

Building the Business Case to
Upgrade to Oracle E-Business
Suite Human Resources
Management System Release 12

An Oracle White Paper
June 2007

ORACLE®
E-BUSINESS SUITE

Building the Business Case to Upgrade to Oracle E-Business Suite Human Resources Management System Release 12

“Oracle is building its credibility with existing and prospective customers by living up to the Applications Unlimited strategy. The recent release of Oracle EBS 12 is a very good testament of Oracle’s commitment to making enhancements to its product line. We at Deloitte Consulting have been closely associated with the progress Oracle has made with its HRMS product line. We are very excited to help our clients take the next big step forward with Oracle HRMS Release 12 enhancements, resulting in better controls, increased compliance, and improved reporting and analytics. In addition, moving to Oracle HRMS Release 12 allows clients to take greater advantage of Fusion middleware, putting them a significant, strategic step closer to the future state, end-to-end Fusion model.”

**Sumeet Sachdeva, Senior Manager
Human Capital Practice
Deloitte Consulting, LLP**

EXECUTIVE OVERVIEW

Today’s business challenges center on an ever-changing, increasingly mobile asset: the workforce. With talent management emerging as a hot-button issue from the boardroom to line-managers, organizations must move towards an environment of total employee engagement, linking individual skills, goals and competencies to those of the organization. In recognizing this important trend, Oracle has worked with our customers to develop automated business process-based solutions to help organizations not only deploy but also achieve a successful talent management strategy. Today, we take human capital management to a new level in which employees, organizational objectives and processes are linked together through technology to enable mission-critical success.

With people at the heart of every business process and every transaction, organizations must not only retain key talent, but also reward both employees and the organization through measurable, defined successes. By leveraging a comprehensive talent management strategy, organizations can improve operational efficiencies while turning employees into knowledge workers—and competitive assets.

Oracle E-Business Suite HRMS Release 12 is Oracle’s newest global solution suite for intuitive and effective human capital management. Creating a rapid return on investment, Oracle E-Business Suite HRMS Release 12 applications automate business processes, reduce operational costs and increase efficiency, continually defining and leveraging industry best practices.

Oracle E-Business Suite HRMS Release 12 is based on extensive customer feedback, industry best practices, analysts’ research and Oracle’s own commitment to thought leadership.

This whitepaper is intended to provide guidance in regards to the types of benefits that may be realized through an upgrade or implementation of HRMS Release 12. Other benefits may exist and organizations should fully explore all HRMS process areas to understand their unique benefits and size and scope of each benefit.

INTRODUCTION

Oracle E-Business Suite HRMS 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're within the same borders or across borders. – Oracle E-Business Suite Release 12 enables organizations to:

- Think Globally – Achieve a global view of employees and operations to make the right decisions
- Work Globally – Work better across applications, divisions and regions to be more competitive
- Manage Globally – Attract, hire and retain the right talent for the right job

The ability to make informed decisions, work across boundaries, and manage the workforce globally 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

HR management is moving into new territory. From personnel department to business partner to organizational driver, the practice of today's HR organization continues to evolve. As we move "beyond the basics," HR must guide the organization through issues such as corporate governance, talent management and operational success.

Oracle E-Business Suite HRMS Release 12 represents a continued commitment to excellence and quality and centers on three key business drivers:

1. Gain Greater Business Insight – *Think Globally*
2. Deliver Best In Class HR Business Processes – *Work Globally*
3. Manage Talent Enterprise Wide – *Manage Globally*

Only Oracle has the thought-leadership and development resources to continue to deliver the world's broadest and deepest HRMS solution; a solution that delivers significantly more value on an organizations HRMS investment.

TOP FIVE REASONS TO UPGRADE

Supports HR Best Practices

The need for more effective human resource management is stronger than ever. HR best practices improve morale, increase productivity and assure retention, as well as providing high quality programs, policies and initiatives. The goal is to create a workforce that can not only get more done, but also ensure a greater level of efficiency, timeliness and quality. Given the challenge's faced by organizations today, HR must manage their practices with a focus on the value-added goals of return on investment, the management of turnover and retention, and increased

productivity. Oracle E-Business Suite HRMS Release 12 supports multiple best practices, including:

- Offer life-cycle benefit programs to address changing needs
- Roles-based online access for managers and employees to view employee information and workforce demographics
- Linking existing employee core competency data with job assessment documentation to effectively build a plan for growth, development, and performance optimization
- Developing and promoting a “Total Rewards” philosophy so employees understand and value cash and non cash incentives
- Developing and documenting standard workforce administration processes across organizational units and employee groups to identify and eliminate redundant or unnecessary practices

Reduces Administrative Costs

The practice of across-the-board cost cutting is rarely the best way to achieve cost containment or savings and, in fact, often places an organization at a disadvantage. The focus of cost reduction should be on redundancy and inefficiency. Typical reductions in administrative costs through the implementation of the E-Business Suite HRMS applications include:

- Reduce HR printing and distribution costs by up to 80%
- Reduce the cost of payroll errors by up to 50%
- Reduce the cost of recruiting by up to 50%
- Reduce the benefits enrollment fees by up to 80%

Improves Productivity

A simple explanation of productivity in any organization is the successful management of process. The need for HR managers to improve their core processes is greater than ever before. Organizations are not interested in grandiose reorganizations and superficial maneuvers that fail to improve upon core processes. A highly productive workforce depends on driving technology and automation. Typical improvements in productivity through the implementation of the E-Business Suite HRMS applications include:

- Reduce time to hire by up to 10%.
- Improve time required for open enrollment/life event changes by up to 50%
- Improve time required to process a job requisition by up to 25%
- Improve time required to apply for a job by up to 50%

Key New Features, Functionality and Technology

The new features delivered with Oracle E-Business Suite HRMS Release 12 were designed based on extensive customer feedback, industry best practices, analyst research, and our own commitment to thought leadership. HRMS Release 12 represents our ongoing commitment to best-in-class applications that provide real business value. With a planned upgrade path to Fusion, Oracle E-Business Suite HRMS Release 12 delivers the first benefits of Fusion planning and development. Leveraging “early” Fusion fundamentals, organizations can acclimatize to technology changes while planning a long-term applications roadmap. Enhancements throughout the release extend Oracle’s leadership in the HCM arena and support workforce initiatives to optimize overall enterprise performance.

