

The Business Value of Upgrading to Oracle E-Business Suite Financials Release 12

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“As we see more free trade, as we see capital markets becoming more integrated, businesses have to become more global in their scope.”

Ed Yardeni, former chief investment strategist at Deutsche Bank and chief economist at Prudential Bache Securities, interviewed on Daniel Altman’s “Managing Globalization” blog.

“The world is changing in a way we’ve never seen. There is a wave of new competition coming from countries with large populations, such as China, India, Brazil, and Russia. Also, there is unprecedented access to resources such as R&D, intellectual property, and the internet. Because of this, we’re beginning to see a wave of new challengers to the “incumbents” - the established leading companies in the developed world.”

**Hal Sirkin,
Senior Partner and Managing Director
GlobalOperations
The Boston Consulting Group
November 2007**

EXECUTIVE OVERVIEW

Globalization is an inescapable force in doing business today, whether it’s about pursuing new markets and customers or responding to a new set of global competitors. The global economy offers a tremendous opportunity for growth, but at the same time presents management with some tough challenges. Finance is no exception, as it faces diverse financial reporting and tax standards, increased regulatory and security requirements, and a push to locate goods and services in lower cost markets.

This whitepaper is intended to provide guidance in regards to the types of benefits that may be realized through an upgrade or implementation of Oracle E-Business Suite Financials Release 12. Other benefits may exist and organizations should fully explore all of the process areas within Financials to understand their unique benefits and size and scope of each benefit. Financials Release 12 enables you to manage the complexity that comes with doing business across divisions, across regions and across partners, without having to worry about disparate processes and systems. An overview of the key features in this release will help you plan how to extend the value of your Oracle Financials’ implementation with new functionality and a substantially improved architecture. In addition, the certification of Oracle E-Business Suite Financials Release 12 on Fusion Middleware allows you to take advantage of this standards-based platform for managing and upgrading applications, even before moving to Oracle’s next generation service-oriented applications.

INTRODUCTION

Oracle E-Business Suite Release 12 is designed to help you make better decisions and be more competitive, while lowering costs and increasing performance. Achieving this balance requires companies to have a global (or holistic) view of their operations, whether they operate within the same borders or across borders. – Oracle E-Business Suite Release 12 enables organizations to:

- ***Think Globally*** – Achieve a global view of customers, suppliers, partners, and operations to make the right decisions

- **Work Globally** – Work better across applications, divisions and regions to be more competitive
- **Manage Globally** – Implement, manage, and scale global applications easier and at lower costs

The ability to make informed decisions, work across boundaries, and manage applications at lower cost benefits every organization, no matter what size or industry. Businesses that achieve a truly global perspective will end up the winners, driving out complexity so that they can focus on value added activities.

CREATING AN UPGRADE PLAN

“Enterprises need to transform their financial management models. They need to integrate their finance operations to take advantage of this new perspective on globalization. Integrated operations alleviate the threats they face and improve the operational performance of their organizations.”

IBM Global CFO Study 2008

Oracle’s customers are saying that simplification is at the top of their minds. They’re also saying that globalization has fundamentally changed the way they do business, adding a whole new level of complexity to operations. Through acquisition and global growth, many organizations have ended up with inconsistent business processes and a patch work of systems that inhibits efficiency, increases risk and fails to provide enterprise visibility into measures and results. On top of this, the complexity of operating in a highly competitive, global economy with ever increasing regulation mean that managing this complexity – finding a way to simplify and standardize has become critical to enabling a platform for growth.

Oracle E-Business Suite Financials Release 12 helps organizations manage the complexity and ultimately take advantage of globalization’s changing dynamics by:

1. Ensuring Corporate Consistency and Global Visibility – *Think Globally*
2. Working better across applications, divisions, and regions – *Work Globally*
3. Implementing, managing, and scaling global applications easier – *Manage Globally*

TOP FIVE REASONS TO UPGRADE

With a focus on simplification, standardization and centralization, this release applies to all customers, regardless of size or industry, from the large multi-national to the small to medium sized business. Below are the top reasons E-Business Suite customers are upgrading to Release 12.

