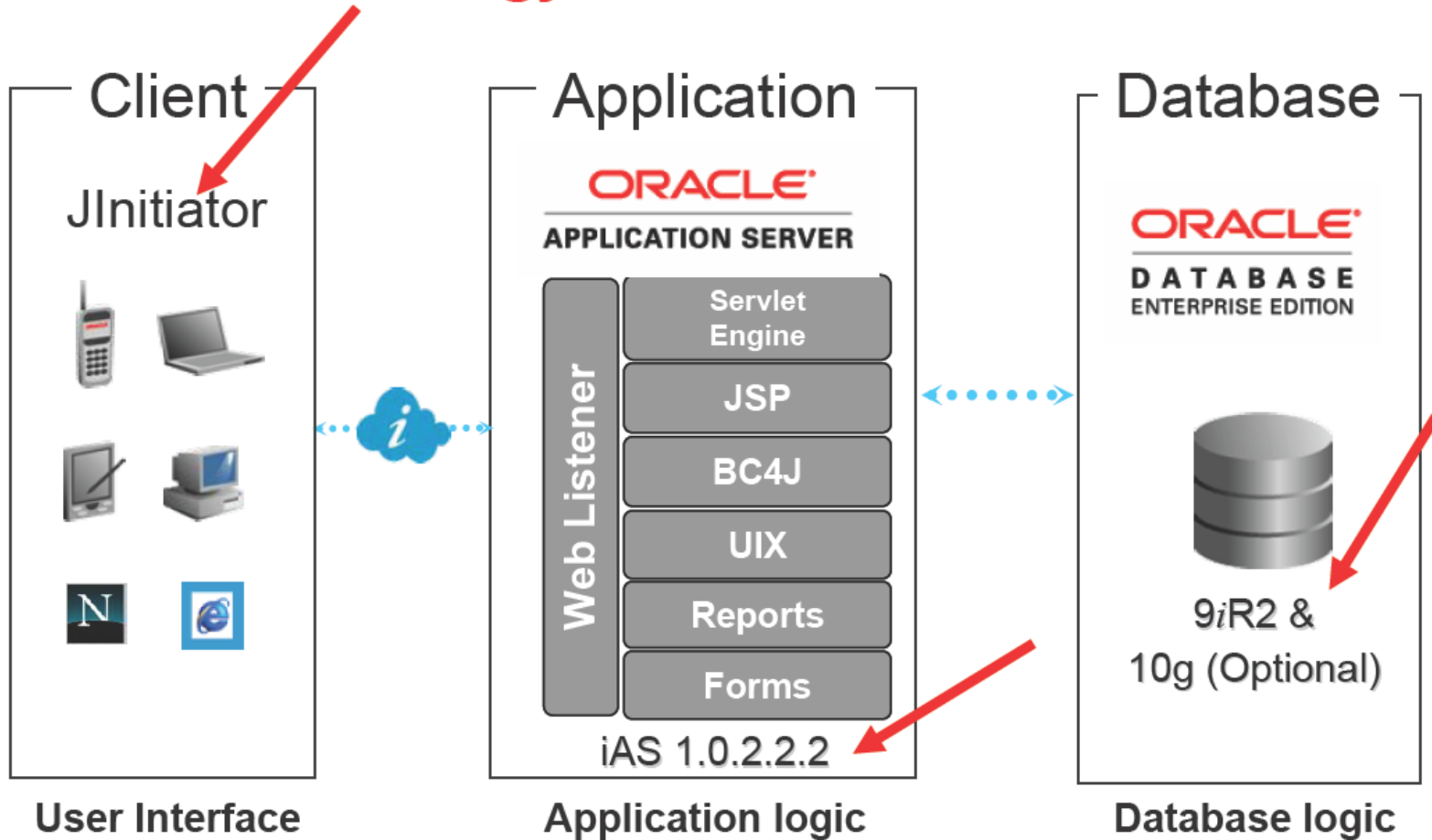
Macro: Navigating Oracle's Apps



Consistently Assess Your VOI Opportunities and/or Constraints Against Oracle's Apps Strategy