NEW FUNCTIONALITY

- Enhanced Workforce Performance Management
- iRecruitment Offers
- HR Checklists
- HR Global Deployments
- Intuitive and Extended Salary Administration User Interface
- Enhanced Compensation Workbench User Interface, Processes and Analytics
- Total Compensation Statement
- Global Payroll enhancements

NEW TECHNOLOGY

- XML Publisher – new or updated reports include:
 - All EEO reports
 - Quarterly Tax Return Worksheet
 - Employee W-2
 - Retro Notifications Report
 - Compensation Workbench Employee Statement
- Improved User Interface (most traditional ‘Forms’ have been upgraded to internet based HTML pages)
- Major upgrade improvements include:
 - Parallel running of upgrade scripts
 - High level of performance tuning of upgrade scripts

Extended Maintenance & Support

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

By extending Oracle's investment in Human Capital Management (HCM), organizations are ensured the ability to continue indefinitely on their current platform with Applications Unlimited. Oracle intends to deliver other Oracle E-Business Suite point releases, which further underscores the fact that customers will not be "forced" to move to Fusion. However, upgrading to HRMS Release 12 will not lock an organization out of Fusion. With a planned upgrade path to Fusion, Oracle E-Business Suite HRMS Release 12 delivers the first benefits of Fusion planning and development. Maybe your organization has made a decision about the future of your HCM applications. Maybe you are not ready yet. Upgrading to HRMS Release 12 will position you for whatever choice you make.

BUSINESS BENEFITS OF UPGRADING

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

EXPENSE/OPERATING SAVINGS

The benefits of Expense/Operating Savings help reduce the operating costs of an organization. These are measurable costs which would be typically found on an organization's income statement. Reduction or elimination of these costs contributes to the improved financial health of the organization.

Oracle "is expected to release the next major upgrade, R12, which will include a new user interface as well as increased functionality and usability for workforce performance management, learning, recruiting, workforce intelligence, approvals manager, and localizations."

"Oracle has upped the ante by meeting the diverse needs of global organizations. For instance, EBS Release 12 will deliver new features to support a global workforce, offering business and HR managers dashboards, KPIs, and reports through Oracle Daily Business Intelligence for a variety of employee transactions and activities (headcount, salary, turnover, contingent worker additions, absence duration, and occurrences). In addition EBS Release 12 has improved talent management capabilities including objective setting and streamlining appraisal processes to better track workforce performance and achievements. Those enhancements, along with international payroll, learning management, and workforce analytics functionality, will help Oracle make further inroads into other industries beyond EBS' traditional strongholds in aerospace and defense, high-tech manufacturing, and staffing firms."

Albert Pang
Director, Enterprise Applications Research
IDC Market Research

From IDC's "Worldwide HCM Applications 2005 Vendor Shares: Top Vendors in Core HR; eRecruiting; Incentive, Performance, and Workforce Management; SaaS; and Large, Midsize, and Small Customer Segments" December 2006, IDC #204424

Improve Staff Retention

Eliminating administrative overhead and routine, manual tasks lead to improved staff retention. Job satisfaction is improved by hiring the best candidates and fully educating the workforce. This is measured through a reduction in turnover and avoidance of staff replacement costs such as recruiting and training costs. Workflow, administrative system features, and self-service help to reduce errors and simplify access to each employee's personal information, whether it is routine or specific to incentive or benefit plans. Providing more complete and easily accessible information enables employees to make informed decisions and thus be more satisfied with benefits and their job. All of which contributes to improved staff retention and lower costs for replacing lost employees.

HRMS Release 12 Enhancements that Support Improved Staff Retention

- Core HR (Workforce Performance Management) – New or improved features around objectives management enforce consistency across the workforce, align worker objectives with business strategy, and reduce worker efforts in objective setting and tracking – all helping to improve staff retention. Improved visibility into objective achievement also helps improve in this area.
- Compensation (Compensation Workbench) – A redesigned manager user interface provides simplified process flow and access to important decision-assisting analytics. Improved ability for managers to allocate compensation in accordance with enterprise, department and personal philosophies using rules-based modeling scenarios and additional analytics. Time from process start to award distribution can be greatly reduced making a bigger impact on employees and helping improve staff retention.
- Compensation (Employee Statement) – After a compensation award is approved and distributed, line managers can now provide personalized compensation statements to their employees to help communicate compensation changes. These statements use XML publisher accompanied with Document Management and are 100% configurable. Employee statements are generated as PDF files that managers can print or email, which provide more timely, fair and accurate views of their compensation.
- Compensation (Total Compensation Statement) – Employees and managers can view a statement (online or in printable form) that outlines the total their compensation. This can include salary, bonuses, stock value, benefits paid by the organization, savings and retirement information and many other items.