Increase Operational Efficiency

Oracle E-Business Suite Release 12 offers greater efficiency and flexibility with many new centralized and standardized key business functions. The new centralized architecture improves support for shared services as well as standardizes and simplifies the financial infrastructure across your enterprise. This release supports the centralization of the following key business functions:

- Accounting policies are standardized across the entire enterprise with Subledger Accounting—ensuring that everyone adheres to the same set of rules.

- Financial results are stored and easily accessible with Ledgers and Ledger Sets—supporting faster and simpler period end closing.
- Legal entities easily model legal corporate structures and tie all related components together with Legal Entity Configurator.
- Banks and bank accounts are centrally managed providing a single point of access for internal bank accounts across Oracle applications.
- Payments are centrally disbursed and captured with Oracle Payments—automating and streamlining integration with external financial institutions.
- Transaction taxes are consistently managed and processed with E-Business Tax—offering consistent support and control of complex transactional tax requirements across the enterprise.
- Inter- and Intra-company accounts are centrally defined with Advanced Global Intercompany System—improving period end reconciliation.

Improve End User Productivity

Employee productivity continues to be a top concern for most organizations as well as a key aspect for purchasing new applications. Simplistic, convenient and efficient are qualities customers are looking for when it comes to boosting the productivity of transaction flows and end-to-end business processes. Oracle E-Business Suite Release 12 leveraged intellectual property from several acquisitions and made a significant investment in the overall user experience. New pages introduced in Release 12 were designed with a completely different approach to simplify the user experience. End users will experience dashboards, step-by-step check lists, wizard-like pages, and consolidated single-page setups. Here are a few examples:

- Collections
- Payments
- Accounting Setup
- Tax

Key New Features and Functionality

New features and enhanced functionality delivered in Oracle E-Business Suite Financials Release 12 were designed based on extensive customer feedback, industry best practices, analyst research, and our own commitment to improve our applications. With a planned upgrade path to Fusion, Oracle E-Business Suite Financials Release 12 delivers the first benefits of Fusion planning and development. Leveraging “early” Fusion fundamentals, organizations can get comfortable with architecture and technology changes while planning a long-term applications roadmap. Enhancements throughout the release demonstrate that Oracle offers the most comprehensive and adaptable global business platform to

support business growth at lower cost with more control and flexibility. Below is just a sample of the over 300 features and enhancements in Release 12:

- Replacement for disabled accounts
- Invoice line level entry and approval
- Partial period revenue recognition
- COGS and revenue matching
- Line level cash applications
- Conversion of delinquent receivables to payment plans
- Funds optimization with cash pooling and zero balancing
- Bank account-level reconciliation options and tolerances
- Rollback on select assets with Automatic Depreciation Rollback
- Streamlined receipts management with receipts tracking and receipts missing capabilities

Timely and Simplified Reporting

Many customers have very strong business requirements for reporting in E-Business Suite. Whether it's for reports that include images, charts, multiple fonts and color; board quality financial statements or government mandated forms—Release 12 makes producing all types of reports much easier. By delivering reports using BI Publisher (formerly known as XML Publisher), we're putting the capability to format and deliver reports in the hands of business users. BI Publisher offers configurable professional reporting. In fact, Financials has moved much of its standard reporting to the extract and template model, offering increased efficiency to our customers' compliance with local reporting obligations.

Extended Maintenance and Support

Oracle E-Business Suite Release 12 delivers on Oracle's promise to support and invest in the applications already running. By delivering E-Business Suite Release 12, Oracle demonstrates its commitment to protect, extend and evolve application investments. Customers implementing E-Business Suite Financials Release 12 will receive Premier Support until January 2012 and Extended Support until January 2015. Sustaining Support is also available indefinitely.

Oracle intends to deliver additional Oracle E-Business Suite point releases, which further underscores the fact that customers will not be “forced” to move to Fusion. However, upgrading to E-Business Suite Release 12 will not lock an organization out of Fusion. With a planned upgrade path to Fusion, Oracle E-Business Suite Release 12 delivers the first benefits of Fusion planning and development. Maybe your organization has made a decision about the future of your financial

applications. Maybe you are not ready yet. Upgrading to E-Business Suite Financials Release 12 will position you for whatever choice you make.