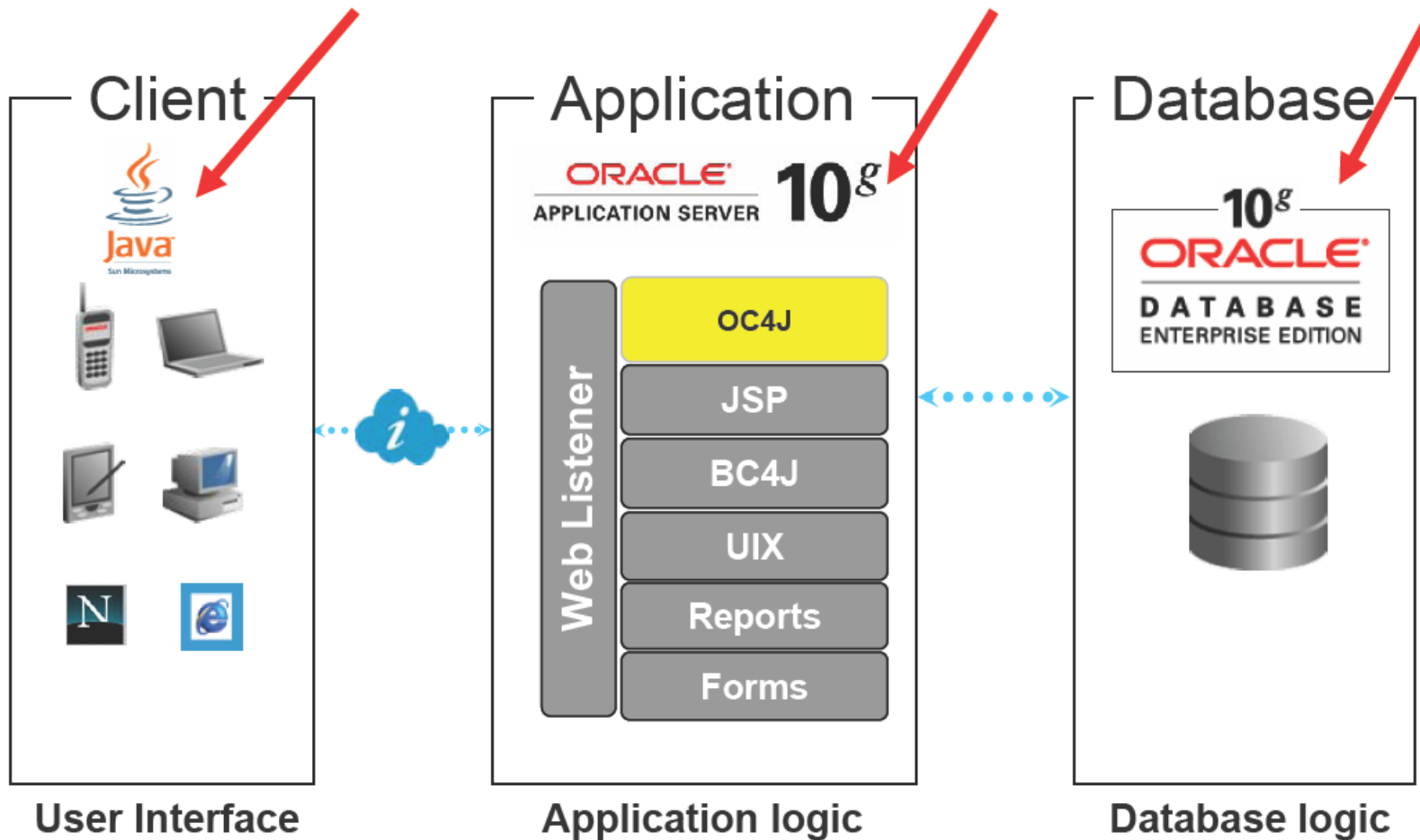
3-Tier Logical Architecture

R11i Technology Stack



3-Tier Logical Architecture

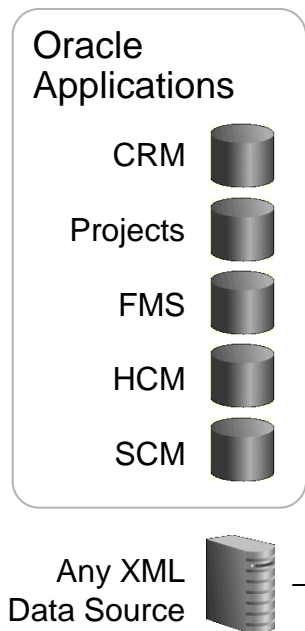
R12 Technology Stack



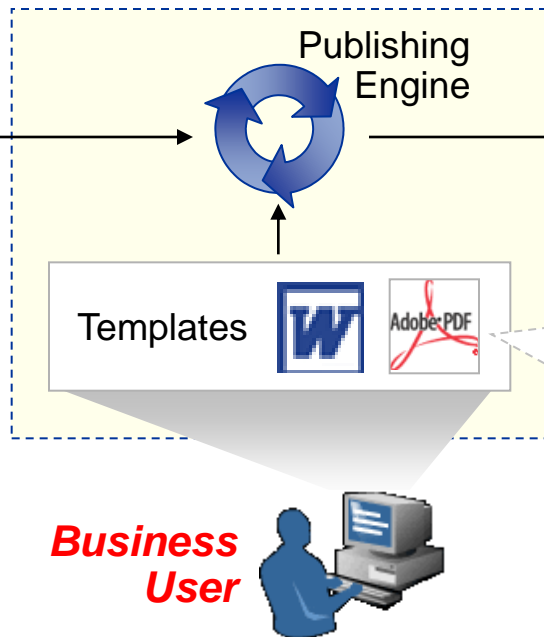
BI Publisher

Business Users Format and Deliver Documents