The Total Compensation Statement is completely configurable and can include information from the core HR system or from 3rd party systems.

- Global HR/Payroll (New Localizations) – New HR/Payroll localizations in R12 include UAE and Denmark for HR/Payroll & India for Payroll. These additional localizations will help improve staff retention for organizations operating in these countries by providing the latest, state of the art HR/Payroll technology and improved ability to streamline business processes.
- Global HR/Payroll (Global Deployments) – Using the Global Deployments functionality, HR Professionals can transfer employees permanently or temporarily between business groups. Oracle HRMS automatically creates or updates the employee record in both the source and the destination business groups when the transfer is initiated. Similarly, when a transfer ends, Oracle HRMS automatically updates records in both business groups again. By automatically updating employee records and helping to ensure a smooth job transfer, employee staff retention improves.
- User Experience – Improved and streamlined business process flows, dashboards, and embedded analytics help to improve staff retention by eliminating redundant screens and process steps, allowing employees to complete their work faster and more accurately.

Reduce Recruiting Agency Fees

Reducing the total fees paid for advertising services related to job openings and other recruitment related tasks is a direct operation cost reduction. Through enhanced reporting and automated recruiting processes, best sources of hire can be determined. This allows for better targeted advertising, which leads to lower advertising costs (lower dependence on outside agencies for sources of hire). Also, through good employee referral, advertising fees are reduced.

HRMS Release 12 Enhancements that Support Reduction in Recruiting Agency Fees

- Talent Management (iRecruitment Offers) – With new ability to create and send offer letters without engaging the services of a third-party recruiting agency, the fees associated with those types of relationships are reduced.

Reduce Recruiting Print, Copy and Mailing Fees

Reduction of fees paid for services around resume processing, job offer letters, and related forms is a direct operational cost reduction. Traditionally, businesses have conducted recruitment with hard-copy materials - job postings typed and submitted to newspapers or to recruiting agencies for posting, hard-copy resumes received, reviewed, qualified and all associated paper copied and routed for review. By shifting to online job postings and online resume submission, along with automated workflow reviews, approvals and offers, significant cost savings can be realized in elimination of printing, copying and mailing fees. Reducing printing, copying and

mailing fees around recruitment activities requires tools and processes that allow web-enablement and automation of the application and review process. Changes to traditional business processes may be required as well, in order to avoid requiring paper copies of documents and/or "wet" (pen/ink) signatures for approvals.

HRMS Release 12 Enhancements that Support Reduction in Recruiting Print, Copy & Mailing Fees

- Talent Management (iRecruitment Offers) –New ability to create and send offer letters using XML Publisher helps to reduce overall recruiting print, copy and mailing fees.

Reduce in HR Materials and Distribution Costs

By providing employees with electronic access to common forms and reports, organizations are able to reduce HR materials and distribution costs, which can result in a significant amount of waste. This savings is measured by a direct reduction in cost of manufacturing and distributing HR materials, forms and personalized employee reports, such as pay slips, vacation balances, etc. An enterprise-wide shift to online access of common HR-related information will reduce the need for printing and distributing hard-copy materials, thus reducing overhead costs. Providing employees with secure, personalized access to common HR related data requires tools that will provide online, web-enabled access 24x7. It may also require shifts in business practices and/or policies to move away from any requirements to provide materials hard-copy. It will also require employee change management to ensure all employees are aware of the change and are able to access the data.

HRMS R12 Enhancements that Support Reduction in HR Materials and Distribution Costs

- Compensation (Compensation Workbench) – New ability to create employee Employee Statements using XML Publisher that can be emailed to each employee helps reduce HR materials and distribution costs.
- XML Publisher –New in Release 12, XML Publisher utilizes a set of familiar desktop tools that can be used to create and maintain both reports and document layouts in any combination of 185 languages and 244 territories. Seamlessly converting these layouts into industry-standard files, each translation file can be individually modified without impacting translations. With bi-directional and advanced font handling support, XML Publisher provides organizations with a secure, streamlined document system. Automation of report creation and generation helps reduce HR materials and distribution costs.

Reduce Cost of Errors

Reducing or eliminating data entry errors is a goal of every organization. This is accomplished through processes that allow for entry of data one-time only, which is then available to multiple other processes throughout the enterprise system. The

cost of data entry errors can be measured by the current expense of fees incurred due to such errors. For example, in payroll, these costs may include fines, bank charges for reversals and reissues, miscellaneous reimbursed employee fees, and wasted check stock. Entering data only once provides a single source of truth for critical employee data which can then be shared throughout a single, integrated system.

HRMS Release 12 Enhancements that Support Reduced Cost of Errors

- Core HR (Workforce Sourcing & Deployment) – An employee's Final Process Date can now be changed, provided the new date does not conflict with other information held for the employee. This helps eliminate errors caused by processing unforeseen late payments or corrections.
- Core HR (Compensation & Benefits Management enhancements) – Multiple enhancements automate and strengthen key business processes by putting the entry in the hands of the owner or by reducing or eliminating data entry, improving data accuracy. Specific enhancements include: enrollment upload, mass data update, and the ability to automatically generate personalized total compensation statements.
- Advanced Benefits (Enrollment Upload) – The ability to automatically upload enrollment data puts the preparation of the data in the hands of the functional users and helps improve data integrity by using system rules to validate the data, thus improving the quality of data being loaded.
- Compensation (Compensation Workbench) – Use of rules and modeling scenarios takes the guesswork out of compensation planning and automate the calculations, which will reduce the risk of costly data errors. Integration with Oracle Incentive Compensation also helps reduce the risk of errors by eliminating the need to re-key incentive compensation data into Compensation Workbench.
- Payroll (Costing of Payments) – This feature allows users to create accounting entries in one automatic operation rather than a series of manual updates for each payment. This helps to reduce potential errors and complete costing entries quickly and efficiently.
- Payroll (Subledger Accounting) – New in Release 12 for Financials, centralized subledger accounting allows organizations to apply standard accounting rules to all business transactions, whether they're generated in Oracle E-Business Suite or third-party, custom, or legacy applications, and ensures consistent financial reporting and compliance. This 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. From the payroll side, this

will allow for better drilldown from summarized GL entries to original payroll source entries.