BUSINESS BENEFITS OF UPGRADING

The following sections focus on the the business benefits that might be realized by upgrading or implementing Oracle E-Business Suite Financials Release 12. They are not meant to be the only benefits available, but highlight some of the main enhancements and where organizations should look to realize these benefits.

THINK GLOBALLY

Informed business decisions come as a result of having a single, comprehensive view of customers, suppliers, partners, and operations. To make the right investments in the business, you must have a global view across systems and divisions. Oracle E-Business Suite Release 12 helps you make decisions based on complete information—even when your systems cross regions and divisions.

Oracle E-Business Suite Release 12 continues to offer real time, role-based information, across the enterprise. Our leading Business Intelligence applications are extended in this release, as well as our flexible reporting capabilities.

Comprehensive Business Intelligence

Oracle BI Applications are complete, prebuilt solutions that help people at all levels of the organization better understand how their business is performing by providing a single, integrated view of enterprise information, enabling greater insight and alignment across business functions. Oracle released pre-built adapters and ETL (Extraction, Transformation and Loading) maps for E-Business Suite Release 12 in December 2007. Oracle BI Applications uniquely support E-Business Suite Release 12 with tight integrations, including support for E-Business Suite SSO (Single Sign On) and E-Business Suite specific security at the user, object and data layers. Additionally, Oracle BI Applications leverage E-Business Suite Flexfields and have pre-built "Action Links" allowing Oracle BI Apps users to securely access appropriate content and drill to transactional detail within E-Business Suite applications, automatically.

For E-Business Suite Financials customers, Oracle Financial Analytics, part of the Oracle BI Applications family, provides organizations with better visibility into the factors that drive revenues, costs, and shareholder value. Tight integration with other applications in the Oracle BI Applications family delivers robust financial information across the company value chain to enhance customer, supplier, and workforce analysis. For example, Oracle Financial Analytics enables better insight into the General Ledger to better understand product or customer profitability or highlights how staffing costs and employee or supplier performance correlate with increased revenue and customer satisfaction.

Oracle Financial Analytics provides hundreds of powerful financial metrics, alerts, reports, and dashboards to financial professionals and line of business managers,

enabling them to gain insight and take appropriate actions. Moreover, Oracle Financial Analytics helps reduce the time it takes to generate reports for regulatory compliance (for example, Sarbanes-Oxley) or periodic financial statements. Oracle Financial Analytics provides more detailed reporting at a greater frequency and to a broader range of users. Managers and front-line professionals also receive timely information on costs and revenue at levels of detail such as by product, geography, region, and customer that allows them to fine-tune strategy and improve performance. Traditional solutions require managers to wait days or even weeks for specific reports. In many cases, they have to wait until the books close to determine how their business performed.

Finance professionals and managers across the organization can monitor performance, analyze specific metrics, and compare them to budgets or performance benchmarks. They can quickly spot deviations and take action to correct them before they become problems. Oracle Financial Analytics enables financial analysts to perform intra-period balance sheet and income statement analyses to determine on a near-real-time basis how the business is performing. They can also more effectively manage cash flow by understanding how billing and collections functions are performing as well as payments and changes in inventory.

Oracle Financial Analytics enables companies to more effectively manage their customers and improve business performance by:

- Improving financial performance and more effective expense control through timely monitoring of expense detail, delivered to departmental managers in time to take corrective action and ensure budget compliance
- Optimizing cash flow through detailed accounts receivable, accounts payable, and inventory analysis
- Analyzing detailed, transaction-level data to understand the factors driving revenue, cost, and profitability across business units, geographic locations, sales territories, customers, products, and distribution channels in time to take action
- Reducing time spent compiling, reconciling, and consolidating data from fragmented financial systems, enabling employees to spend more time analyzing, making proactive decisions, and taking action
- Improving cash collections by identifying slow-paying customers or billing issues and reducing days sales outstanding

Oracle's new XML Publisher is visionary and empowers end users. This new capability gives customers the look and feel of Excel with a desktop publishing look to reports, and enables users to create their own reports, minimizing the dependency on the IT staff.

**Sean Malinski,
Accenture Partner, Global Business
Solutions - Oracle Practice**

"Banks, taxes, payments, and accounting – everything that becomes centralized will bring Emerson tremendous efficiencies."