Data Sources



BI Publisher

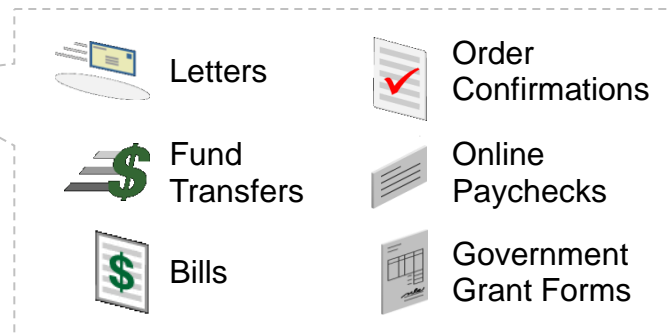


Output Formats

PDF RTF HTML XML EDI Excel

Destination

- Email
- Printer
- Fax



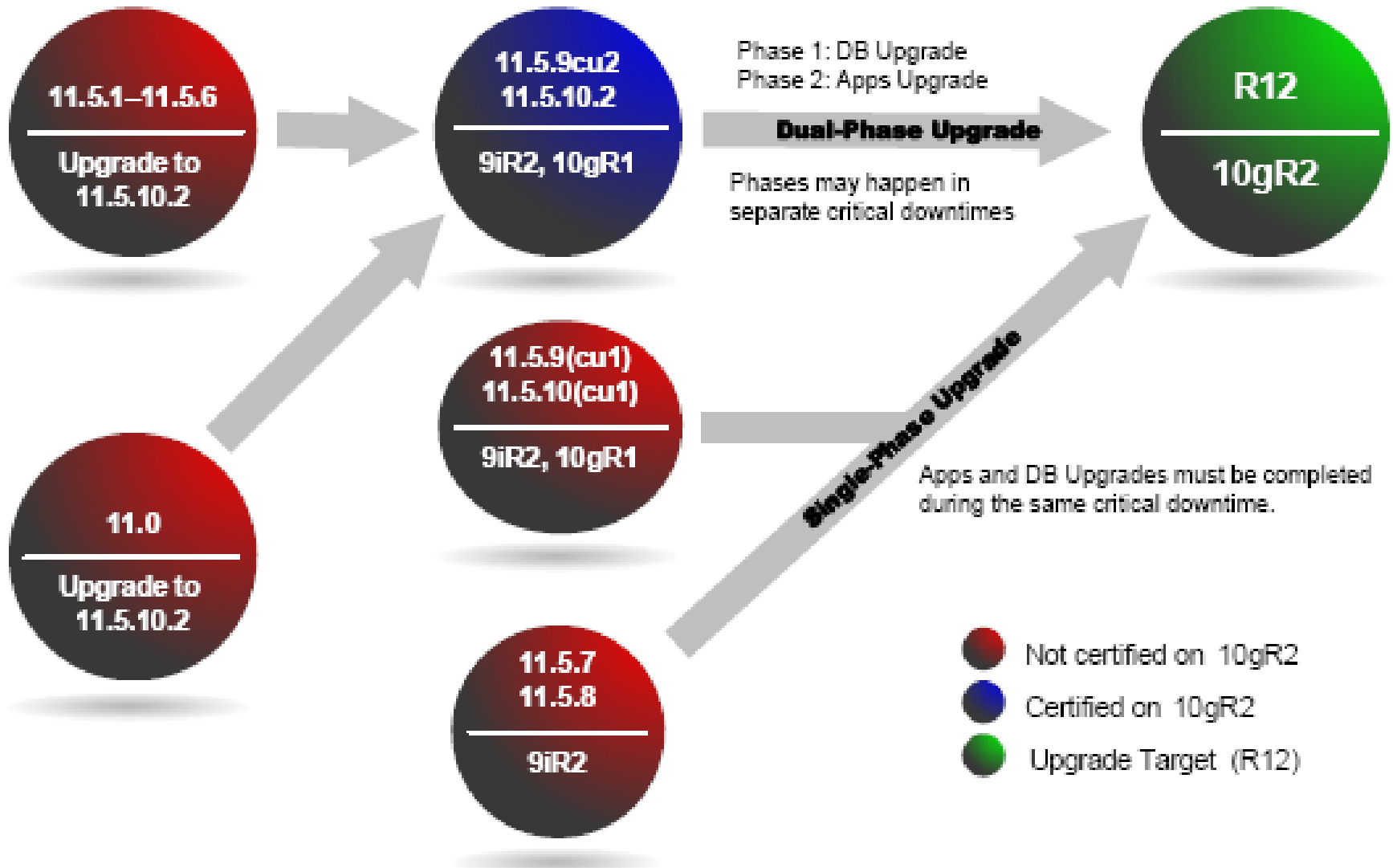
Integrate Out-of-the-Box with Oracle Applications