Reduce HRIT System Costs

Consolidation of multiple, redundant systems, which results in the elimination of unnecessary or manual interfaces and custom system enhancements is a goal of every organization. Reduction or elimination of these systems or enhancements helps to lower software and hardware licensing and maintenance fees as well as related upgrade costs. Putting more processes and information in the hands of the users is another effective method of reducing system costs. The information is owned and understood by the people adding it to the system, thus reducing the amount of incorrect or incomplete information.

HRMS Release 12 Enhancements that Support Reduced HRIT System Costs

- Payroll (Enhanced Functionality) – Payroll now includes the following features, which help eliminate or reduce HRIT custom programs and/or interfaces:

The Costing of Payment process, Generic Check Writer, Batch Balance Adjustments, Datapump Process Manager, Run Type by Element classification, FastFormula Assistant.

- Talent Management (iRecruitment Offers) – New ability to create and send offer letters using XML Publisher helps to reduce or eliminate custom programming that may have been necessary in the past to create, track and distribute offer letters.
- Time Management (Enhanced Functionality) - Providing the ability to archive timecard information enables greater system performance and more efficient access to timecard data.

LABOR PRODUCTIVITY SAVINGS

Labor Productivity Savings benefits are the benefits from reduction in labor efforts. The benefit can be measured through estimating the burdened salary costs associated with various tasks per type or category of employee. Burdened salary means a person's annual salary or wages plus benefits. This amount is typically around 30% of their salary or wages, but may vary by country or industry. A reduction in labor costs does not necessarily mean a reduction in employees. By reducing the amount of time it takes to complete manual or time consuming activities, resources become available to focus on more strategic tasks.

Improve Employee Productivity - Reduced HRIT Labor Costs

Many organizations have multiple systems or custom interfaces and processes. This is less than ideal. Streamlining and standardizing systems is typically a goal of every organization. This benefit can be measured through the labor costs (average

burdened salary costs) of employees tasked with the maintenance of application systems, interfaces and servers, and the delivery of reporting and analytics.

HRMS Release 12 Enhancements that Support Reduced HRIT Labor Costs

- Core HR (Compensation & Benefits Management enhancements) – Multiple enhancements automate and strengthen key business processes, reducing or eliminating data entry, which helps reduce HRIT labor costs. Specific enhancements include: enrollment upload, mass data update, and the ability to automatically generate total compensation statements.
- Advanced Benefits (Enrollment Upload) – The ability to automatically upload enrollment data puts the process in the hands of functional users who understand the information and helps reduce the amount of time required by the HRIT staff to support manual upload efforts and potential data error correction.
- Payroll (Enhanced Functionality) – Payroll now includes the following features, which help eliminate or reduce HRIT custom programs and/or interfaces:

The Costing of Payment process, Generic Check/Cheque Writer, Batch Balance Adjustments, Datapump Process Manager, Run Type by Element classification, FastFormula Assistant.

- Talent Management (iRecruitment Offers) – New ability to create and send offer letters using XML Publisher helps to reduce or eliminate any custom programming labor that may have been necessary in the past to create, track and distribute offer letters.
- Fast Formula Assistant – Fast Formula is a powerful way to model business rules. Implementers and administrators can quickly create new Fast Formulas, copy existing Fast Formulas, and test Fast Formulas using Fast Formula Assistant, a web-based, intuitive tool. This helps to eliminate manual work of coding custom calculations and improve productivity for the HRIT staff.
- Single Unified Driver - In Release 12 the upgrade process has been enhanced and streamlined. New features have been added to Rapid Install and AutoPatch to increase their capabilities. In addition, an upgrade no longer relies on AutoUpgrade processes. All upgrade functionality has been consolidated into a single unified upgrade driver that performs the upgrade without reliance on the information formerly captured on the AutoUpgrade screens.
- Parallel Running of Upgrade Scripts – The scripts which perform data upgrade on a mass scale have been allowed to make use of parallel running mechanism, by spawning different workers and allocating pieces of upgrade to each. This has reduced the total time taken for the upgrade process to complete thereby reducing the downtime.

- High Level of Performance Tuning for Upgrade Scripts – Most of the upgrade scripts have been tested on volume instances to simulate customer scenarios and their performance tuned to the maximum. Release 12 uses the performance enhancing features of RDBMS 10G R2 on which it is certified.
- The Upgrade Manual Script (TUMS) - This script generates a list that can be used to determine which tasks can be omitted from the upgrade process. Performing this task can substantially reduce the time it takes to complete the upgrade.
- Data Update Process Status Report (previously DTR) – Organizations upgrading now have the option to move a number of processes out of the main application so that the downtime is reduced. The Data Update Process Status Report (recommended to run on a test upgrade first) lists those steps that a customer may choose to move out of the main patch 'if' a test upgrade shows that the 'default' location is time consuming. Steps removed from the main path may be reassigned as either as pre- or post-upgrade tasks which they can be performed by an application DBA at any suitable time, even while end-users are online. Moving these tasks to pre- or post-upgrade will help to reduce the time it takes to install a HRMS Family Pack and reduce the time the whole application system is unavailable for use.
- Checkfile Equivalence – Release 12 includes new functionality which will compare code from between 11i and 12 and prevent code that has not changed from running during the upgrade. This is a significant downtime reduction feature.