**Greg Harre
Controller for Emerson Tool Company**

"Centralization of subledger accounting rules would minimize set up and maintenance, providing greater financial control, and enforcing a consistent approach for true global accounting."

**Carolyn Carter
Director of Global Oracle Accounting,
Emerson Process Management**

Simplified Self-Service Reporting

Thinking globally is all about having the right information at the right time to support accurate, timely business decisions. Oracle BI Publisher is an easy-to-use solution for formatting and publishing reports. It delivers immediate business value by enabling business users to tailor report formats to their needs without the help of costly IT resources. Using desktop applications such as Microsoft Word or Adobe Acrobat, business users create and maintain report formats with their own templates rather than settling for a standard layout.

Prior to Release 12, Oracle Financials supported hundreds of predefined fixed-format reports. With Oracle E-Business Suite Financials Release 12, business users can easily modify the standard reports using BI Publisher templates and data extracts.

WORK GLOBALLY

Today's organizations face a host of challenges from the new global economy. Working in multiple geographies, with multiple systems and rules, and according to local standards, calls for global business processes and work flows that can span applications, divisions and regions. This need is particularly evident in the area of global financial management. With ever more compliance and governance mandates, organizations are centralizing critical finance operations in order to enhance control and visibility. Oracle E-Business Suite Release 12 enables you to stay competitive by giving you the ability to operate globally while meeting local compliance requirements. For example, Release 12 offers:

Increased Control and Operational Efficiency

Oracle E-Business Suite Financials Release 12 centralizes accounting, tax, payment, and banking functions to provide greater efficiency and control with unparalleled flexibility. Upgrading to Oracle E-Business Suite Financials Release 12 gives you the chance to standardize business processes across your business units and achieve real-time insight into your business.

Ensure Consistency with Centralized Accounting

Control and monitor every accounting entry from a single setup with Oracle's new rules-based accounting engine, Subledger Accounting. By applying standard accounting rules to all business transactions, whether they're generated in Oracle E-Business Suite or third-party, custom, or legacy applications, Subledger Accounting ensures consistent financial reporting. Exceptions can only be done through secure overrides, providing high levels of control and greater adherence to company policies. Configurable accounting rules enable compliance with multiple legislative, industry or geographic requirements concurrently in a single instance.

A single business transaction can receive different accounting treatments simultaneously based on rules defined for that Legal Entity. For example, a transaction can be accounted for according to US GAAP principles in one ledger

based on corporate accounting policies, and French Plan Comptable principles in a secondary Ledger based on local accounting policies, using the rules defined centrally in the accounting engine, which offers greater control.

The accounting treatment (or detail) is maintained for every business event, with balanced and detailed subledger accounting entries and different summarization options in the General Ledger. Subledger Accounting delivers full auditability and improved subledger to general ledger reconciliation. Subledger Accounting offers a wealth of features to make reconciliation simpler and more efficient.

Subledger Accounting provides a universal and consistent transaction accounting definition structure and user interface across all subledgers. The new data model increases transparency and enables full auditability of transaction and accounting information. A universal posting engine streamlines the close process, so that all subledger modules can transfer data to the General Ledger using a standard, auditable, reviewable process.

New reports and inquiries analyze data across subledgers and support drill down to underlying transactions so you can better understand root causes and take immediate action. These capabilities are critical to providing the context for greater financial and management insight.

Simplified Tax Compliance

Reduce the cost and complexity of complying with multiple tax authorities using Oracle E-Business Tax, a comprehensive infrastructure for managing transaction tax rules and transactions. This centralized tax repository delivers consistent tax services to all E-Business Suite business flows through one application interface, simplifying tax configuration. It also integrates with external tax vendors for maintaining country-specific tax content.

Oracle E-Business Tax enables central setup and maintenance by your tax or accounting personnel. An internal (or multi-entity) subscription model allows the tax rules to be shared across Legal Entities, along with the ability to apply business rules that enforce company-wide tax content. You can define business rules to comply with local regulations, supporting sophisticated tax compliance without the need for workarounds or customizations. The Tax Rules business flow makes it easy to change existing tax rules and rates and/or create new rules and rates. An online Tax Simulator models the impact of your tax setup, allowing you to confirm the accuracy of your changes. Tax setup is further streamlined with the option to integrate with content providers (such as Vertex and Taxware in the United States) to load tax rates.