R12 Administration

- Fully automated cloning available in R12
- Automated Data Scrambling feature available in R12
- Platform Migration utility available for R12 Upgrade

The screenshot displays the Oracle Enterprise Manager 10g Grid Control interface. The main content area shows a topology view for the Oracle Applications Service: VIS:Oracle Applications Service. A central node, labeled 'VIS Or.', is highlighted with a red box. A tooltip for this node provides the following details: Type: Oracle Applications Service, Name: VIS:Oracle Applications Service, Status: Down, Critical Alerts: 5, Warning Alerts: 0, and Policy Violations: 0. Below the main topology, a section titled 'VIS:Oracle Applications System (Key Components)' shows a row of icons representing various components, with 'VIS Or.' also highlighted. The interface includes a top navigation bar with tabs for Home, Targets, Deployments, Alerts, Policies, Jobs, and Reports. A secondary navigation bar below the main content area includes Home, Performance, Administration, Maintenance, Diagnostics, and Topology. The bottom of the page features a 'Related Links' section with links to All Metrics, Metric Thresholds, Target Properties, Monitoring Configuration, Alerts History, Oracle Applications Manager, and End-User Performance - URL Watch List. The page is dated 'Page Refreshed Aug 8, 2006 3:19:48 PM'.

R12 Upgrade Path



- An Opportune Time to Clean Up Master Data and Move it to Oracle MDM Architecture
 - Customers, Suppliers, Products, Accounts, Employees, etc...
- Data Integrity is Always Important to Any System
 - Transactional Data: Supports the Applications
 - Analytical Data: Supports Decision-making
 - Master Data: Represents the Business Objects for Both Transactional Data and Analytical Dimensions

- Why Move to MDM Architecture Now
 - Byproduct of Clean Up is Healthier Data
 - Establish Internal Expertise in Fusion Architecture as Part of an R12 Upgrade
 - Master Data is the Foundation for Common Object Model Based Fusion Apps and Analytical Cube Dimensions
 - Complete Your Master Data Migration to Fusion Architecture Now Before Any Upgrade to Fusion Apps.

- Out of Your Surviving Customizations, Are there Ones Ripe for an Architecture Upgrade?
 - Establish Internal Expertise in Fusion Architecture
 - Leverage Internal Expertise for Future Composite Applications

- Consider a Strategic Business Apps Implementation As part of Your R12 Strategy
 - OBIEE and Enterprise Performance Management (EPM) Apps: Hyperion
 - Immediate Budget Planning and Forecasting Utility
 - Part of Master Data Solution by Providing Data Relationship Management (think dimensional data)
 - Oracle and Legacy Data Sources
 - Can be Done Independent of Upgrade and Integrated
 - Continued Considerable R&D In Merging OBIEE and Hyperion Into Integrated Release



Micro: New Functionality Summary

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- Over 300 New Financials Features Alone
- Focusing on Highlights for
 - Financials
 - Distribution
 - Manufacturing
 - HCM