Improve Manager Productivity – Compensation Management Activities

More intuitive user interface in addition to further automation and streamlining of the compensation process will improve manager productivity around the task of managing individual and group compensation plans. Productivity improvements in this area come from a redesign of the manager's user interface, streamlined review and approval of individual compensation changes, as well as group salary changes. This can be measured by the amount of time each manager spends per employee. Reducing the amount of time managers spend budgeting, allocating and reviewing compensation will allow for shorter time to distribution and increased manager satisfaction.

HRMS Release 12 Enhancements that Support Improved Productivity – Compensation Management Activities

- Compensation (Compensation Workbench) – Automation of a number of compensation tasks and calculations helps to improve the overall productivity of managers that utilize the system for planning and award purposes.

Improve Manager Productivity – Job Change/New Hire Approvals

Automation and streamlining of the compensation process will improve manager productivity around the task of managing approval of new hires and job change requests, and to process offer letters. Productivity improvements translate directly to the bottom line. By allowing managers to focus on more strategic tasks instead of routine hiring and job change approvals, managers are more productive and therefore more valuable to the organization. Increasing management productivity requires that both automated tools as well as procedures be put in place to reduce previously manual tasks. Managers must be trained to use the new automated system, and policies and procedures must be put in place to maximize the improvements to productivity.

HRMS Release 12 Enhancements that Support Improved Productivity – Job Change Approvals

- Core HR (HR Checklists) – HR Checklists allows managers to have better access to the critical, key information and steps needed for processing job change approvals, which helps to improve their overall productivity by taking some of the traditional “guess-work” out of this process.

Improve Employee & Manager Productivity - Time Tracking Activities

An integrated, web-enabled time management system will help control costs and time worked, consolidate timecard information and adhere to organizational time management rules. For employees, it offers a simplified way to submit, review, track and approve timecards. This approach creates a single “source of truth” for time entry information that can be used by multiple applications. This benefit can be measured by calculating the current annual productivity costs of time tracking tasks such as recording time, and determining proper costing allocations and approvals.

HRMS Release 12 Enhancements that Support Improved Time Tracking Activities

- Time Management (Enhanced Functionality) - The improved User Interface on the Oracle Time & Labor timecard reduces unnecessary scrolling, adds Help text, and reduces the number of clicks to accomplish time entry tasks.

Improve Employee & Manager Productivity – Streamlined Approval Process

Approval processes in any organization can be difficult and costly, and can create lengthy delays that cost organizations more than just lost time. Having the ability to gain greater insight and control over the approval process creates greater trust in the overall process and the business results. It also improves investor confidence in an organization through greater compliance and lower business risk. This benefit can be measured by calculating the labor cost associated with the current approval process. A confident, secure approval process can also reduce the number of approvals required through greater management trust in the overall process.

HRMS Release 12 Enhancements that Support Improved Productivity – Streamlined Approval Process

- Time Management (Enhanced Functionality) – Authorized Delegate brings Timekeeper functionality to self-service, allowing a designated administrator to enter time for a group of workers.
- Time Management (Enhanced Functionality) – Timecard data can be optionally placed into an approved status after it's submitted, improving the efficiency of the overall approval process by avoiding unnecessary manager intervention for timecards that remain constant.
- Time Management (Enhanced Functionality) – Enhanced Approval Workflow provides additional options to re-send and escalate approval notifications when a manager hasn't already taken necessary action.

Improve Employee & Manager Productivity – Absence Requests

By streamlining Time Off (Absence) transactions, employee and manager productivity can be improved. By automating manual and streamlining complicated processes, cost savings are possible for employees requesting time off, as well as supervisors reviewing, approving, and managing time off requests. Focus on more strategic tasks allows employees to be more productive and hence more valuable to the organization.

HRMS Release 12 Enhancements that Support Improved Productivity – Absence Requests

- Time Management (Absence Improvements) – The Absence Management user interface screens have been updated, thus allowing for a more efficient business process flow. Reviewing and processing absence information has been simplified and now results in less time spent using the system, and more time dedicated to improved productivity.

Improve Employee Productivity – Open Enrollment/Life Event Changes

Employees can spend a significant amount of time managing their benefits selections. This includes time spent during Open Enrollment, as well as time spent reviewing and making changes to benefits, and all other processes affected, when a Life Event Change occurs. Large amounts of time can be saved by automating the annual open enrollment process by allowing employees to view information about their enrollment choices throughout the year, maintain beneficiary and dependent information and make changes to benefits in response to qualifying events such as marriage, birth, etc. Additionally, automation of other processes surrounding life event changes will also save large amounts of time.

HRMS Release 12 Enhancements that Support Improved Productivity – Open Enrollment/Life Event Changes

- Core HR (HR Checklists) – HR Checklists give HR professionals the ability to set up checklists for Life Events that need an associated HR process, such as new hire/transfer or family status change, that will enable employees to complete the process steps in a much more timely fashion, helping to improve their overall productivity. Checklists also leverage Eligibility functionality to greatly enhance the ability to create smarter checklists.