Tax content such as tax jurisdictions, tax rates and tax rules are stored centrally. A tax determination engine uses these rules to calculate transaction taxes (sales, use, VAT, etc.) based on the place of supply, the parties involved and other applicability rules. Tax lines capture all relevant information used to determine applicable taxes. Tax transactions and all noteworthy tax information for each transaction are

recorded in a central Tax Record Repository that can be used by management and tax authorities for managing, auditing and reporting purposes.

The automation of tax processing through a central integrated engine improves operational efficiency and reduces errors. It also decreases the cost of integration and provides visibility and consistency of information across the E-Business Suite.

In addition to the centralization of the existing tax setup and processing across the E-Business Suite, E-Business Tax also supports several global tax requirements in Oracle E-Business Suite Financials Release 12, including:

- 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

Improved Global Intercompany

Spend less time reconciling intercompany transactions at period-end close with Oracle Advanced Global Intercompany System (AGIS). AGIS streamlines the intercompany trading and reconciliation process across Ledgers by driving balanced intercompany transactions for the global enterprise.

Oracle AGIS allows companies to comply not only with local regulations but also with corporate standards for processing intercompany transactions between related legal entities of an enterprise. It also provides interactive reconciliation reporting which allows drill-down to the details of Intercompany Account Balances in order to quickly identify the source of any discrepancies in trading partner account balances.

Other highlights of the Advanced Global Intercompany System for Oracle E-Business Suite Financials Release 12 are:

- **Intercompany Invoicing:** Enables automatic creation of Intercompany Payables and Receivables invoices for intercompany trading partners in situations where local statutory compliance requires physical invoices for intercompany transactions
- **Multi-party intercompany transactions:** Creates a single intercompany batch supporting multiple recipient transactions across different ledgers, currencies and calendars, which will be automatically submitted to all recipients for approval. Optional prorating of the distribution amounts based on the proportion of the transaction allocated to each recipient is planned.

- **Intercompany reconciliation:** Performs reconciliation between any pair of Legal Entity trading partners whether they are in the same or different Ledgers. The reconciliation process has the flexibility to be executed at any time for open or closed periods and run at different levels of detail.
- **Inter/Intracompany Balancing:** When a transaction with multiple balancing segment values is entered, the automatic Balancing Process will generate the intra- or inter-company accounting entries, depending on whether the balancing segments are in the same legal entity or different legal entities.

Faster Payment Cycles

Process payments and collections faster using a single payment engine that manages disbursements and receipts, using Oracle Payments, the single central source for all payment formats in Oracle E-Business Suite 12. The new centralized payment engine along with a newly structured Bank Account Model enables centralized payments and collections to be processed more efficiently.

The new payments engine serves Payables, Receivables and other products for funds disbursement and capture, offering a complete, consistent payment hub. The highly configurable centralized engine enables straight-through processing based on industry standard protocols, with a dashboard for process visibility and management. The ability to make a single payment run spanning operating units, currencies, payment methods and bank accounts dramatically increases efficiency.

Faster, simpler period end processing

Many organizations have made significant progress in reducing the time to close their books. Unless companies continue to focus on streamlining the close process, recent gains could well be erased by the increasing demands of new financial reporting regulations. Growth through acquisitions or geographic expansion also adds complexity to financial reporting processes. Oracle E-Business Suite Release 12 makes parallel financial reporting easier and streamlines period-end processing.

Simplified Dual Accounting

Enterprises often have multiple reporting requirements. These enterprises and their subsidiaries may need to satisfy the accounting and reporting requirements for multiple countries or jurisdictions in addition to those of the parent or controlling enterprise. This can involve accounting in accordance with different accounting principles, in different currencies, charts of accounts and/or calendars.

Oracle E-Business Suite Financials Release 12 makes it easier for companies to support diverse regulatory and reporting requirements. Ledgers are used to maintain multiple representations of the same data. The new centralized Subledger Accounting engine posts subledger data into these ledgers simultaneously, preserving the integrity of both corporate accounting standards and local compliance in a single consistent business process.