New Functions: Financials

Area	Module	Implications to Upgrade	Implications to Business Process
Fins	GL - Ledgers	<ul style="list-style-type: none"> - Set of Books is replaced by ledgers - Multiple Reporting Currencies is replaced by Reporting Currencies - Reporting Sets of Books are Replaced by Reporting currencies - Ledgers can be primary or secondary. The primary ledger stores the primary accounting representation for one or more legal entities. 	Reporting sets of books assigned to a primary set of books automatically upgrade to reporting currencies that are assigned to a primary ledger
Fins	GL – Simultaneous Accounting Representations	Alternative accounting representations (different COA, Currency, Calendar, or Accounting method) can be created in a secondary ledger for local fiscal reporting or separate management accounts.	<p>This secondary representation is independent of the primary representation and may be used to support:</p> <ul style="list-style-type: none"> -Subsidiary local reporting requirements requiring subledger transaction level detail -Corporate accounting policies are defined while allowing for local requirements as part of a global implementation.

New Functions: Financials

Area	Module	Implications to Upgrade	Implications to Business Process
Fins	Subledger Accounting (SLA) Replaces Global Accounting Engine (New Module)	<ul style="list-style-type: none"> -SLA is a common accounting engine that replaces the existing accounting processes in the different subledgers. While the default accounting continues to be stored in the subledgers, SLA is where the true accounting is held. -SLA Handles Accounting Definitions and Accounting Set Up Associated with a Ledger (Ledgers were formerly sets of books) -The following is a list of popular subledgers using SLA: Payables, Payments, Receivables, Assets, Project Accounting, Payroll, Cost Management, Discrete & Process Mfg, Inventory, 	<ul style="list-style-type: none"> -Finance should immediately start researching and understanding the SLA functionality to assess close process changes necessitated by SLA. You may consider delegating more closing responsibility to your subledger owners? -SLA is primarily transparent to the users until they run the program to create subledger accounting entries and transfer journal entries. Create accounting program processes eligible accounting events to create subledger journal entries based on application accounting definitions created in the Accounting Methods Builder (AMB)
Fins	GL – Accounting Setup Manager (ASM)	Acts as the central location for maintaining the relationship between ledgers, legal entities and operating units.	Multi-org is integrated into the ASM so you can define operating units and their relationships to ledgers. For each operating unit, you can select a legal entity to provide a default legal context during transaction processing.

New Functions: Financials

Area	Module	Implications to Upgrade	Implications to Business Process
Fins Distr	E-Business Tax Replaces O2C – Global Tax Engine P2P – Automatic Tax Calculation GL – GL Automatic Tax Calculation (New Module)	Uniformly delivers tax services to all E-Business Suite business flows through on application interface. Tax set up, calculation , and integration with 3 rd party tax tables is centralized. Handles following EBS tax requirements: -Deferred Tax in Payables -Enhanced handling of tax on freight -Sales and Use Tax in Procurement -Cash and Accrual Basis reporting for Tax -Tax on Intercompany movements -Multiple tax registrations for the same party -Tax reporting types and codes	After the upgrade, you can still provide the tax codes in transactions and also use defaulting hierarchies and tax groups in the same manner as 11i without changing your set up. Over time, you can incrementally move from 11i tax code model to R12 regime-to-rate and tax rules model.
Fins	Payments Replaces iPayment (New Module)	-Payment formats are created as templates in BI Publisher (e.g. checks) -Seeded 11i payment formats have corresponding seeded R12 payment formats	-Allows users to make a single payment run spanning operating units, currencies, payment methods and bank accounts

New Functions: Financials

Area	Module	Implications to Upgrade	Implications to Business Process
Fins	Multi-Org Access Control and Reporting	Control access through security profiles that define each user's access to a specified group of operating units	Process transactions for different operating units without having to change responsibilities. Allows users to run reports across multiple operating units from a single responsibility.
Fins	Bank Account Model	Single access point for defining and maintaining bank account information for Payables, Receivables, Advanced Collections, Payroll, Cash Management, and Treasury	Centralizes banking and bank relationships more effectively.
Fins	Internal Bank Accounts	Internal bank accounts are assigned to a legal entity. All operating units associated with that legal entity are permitted to use the bank account.	Centralizes banking and bank relationships more effectively.