Improve HCM Staff Productivity – HCM Support Staff

Focus on more strategic tasks allows the HCM-related support staff to improve their skills and knowledge and become more valuable to the organization. Routine tasks make up the majority of staff time. Reduction in routine work will allow staff size to be adjusted or allow existing staff to focus on tasks not currently being maintained. This benefit can be measured by calculating the current annual productivity costs associated with the administration of payroll, time entry, benefits travel and expense and compensation. This calculation is then compared to the savings achieved by reducing the number of FTE's (full time equivalents) required to maintain base functionality that has been replaced by the automation of manual processes.

HRMS Release 12 Enhancements that Support Improved HCM Staff Productivity

- Core HR (HR Checklists) – Checklists give HR professionals the ability to setup a list of tasks that need to be done when a particular life event occurs (ex. New Hire, Termination, Maternity Leave). These lists can then be published to other groups to manage the tasks when these life events occur. Checklists also leverage Eligibility functionality to greatly enhance the ability to create smarter checklists.
- Core HR (Workforce Sourcing & Deployment) – Three major changes in functionality help improve HCM staff productivity by eliminating or reducing manual efforts previously required: HCM staff can now change an employee's Final Process Date, provided the new date does not conflict with other information held for the employee; rehire an employee before the Final Process Date for their previous period of service; and record same sex marriages while recording employee personal details.
- Core HR (Compensation & Benefits Management Enhancements) – Multiple enhancements automate and strengthen key business processes, reducing or eliminating data entry, which helps improve compensation and benefits staff productivity. Specific enhancements include: data and rules-based ability to define and manage complex rate calculations applicable to collective bargaining and certain industry employees, streamlined salary management interface, and ability to define eligibility and rate criteria.

- Core HR (Salary Administration) – Improved salary administration screens and process flows allow for more information and greater flexibility in salary planning and tracking, which results in less time spent using the system, improving overall productivity. Streamlined screens also provide improved productivity for the HCM staff.
- Advanced Benefits (Enrollment Upload) – Enhancements in configuration of how elections are managed when a person has an intervening life event will reduce the effort required to ensure that the appropriate elections are made. The ability to automatically upload enrollment data helps reduce or eliminate manual upload efforts by the HCM staff, improving their overall productivity.
- Compensation (Compensation Workbench) – Addition of an ‘Administrators’ access to the Compensation Workbench allows the compensation professional to perform tasks within the same interface used by the managers. This allows administrators to easily provide assistance to the managers. Automation of a number of compensation tasks and calculations helps to improve the overall productivity of the compensation management support staff.
- Compensation (Total Compensation Statement) – Automation of total compensation statements helps to improve the overall productivity of the compensation management support staff by allowing them to automatically create and distribute these statements. Employees may also be allowed to view previous statements thus eliminating the need for staff to research and provide prior statement information. Additionally, providing accurate and timely information through online statements lowers the number of potential help desk calls to the support staff.
- Global HR/Payroll (New Localizations) – New HR/Payroll localizations for R12 include UAE and Denmark for HR/Payroll & India for Payroll. These additional localizations will help improve HCM staff productivity for organizations operating in these countries by providing the latest, state of the art HR/Payroll technology and improved ability to streamline business processes.
- Global HR/Payroll (Global Deployments) – Using the Global Deployments functionality, HR Professionals can transfer employees permanently or temporarily between business groups. Oracle HRMS automatically creates or updates the employee record in both the source and the destination business groups when the transfer is initiated. Similarly, when a transfer ends, Oracle HRMS automatically updates records in both business groups again.
- Payroll (Costing of Payments) – This feature allows users to create accounting entries in one automatic operation rather than a series of manual updates for each payment. This helps to reduce potential errors and complete costing entries quickly and efficiently.

- Payroll (Enhanced Functionality) – Payroll now includes the following features, which help eliminate or reduce HRIT custom programs and/or interfaces:

The Costing of Payment process, Generic Check/Cheque Writer, Batch Balance Adjustments, Datapump Process Manager, Run Type by Element classification, FastFormula Assistant.

- Time Management (Enhanced Functionality) – Consultant Taxation allows the capture of jurisdiction/location information on a timecard, thereby allowing the correct tax to be calculated by Payroll based on the entered location.
- Fast Formula – Fast formula is a powerful way to model business rules. Implementers and administrators can quickly create new Fast Formulas, copy existing Fast Formulas, and test Fast Formulas using Fast Formula Assistant, a web-based, intuitive tool. This helps to eliminate manual work and improve productivity for the HCM support staff.

Improve HCM Staff Productivity – Recruiting & Hiring Staff

Focus on more strategic tasks allows the recruiting and hiring staff to improve their skills and knowledge and become more valuable to the organization. Routine tasks make up the majority of staff time. Reduction in routine work will allow staff size to be adjusted or allow existing staff to focus on tasks not currently being maintained. This benefit can be measured by calculating the current annual productivity cost for recruiting administration. This is measured against a reduction in the number of FTE's required to maintain base functionality by automation of manual processes.

HRMS Release 12 Enhancements that Support Improved Recruiting & Hiring Staff Productivity

- Talent Management (iRecruitment Offers) – New ability to create and send offer letters using XML Publisher helps reduce or eliminate the amount of time spent by the recruiting and hiring staff to create, track and distribute offer letters, thus improving their overall productivity.

Improve HCM Staff Productivity – Payroll Error Correction

By automating various, standard processes, manual data entry can be reduced or eliminated, which reduces or eliminates the labor associated with tedious error correction activities. This allows HCM staff to focus on more strategic issues. The cost associated with error correction is measured by calculating the labor cost of the HCM staff typically assigned to error correction duties, including management/supervisor review and approval of the corrections.