“We anticipate one of the most important benefits of Ledger Sets for Emerson will be simplifying the global accounting process,”

**Debbie Gillman
Team Lead, International Systems at
Emerson Network Power**

Ledgers can be either a Primary Ledger or Secondary Ledger. The Primary Ledger stores the primary accounting representation for one or more legal entities. An alternate accounting representation (which may use a different Chart of Accounts, Currency, Calendar and/or Accounting Method) can optionally be created in a Secondary Ledger for local fiscal reporting, or for separate management accounts. This secondary representation is independent of the primary representation (i.e., based directly on the transactions themselves) and may be used to support the following scenarios:

- Subsidiary's local reporting requirements require subledger transaction level detail that is difficult to obtain from a secondary representation created by consolidation
- Corporate accounting policies are defined without having to take into account the many small local requirements that will be encountered during the global implementation.

Increased Efficiency for Processing and Reporting Across Ledgers

Ledger Sets allow processing and reporting to be performed on multiple ledgers at the same time, including the ability to view and report, open and close periods, create journal entries, and perform allocations across Ledgers. In addition to increased processing efficiencies, Ledger Sets provide greater visibility and control across all Ledgers assigned to a Ledger Set. Ledgers sharing the same Chart of Accounts, Calendar and Period Type can be combined into a Ledger Set.

Streamlined Accounting Setup

You can now define, maintain and review accounting-related setup across all applications through one interface. New in Oracle E-Business Suite Financials Release 12, the Accounting Setup Manager acts as the central location for maintaining the relationships between ledgers, legal entities and operating units. Within the accounting setup process, the definition of legal entities and their accounting context includes the ledgers that will contain the accounting data for each legal entity. Multi-Org is integrated into the Accounting Setup Manager so the user can define operating units and their relationships to ledgers. For each operating unit, users will also be able to select a legal entity to provide a default legal context during transaction processing. This centralized setup simplifies the inquiry and maintenance of these relationships and offers a single, clear view of your accounting implementation. An online checklist of accounting setup steps ensures complete and accurate setup.

For many of our client organizations, sharing services is strategic and IBM was pleased to see Oracle recognize this as one of the main drivers for changing its E-Business Suite financials architecture to facilitate businesses operating global shared service centers.

**Brian A. Mitchell
IBM Global Business Services Worldwide
and Americas Oracle Practice Lead
Executive**

More Productive Shared Service Operations

Shared Services provide a proven way for governments and businesses to gain better control of their finance operations and streamline redundant processing and systems.¹ A Shared Services model of operations drives cost savings and increases information quality. Organizations are increasingly consolidating non-revenue generating, administrative tasks in Shared Service Centers as a way to focus on their core competencies, increase efficiencies, and better manage and access information. Additionally, they can cut operating costs by eliminating redundant processes, leveraging self-service, automating processes, and standardizing common business practices.

Oracle E-Business Suite Financials 12 includes a number of capabilities for increasing the efficiency of shared service centers.

Improved Productivity

You can increase the productivity of your shared service personnel with role-based access to various organizations in your corporate structure. Multi-Organization Access Control (MOAC) enables shared services personnel to enter transactions, process data, view information, and run reports on behalf of other divisions or business units within the enterprise.

Oracle E-Business Suite Release 12 allows this to be done more efficiently now with the ability of a single application responsibility to access, process and report on multiple operating units. For example, users no longer need to switch responsibilities in order to enter invoices, view consolidated requisitions, perform collection tasks, and receive or drop-ship goods for multiple operating units. Users can run reports either for all operating units within a Ledger to which a user has access, or for selected operating units that belong to the user's security profile. You control who can perform which tasks through security profiles that define each user's access to a specified group of operating units.

Efficient Payment Handling

Spend less time managing bank account information with the new Bank Account Model in Oracle E-Business Suite Financials Release 12. It provides a single access point for defining and maintaining bank account information for Oracle Payables, Oracle Receivables, Oracle Advanced Collections, Oracle Payroll, Oracle Cash Management and Oracle Treasury. This new model along with the new centralized payment engine and the enhancements to Multi-Org Access delivers significant efficiency to shared service centers that perform collections and disbursements. For example, a single responsibility can process invoices across multiple operating units producing separate payments, all with a single bank instruction.