New Functions: Financials

Area	Module	Implications to Upgrade	Implications to Business Process
Fins	Receivables	<ul style="list-style-type: none"> -System and Customer options used to control tax calculation and tax code defaulting are migrated from receivables to E-Business Tax -All internal banks and bank accounts are migrated to Cash Management -Integration with Subledger Accounting: receivables no longer creates any accounting entries -Collections Workbench replaced with Advanced Collections 	
Fins	Payables	Introduction of Invoice Lines between Invoice Header and Distributions	Improve flow of information (e.g. Mfg, mode, serial #) from Purchasing Through to Assets
Fins	Global Descriptive Flexfields	Global Descriptive Flexfields are Consolidated and Migrated into the data models of Payables, Payments, and Cash Management	Single code base as opposed to GDFs implemented per country simplifies global implementations
Fins	Advanced Global Intercompany System (AGIS) (New Module)	Replaces the Global Intercompany System (GIS). GIS accounts become AGIS intra-company balancing rules.	May want to review the existing (11i) intercompany rules and update them as necessary before the upgrade.

New Functions: Financials

Area	Module	Implications to Upgrade	Implications to Business Process
Fins	New BI Dashboards	<p>Funds Management: Targeted toward Public Sector with information on available funds, budgets, encumbrances, and expenses</p> <p>Financial Statement Certification: Targeted toward the public company signing officer with information on significant account evaluations, organization and process certification results for all or selected financial statement certifications</p> <p>Receivables Management: Comprehensive receivables, receipts, and collections summaries with extensive drilldown</p>	

New Functions: Distribution

Area	Module	Implications to Upgrade	Implications to Business Process
Distr	Multi-Org Access Control and Reporting Order Management	Control access through security profiles that define each user's access to a specified group of operating units	Customer Service Reps (CSRs) can now service customers sales order without having to log in and out.
Distr	Order Management	Order Management now honors credit holds placed on customer from Receivables.	A hold source will be created in all operating units that have a site defined (or an order placed) for that customer
Distr	Advanced Pricing	Integration with Trading Community Architecture	Allows price discounts at any level of the customer's organizational hierarchy.
Distr	Advanced Pricing	Integration with Product Catalog in the PLM suite	Create pricing and discounting at any level of the product hierarchy
Distr	Advanced Pricing	Publishing price books	-Creates price books from advanced pricing qualifiers and modifier based rules. -Improved communication to customers and partners based on price books vs. rules

New Functions: Distribution

Area	Module	Implications to Upgrade	Implications to Business Process
Distr	Cost Management	<p>Manage customer acceptance events:</p> <ul style="list-style-type: none">-Log-in to the self-service order information portal to confirm acceptance-CSRs can call the order information portal from the sale order workbench to confirm acceptance-Import customer acceptance from an external system-Implied acceptance based on a specified elapsed time after shipping	<p>Clients, or divisions of clients, that outsource manufacturing typically rely on drop shipments. This allows the multiple channels to record and process customer acceptance.</p>

New Functions: Distribution

Area	Module	Implications to Upgrade	Implications to Business Process
Distr	Warehouse Management Combines Discrete Inventory and Process Inventory	<p>Warehouse Management 12 consolidates discrete and process inventory capabilities.</p> <p>Supports requirements of multiple inventory management styles:</p> <ul style="list-style-type: none">-Process industries-Material handling and control for maintenance operations-Consumer goods/retail and RFID standards established by EPCglobal for the retail and Aerospace & Defense industries	<p>Multi-mode, or mixed-mode, manufacturers can now use a common inventory system</p> <ul style="list-style-type: none">-Discrete manufacturers can utilize “process style” inventory controls such as grade, dual units of measure, sublots, material status, etc...-Improved end-to-end traceability for lot-based components to serialized finished good (and vice versa)

New Functions: Distribution

Area	Module	Implications to Upgrade	Implications to Business Process
Distr	Procurement	Consolidate Procurement Responsibilities with Professional Buyers Work Center	Web-bases UI puts key procurement functions at the fingertips in a consistent layout: <ul style="list-style-type: none"> -Status at a glance -Process requisitions -Run sourcing events -Create and manage orders and agreements -Confirm service delivery -Consolidated alerts and to-do lists
Distr	Procurement	Approvals Enhancements: <ul style="list-style-type: none"> -Tolerance based auto-approvals -Parallel approvals: routing requisitions to multiple approves simultaneously -FYI notifications 	<ul style="list-style-type: none"> -Allows buyers to automate the time consuming tasks of approving minor PO change requests -Document and Negotiation Styles allow organizations to tailor the UI to match the needs of different sourcing events. This may allow you to create document styles catering to junior and senior buyers -Approvals can more closely match the business needs: fiscal authority vs. project or product managers

