

# Oracle Projects For Outsourced Business Services

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## **EXECUTIVE OVERVIEW**

We live in a services based economy where the manner of service delivery has changed in lockstep with the evolutionary cycles of technology, globalization and the need to protect margin. This trend is evidenced by the ever-growing market segment of outsourced business services. Examples of services being offered by such companies' span a wide range including:

- Custom Application Development and Maintenance
- Call Center Operations and Application Service Providers (ASPs)
- Marketing Campaign, Advertising and HR Training Program Management
- Facilities Management and Maintenance
- Product Quality Testing and Certification

Even with all these changes, for many companies delivering outsourced services one thing has remained constant – the need to streamline core project-based processes to ensure contracted service levels are met. This often translates into delivering high quality projects on time, while guarding against runaway costs or misappropriation of resources. With Oracle Projects, suppliers of project-centric business services can manage the complete project lifecycle from customer service design and planning, through execution, financial control and reporting. In terms of business value this means:

- Increased confidence in engagement pricing
- Reduced client on-boarding time
- Improved project planning, resource scheduling & utilization rates
- Simplified project collaboration, real-time progress reporting and change order management
- Increased control of project profitability via accurate forecasting and billing
- Complete visibility to all work and tracking project progress according to contracted service level agreements
- An established, core set of project management best practices

## UNDERSTANDING THE COMMON DENOMINATORS

Project-centric business service providers tend to share two common attributes; 1) their project-based work is shorter in duration, typically measured in months vs. years and 2) each project tends to be highly variable or customized.

These two attributes differentiate project-centric service providers from business process outsourcers (BPO) whose work is typically characterized as non-project based, routine transactional processing (i.e. accounts payable and receivable, credit card processing, payroll, insurance claims processing) with contracts commonly established for three years or longer.

## THE DIFFERENCE IS IN WHAT THEY DELIVER NOT HOW

Project-centric outsourced service providers are distinguished by *what* they deliver and not by *how* they deliver. At the very core of their work is a project, and the fundamentals of project management are universal. This means each service provider typically shares common business process challenges that can be addressed by an enterprise project management solution like Oracle Projects.

Three examples are provided below to better illustrate the applicability of Oracle Projects in outsourced business service delivery:

- **Custom Application Development** - Without question one of the strongest outsourced business services, both domestically and abroad, is in the area of custom software development. Many companies have realized significant advantages utilizing expertise found outside their own four walls. Virtually by definition, custom application development is a business model predicated on the delivery of unique application development services packaged as a project. These projects often require teams of individuals located in different offices customizing software in an environment where unexpected issues frequently surface and projects can quickly become unhinged. Maintaining control of the entire project lifecycle is as important as winning the business.
- **Call Centers** – Call centers who handle overflow calls for their clients, such as during the holiday seasons or those that manage inbound or outbound calling campaigns, say for upgrading customers to a newly released product comprise another market segment for enterprise project management. Again, work in this area is typically shorter in duration with clearly defined start and stop dates. One difference, however, is that it may be necessary for the customer to actually transition their call center software systems to the service provider as well as provide each resource with appropriate levels of customer training. This entire process is sometimes referred to as client on-boarding and is typically run as a project. Once on-boarded the service provider must keep a tight rein on employee utilization rates and actual performance levels in order to begin executing according to the agreed upon services and reduce any associated pay-back periods.

- **Marketing/Advertising Campaign Management** – Companies who manage large marketing or advertising campaigns also live in a world where there are many moving parts to a client engagement which need to be anchored by an enterprise project management application. Not only is it important to establish a clear project plan and assign globally disbursed resources, but it is equally important to establish a common set of project management best practices and to capture all costs, reduce Days Sales Outstanding (DSO) and determine project profitability by client.

### **Manage the entire project management lifecycle**

In each example above the core work these outsourced service providers perform follows a typical project management lifecycle defined by four key phases. Oracle Projects supports the business processes that comprise each phase.

- **Plan** – With each new customer the service provider must estimate the total project cost in order to determine resource constraints, timelines and profitability. A project plan must be developed including scope, deliverables, tasks, milestones, resources (human and nonlabor), costs, schedule and forecasts.
- **Execute** – It is during the execution phase that each assigned task is delivered, individuals and teams collaborate locally or across geographic boundaries, issues are raised immediately and task progress is reported. The actual team may consist of both client as well as service provider resources. Time and expenses would be captured here as well.
- **Control** – Without proper management of all costs projects can quickly spiral out of control for the life of the customer contract resulting in reduced profit margins and unsatisfied customers. This holds particularly true for fix-bid engagements. It is vital that project managers and executives receive frequent status updates regarding all project costs and make adjustments to their plans and forecasts. Equally important is having the ability to realize the impact a customer-driven change order might have on the entire project. An added benefit of having a system that captures all project costs is that it enables a streamlined invoicing process, which can lead to increased invoice accuracy, improved cash flow and lower overall costs.
- **Reporting** – It is critical that project managers and other executives maintain constant supervision over each project and manage key metrics such as revenue, cost, margin, utilization rates, and activity analysis related to service level agreements. Better information always drives better decisions.

## CONCLUSION

Outsourced business service providers all share common needs: streamline operations to manage profitability, maintain contracted service levels and customer satisfaction. Oracle Projects is the next revolution in Enterprise Project Management. It builds on Oracle Projects' experience with over 2500 customers in key industries, so you have all the information you need to manage the full lifecycle of all your projects.

## ORACLE PROJECTS MODULES

Oracle Projects includes:

- *Project Portfolio Analysis* helps organizations evaluate, analyze, prioritize, and select the right set of projects supported by financial goals, strategic goals, and available funds.
- *Oracle Project Management* empowers project managers to supervise the full project lifecycle while streamlining the collaborative execution of project work.
- *Oracle Project Resource Management* helps you manage the capacity and deployment of people for project work by helping you find and deploy the most qualified resources to your projects.
- *Oracle Project Collaboration* enables team members to collaborate and communicate more easily in their efforts to review and complete project work. Eliminate delays in the transfer of time-sensitive project information.
- *Oracle Project Contracts* helps you proactively manage contractual obligations, ever-changing contract specifications and complex relationships among customers, subcontractors, vendors and your company.
- *Oracle Project Costing* empowers line managers with timely, detailed cost information to monitor project performance in a format that optimizes their productivity, while financial managers track the total cost of running the business.
- *Oracle Project Billing* provides flexible revenue accrual and invoice generation features, enabling companies to track unbilled receivables and bill customers for individual projects.
- *Oracle Project Intelligence* is a reporting and analysis tool that enables top-down enterprise metrics measurement and analysis.
- *Oracle Time and Labor* is a web-enabled timecard solution that allows you to reduce costs associated with time and attendance record keeping.

For more information on Oracle Projects, visit

[www.oracle.com/applications/project-management.html](http://www.oracle.com/applications/project-management.html)



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