¹ Shared Services: Enabling Finance Mastery and High Performance, Accenture 2005.

Improved Bank Account Maintenance

In Oracle E-Business Suite Financials Release 12, each internal bank account is assigned to a Legal Entity. Any or all operating units associated with that legal entity are permitted to use that bank account. This new architecture eliminates the need to maintain as well as reconcile multiple account records.

Greater Consistency with Supplier and Customer Bank Accounts

Oracle E-Business Suite Release 12 provides a centralized repository for suppliers' and customers' bank account and credit card information. All data is stored in one, secure place, providing shared service centers and collection departments consistent information that they need.

MANAGE GLOBALLY

Historically, implementing and managing applications that cross operating units or geographic entities have taken considerable time and effort. Oracle E-Business Suite Release 12 makes it easier and less expensive to implement, manage and scale global applications. For example, Oracle E-Business Suite Release 12 offers a streamlined user experience, leveraging the best user experience practices from existing and acquired products. A new user interface helps ensure maximum employee productivity.

Increased User Productivity with New User Experience

Oracle made a focused effort to enhance the user experience in Oracle E-Business Suite Release 12. Over 120 user experience professionals, many from Apple, Yahoo, Google and Microsoft, performed extensive out-of-the-box usability tests on released products leveraging focus groups and eye-tracking studies. Results include a reduced overall number of pop-ups and duplicate screens, re-designed and streamlined workflows, a reduced number of steps to complete key tasks, and an improved overall look and feel and visual style. By designing business processes intelligently, eliminating manual steps, and leveraging technology, people can work faster and smarter.

Flexible System Connectivity

Connecting disparate systems and processes has long been a business priority and IT challenge. With an updated web services repository and process management tool, Oracle E-Business Suite Release 12 enables lower cost integrations with third party applications and adaptable business processes.

Comprehensive Web Services Integration Repository

Oracle E-Business Suite Release 12 has hundreds of services so that IT can easily integrate the E-Business Suite into cross-business, cross-product business flows. It includes web services, public java & PL/SQL APIs, business events and batch interfaces. The Integration Repository enables key integration types including business-to-business, enterprise application integration, business process

The new E-Business Suite Release 12 is the architectural basis for Fusion and is the first release on Fusion Middleware utilizing BPEL, and while Release 12 is not the last stop for Oracle before Fusion, it certainly is the next step toward Fusion.

Brian A. Mitchell
IBM Global Business Services Worldwide
and Americas Oracle Practice Lead
Executive

management, and business activity monitoring. Industry-standard messages and standards-based XML documents are supported. A user-friendly interface makes searching and viewing available integration points easy. Maintenance is simplified by functionality that automatically keeps in step with source code via standard patching.

Simplified Integration

Oracle Business Process Execution Language (BPEL) Process Manager offers organizations the ability to manage processes spanning heterogeneous applications. Oracle, 3rd party, and legacy applications can be integrated to extend process automation. A graphical user interface facilitates the process of quickly integrating applications and a web-based console is used to manage system performance. Prepackaged, standard interfaces for applications and legacy systems are used to connect systems, reducing the integration effort and shortening time to value. In addition, the Process Manager is built on widely adopted industry standard language (BPEL).

Oracle Fusion Middleware Certification

Oracle E-Business Suite Release 12 is certified on Oracle Fusion Middleware, a comprehensive, hot-pluggable family of middleware products. This certification enables you to more easily leverage a portfolio of leading security, integration, and business intelligence solutions among others. For example, Oracle built cross-application flows between Oracle Retail and Oracle Financials in Oracle E-Business Suite Release 12. You can extend the capabilities of your E-Business Suite implementation by creating your own cross-application business flows.

PLANNING YOUR UPGRADE

Oracle knows that continually upgrading and maintaining your current enterprise application investment can be challenging and costly. In addition to hundreds of cross-industry capabilities to help you manage the complexities of global business environments, Oracle E-Business Suite Release 12 was designed to make the upgrade process easier.