HRMS Release 12 Enhancements that Support Improved Payroll Error Correction

- Global HR/Payroll (New Localizations) – New payroll localizations for R12 include UAE, Denmark & India. These additional localizations will help reduce the potential for payroll errors for organizations operating in these countries by providing the latest, state of the art payroll technology and improved ability to streamline business processes. It will also help improve the correction process when errors do occur by utilizing the latest in payroll technology to isolate and correct the errors.

Improve Productivity – Performance Management

Performance management is a process where the manager and employee establish goals and the plan for achieving them. The goals are usually based on the operational plan of the organization and include plans for employee development.

Defining employee goals and objectives, establishing career plans, and then assessing the employee's progress is vital to the overall productivity of the organization. Aligning employee goals to an organization's strategic goals supports driving business results and enables employees to understand how they contribute to the overall strategy. In addition, streamlining this process through the use of automated systems achieves a direct productivity improvement: managers and employees spend less time on performance management tasks and are therefore available to work on other productive activities. This benefit can be measured by calculating the current time and labor cost of all employees in performance management related activities.

HCM 9.0 Enhancements that Support Improved Performance Management

- Self-Service HR (Workforce Performance Management) – New functionality supporting objectives management enforces consistency across the workforce, aligns employee objectives with business strategy, and reduces efforts in objective setting and tracking – all helping to improve workforce productivity. Tracking objectives throughout the year fosters ongoing collaboration around feedback, development, and coaching.

REVENUE/SERVICE DELIVERY IMPROVEMENTS

Revenue/service delivery improvements in HCM are harder to measure than exact costs or labor productivity improvements. Revenue/service delivery benefits are much softer benefits that can be derived as a result of specific costs reductions or productivity improvements. These type of improvements are usually called “soft benefits” since they are much harder to measure, yet are universally accepted as an outcome benefit to process and system improvements.

Greater Business Insight

Enabling greater business insight into business processes helps uncover problem areas and streamline policies, which helps create a solid business balance between

people, processes and technology, which are the three key items that leading organizations keep in balance in order to succeed.

HRMS Release 12 Enhancements that Support Greater Business Insight

- Core HR (Compensation & Benefits Management Enhancements) – Multiple functionality enhancements provide improved reporting and online data access, which leads to greater business insight. Specific enhancements include: generating compensation workbench notifications online, validation of jobs, grades and positions in compensation workbench, new compensation workbench reports, and an enhanced compensation manager review page.
- Compensation (Compensation Workbench) – Improved integration and automated calculation options, a task oriented user interface, statistical reporting capabilities and employee statements increase an organization's visibility into the details, providing greater business insight to the compensation process.
- Compensation (Salary Administration) – Improved salary administration screens and process flows provide better access to salary information that will help improve decision-making and provide greater flexibility in salary planning.
- iRecruitment (Offers) – Embedded analytics have been built into this process, enabling anyone creating an offer of employment to see the average salary for employees that are in the group the new employee will join. This allows complete visibility into salary data necessary to make informed and competitive offers quickly and easily.
- Global HR/Payroll (New Localizations) – New HR/Payroll localizations for R12 include UAE and Denmark for HR/Payroll & India for Payroll. These additional localizations will greater business insight for organizations operating in these countries by utilizing the latest, state of the art HR/Payroll technology and improved ability to streamline business processes. As a result, reports and data should be more accurate, timely and compliant with local regulations and rules.
- Payroll (Subledger Accounting) – New in Release 12 for Financials, centralized subledger accounting allows organizations to apply standard accounting rules to all business transactions, whether they're generated in Oracle E-Business Suite or third-party, custom, or legacy applications, and ensures consistent financial reporting and compliance. This 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. From the payroll side, this will allow for better drilldown from summarized GL entries to original payroll source entries.

- XML Publisher –New for Release 12, XML Publisher utilizes a set of familiar desktop tools to create and maintain both reports and document layouts in any combination of 185 languages and 244 territories. Seamlessly converting these layouts into industry-standard files, each translation file can be individually modified without impacting translations. With bi-directional and advanced font handling support, XML Publisher provides organizations with a secure, streamlined document system. Enhanced ability to access timely, accurate data improves business insight.

Reduce Risk of Non-Compliance or Litigation

Organizations have to comply with various regulations and report to governmental oversight organizations (EEO, ADA, OSHA, HIPAA, and union and/or Works Councils in Europe). Non-compliance would attract fine and/or litigation. Better compliance leads to reduced costs and improved bottom line. This benefit is difficult to measure unless an organization has been fined for non-compliance. Avoidance of these types of fines is always a goal of every organization.

HRMS Release 12 Enhancements that Support Reduced Risk of Non-Compliance or Litigation

- Core HR (HR Checklists) – By having predefined checklists for an organizations key business processes, and ensuring employees are aware of the checklists and abide by them, organizations can reduce their risk of non-compliance. Checklists also leverage Eligibility functionality to greatly enhance the ability to create smarter checklists.
- Global HR/Payroll (New Localizations) – New HR/Payroll localizations for R12 include UAE and Denmark for HR/Payroll & India for Payroll. These additional localizations will greater business insight for organizations operating in these countries by utilizing the latest, state of the art HR/Payroll technology and improved ability to streamline business processes. As a result, reports and data should be more accurate, timely and compliant with local regulations and rules.
- Payroll (Subledger Accounting) – New in Release 12 for Financials, centralized subledger accounting allows organizations to apply standard accounting rules to all business transactions, whether they're generated in Oracle E-Business Suite or third-party, custom, or legacy applications, and ensures consistent financial reporting and compliance. This 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. From the payroll side, this will allow for better drilldown from summarized GL entries to original payroll source entries.