New Functions: Distribution

Area	Module	Implications to Upgrade	Implications to Business Process
Distr	Procurement	Introducing the Unified Catalog Architecture	<p>Allows users to import catalogs directly into sourcing events and export them from sourcing awards speeding the time from award to being available to the requisitioner</p> <p>New role of Catalog Administrator:</p> <ul style="list-style-type: none">-Automatically approve minor changes-Route significant changes for approval prior to publishing <p>New Catalog Content Security makes it possible to precisely control end-users' access to catalog content.</p>
Distr	Procurement	Enhanced Detailed Progress Payment Schedule	<p>Progress payments can be based on:</p> <ul style="list-style-type: none">-Completion of Milestones-Rate of work completion, claimed as units of work are completed-Partial milestone progress: Lump sum requests



New Functions: Distribution

Area	Module	Implications to Upgrade	Implications to Business Process
Distr	iSupplier	Enhanced Vendor enablement with: -Prospective vendor registration -Supplier managed user administration	Configure questionnaire, supplier completes submission, route for approval Authorized users at supplier sites can be granted the role of Supplier User Administrator

New Functions: Manufacturing

Area	Module	Implications to Upgrade	Implications to Business Process
Mfg	Manufacturing Execution System (MES) – Discrete and Process (New Modules)	Integrated with ERP to offer integrated production execution paperless record keeping, and visibility to shop floor supervisors within a workstation type of UI. The Flow Execution Workstation is integrated with Self Service quality capabilities enabling the user to enter quality plans at any point in the operation	Does the pre-integration with ERP warrant replacing existing shop floor management systems? -Users can use the Flow Execution Workstation to record lot and serial data for assemblies and their components during production. -Process instruction-driven operator workbench -Nonconformance management -Product labeling -Device integration for quality control and mobile applications -Electronic batch records -Operator station touch-screen support
	Enhanced Global Quality for Process Mfg and Depot Repair	Process Mfg: batch non-conformances can be captured and logged Depot Repair: collection events captured by transaction types and collection triggers EAM: collection events triggered as part of status management	Allows extension of quality planning and collection of quality data against the plan.

New Functions: Manufacturing

Area	Module	Implications to Upgrade	Implications to Business Process
Mfg	Inventory – Combined Discrete and Process	<p>Process manufacturers can now use Inventory, Warehouse Management, and Advanced Supply Chain Planning to access functionality like:</p> <ul style="list-style-type: none">-Vendor managed and consigned inventory-drop ship, and internal drop ship, transactions-Single item master with combined attributes for process, discrete, service, etc... <p>Leverage Warehouse Management's sophisticated picking rules, license plates, directed put away, and task management</p>	<p>With the consolidation of inventory, OPM can now fully leverage ASCP, forecast and manufacturing calendar, strategic network optimization, production scheduling</p>

New Functions: HCM

Area	Module	Implications to Upgrade	Implications to Business Process
HCM	Compensation Workbench (CWB)	CWB Users can set their own self service preferences via exposed system profiles.	CWB users become more self sufficient
HSCM	Payroll	Now supports automatic salary increase calculations in the payroll run Payroll now handles tax-free benefits, partial tax-free benefits, taxable benefits and conventional benefits	
HCM	Human Resources	Legal entity re-architecture: -Will no longer be maintained using the HR define org form -Financials legal entities that existed in 11i will be visible through the HR define org form, but will be maintained from the Account Set up Manager (ASM)	

Micro: New Functionality Summary

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- Totals from This Sample

	Fins	Distr	Mfg	HCM
New Modules - 6	1. Subledger Accounting (SLA) 2. E-Business Tax 3. Payments 4. Advanced Global Intercompany System (AGIS)		5. MES – Discrete 6. MES – Process	
Enhancements - 20	7	8	2	3
New Architectures - 6	4	2		
Totals	15	10	4	3



R12 Is Not Your Typical Upgrade

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- Significant Upgrade: “Not Just Another Pretty Face”
 - You may be out of practice with this atypical upgrade
- Represents an Incremental Migration Toward Fusion Apps
- Plan for Significant Architectural and Functionality Enhancements
 - Each taking time to assess, retrofit, and integrate into existing business processes