There are a number of technology and process improvements delivered with Oracle E-Business Suite Release 12 that will greatly improve the upgrade process. Whether it's the parallel infrastructure for distributing workloads during large table updates, scheduling improvements, or optimizer dynamic sampling, the Release 12 upgrade process is far more streamlined than prior upgrades. In addition to technology improvements, Oracle has implemented many process improvements such as the Managed Release Program, in which Oracle works closely with customers on the first few upgrades.

Many clients are evaluating whether to upgrade from Oracle E-Business Suite 11i to Release 12 or wait for the larger Fusion release. There are significant application and architecture changes in Release 12.

Upgrading now will help build the foundation to prepare for Fusion—maximizing business value while mitigating risk.

Sean Malinski,
Accenture Partner, Global Business
Solutions - Oracle Practice

This release has undergone more upgrade testing on real databases than any prior E-Business Suite release. It also requires fewer pre- and post-upgrade steps. Additionally, Oracle E-Business Suite Release 12 gives you unprecedented continuity and choice. For example, you will be able to run your business the same way as before once you upgrade, even with the new release architecture. While Sets of Books become Ledgers and Ledger Sets, the Subledger Accounting engine performs accounting from the subledgers into the General Ledger, and *Operating Units* are used to segregate transaction data, your accounting results won't change. Release 12 uses the same business rules from your 11i environment to account for transactions and manage user access to operating units. Please refer to the *Oracle Financials & Oracle Procurement Release 12 Functional Upgrade Guide: Release 11i to Release 12* for more detailed information about what to expect with an upgrade to Release 12.

With Oracle E-Business Suite Release 12, *you* decide when you want to leverage the new features. For example, you may want to use this upgrade as an opportunity to move to a single chart of accounts in order to take full advantage of Ledger Sets, which provide a highly flexible framework for meeting corporate and local financial reporting requirements and processing, managing and analyzing global transactions. Likewise, you may want to look at rationalizing the number of responsibilities with the new user access model designed to improve productivity in shared services environments.

Upgrading to Oracle E-Business Suite Release 12 may be the right opportunity for your organization to evaluate consolidating ERP instances in order to reduce IT and compliance costs, improve information quality and facilitate faster M&A integration. . By moving to standardized processes and systems, you will be able to make the most of the many capabilities delivered in Oracle E-Business Suite Release 12. For assistance with planning your upgrade, please refer to the *Best Practices for Upgrading Oracle E-Business Suite* white paper.

CONCLUSION

Oracle E-Business Suite Release 12 was designed to help organizations meet the challenges of doing business in the new global economy, from increased complexity to a whole new level of competition. With Oracle E-Business Suite Release 12, organizations can make the right decisions based on complete information only a global view of customers, suppliers, partners, and operations provides. It enables companies to be more competitive by working better across applications, divisions and regions. It also allows organizations to implement, manage, and scale global applications easier and at lower costs.

With an enhanced user experience, hundreds of new, cross-industry capabilities for improving productivity and efficiency, and Fusion Middleware for lower cost integrations, organizations can expect a lower total cost of ownership with this release. Additionally, Oracle E-Business Suite Release 12 demonstrates Oracle's continuing commitment to the Applications Unlimited program, the long-term plan

to enhance current Oracle Applications while delivering innovative, next-generation solutions.

FOR MORE INFORMATION

Find out more about Oracle E-Business Suite Financials Release 12 from the following resources:

- Release 12 Information Center on Metalink
- Oracle Applications Release Notes Release 12 on Metalink
- Release Content Documents for E-Business Suite Release 12 on Metalink
- Oracle Financials & Oracle Procurement Release 12 Functional Upgrade Guide: Release 11i to Release 12 on Metalink
- Oracle Advisor Webcasts (Metalink: Knowledge > Support Tools > Advisor Webcasts)
- Transfer of Information (TOI) Online Training on Metalink
- Oracle E-Business Suite Release 12 on Oracle.com
(<http://www.oracle.com/applications/e-business-suite-release.html>)



The Business Value of Upgrading to Oracle E-Business Suite Financials Release 12

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Author: Annette Melatti

Contributing Authors: Deborah Hamilton, Zoe Read, Joe Gum

Oracle Corporation
World Headquarters
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Worldwide Inquiries:
Phone: +1.650.506.7000
Fax: +1.650.506.7200
oracle.com

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