- Talent Management (iRecruitment Offers) –New ability to create and send offer letters using XML Publisher helps to ensure compliance with regulations around recruiting and hiring practices, thus reducing the risk of non-compliance.

Improve Employee Satisfaction and Organizational Brand Image

Creating a workplace where workers are satisfied and committed helps improve an organization's overall brand image, helping them to become an employer of choice. It is reasonable to assume that motivated workers are also more productive and take greater care with their work. This helps improve revenue and service delivery through greater product output/quality and customer care.

HRMS Release 12 Enhancements that Support Improved Employee Satisfaction/Brand Image

- Core HR (Workforce Sourcing & Deployment) – Three major changes in functionality help improve employee satisfaction by providing greater ability to provide more accurate employee setup details, which in turn can positively affect their compensation and benefits: HCM staff can now change an employee's Final Process Date, provided the new date does not conflict with other information held for the employee; rehire an employee before the Final Process Date for their previous period of service; and record same sex marriages while recording employee personal details.
- Self-Service HR (Workforce Performance Management) – New functionality supporting objectives management enforces consistency across the workforce, aligns employee objectives with business strategy, and reduces efforts in objective setting and tracking. Improved visibility into employee goals and goal alignment, and the support of a collaborative environment for ongoing feedback on performance and development, can help to improve employee satisfaction.
- Compensation (Compensation Workbench) – Greater accuracy and visibility into the overall compensation planning and execution process increases employee confidence in the accuracy and fairness of compensation.
- Compensation (Total Compensation Statement) – The ability to provide employees with total compensation statements improves employee morale, satisfaction and brand image.
- Global HR/Payroll (New Localizations) – New HR/Payroll localizations for R12 include UAE and Denmark for HR/Payroll & India for Payroll. These additional localizations will help improve employee satisfaction for organizations operating in these countries by utilizing the latest, state of the art HR/Payroll technology and improved ability to streamline business processes. As a result, employee data and payroll should be more accurate and timely, which helps improve employee satisfaction.

- Global HR/Payroll (Global Deployments) – Using the Global Deployments functionality, HR Professionals can transfer employees permanently or temporarily between business groups. Oracle HRMS automatically creates or updates the employee record in both the source and the destination business groups when the transfer is initiated. Similarly, when a transfer ends, Oracle HRMS automatically updates records in both business groups again. By automatically updating employee records and helping to ensure a smooth job transfer, employee satisfaction improves.
- Talent Management (iRecruitment Offers) – New ability to create and send offer letters using XML Publisher helps to ensure offers are received by prospects accurately and timely, thus increasing a prospective candidate’s overall impression of the organization and improving its brand image among peers.
- User Experience – Improved and streamlined business process flows, dashboards, and embedded analytics help to improve brand image by eliminating redundant screens and process steps, allowing employees to complete their work faster and more accurately, which creates happier and more satisfied workers.

Reduced System Downtime

Reducing the amount of downtime during any system implementation, upgrade, or routine maintenance is always a critical goal for an organization’s IT and HR departments. Having a system “down” reduces an organization’s ability to compete effectively in the marketplace which reduces revenue and/or service delivery capabilities. Significant downtime can also result in potential recruits choosing competitor organizations and existing employees deciding to leave the organization in favor of competitors with a better work environment.

HRMS Release 12 Enhancements that Support Reduced System Downtime

- Single Unified Driver - In Release 12 the upgrade process has been enhanced and streamlined. New features have been added to Rapid Install and AutoPatch to increase their capabilities. In addition, an upgrade no longer relies on AutoUpgrade processes. All upgrade functionality has been consolidated into a single unified upgrade driver that performs the upgrade without reliance on the information formerly captured on the AutoUpgrade screens.
- Parallel Running of Upgrade Scripts – The scripts which perform data upgrade on a mass scale have been allowed to make use of parallel running mechanism, by spawning different workers and allocating pieces of upgrade to each. This has reduced the total time taken for the upgrade process to complete thereby reducing the downtime.

- High Level of Performance Tuning for Upgrade Scripts – Most of the upgrade scripts have been tested on volume instances to simulate customer scenarios and their performance tuned to the maximum. Release 12 uses the performance enhancing features of RDBMS 10G R2 on which it is certified.
- The Upgrade Manual Script (TUMS) - This script generates a list that can be used to determine which tasks can be omitted from the upgrade process. Performing this task can substantially reduce the time it takes to complete the upgrade.
- Data Update Process Status Report (previously DTR) – Organizations upgrading now have the option to move a number of processes out of the main application so that the downtime is reduced. The Data Update Process Status Report (recommended to run on a test upgrade first) lists those steps that a customer may choose to move out of the main patch 'if' a test upgrade shows that the 'default' location is time consuming. Steps removed from the main path may be reassigned as either as pre- or post-upgrade tasks which they can be performed by an application DBA at any suitable time, even while end-users are online. Moving these tasks to pre- or post-upgrade will help to reduce the time it takes to install a HRMS Family Pack and reduce the time the whole application system is unavailable for use.
- Checkfile Equivalence – Release 12 includes new functionality which will compare code from between 11i and 12 and prevent code that has not changed from running during the upgrade. This is a significant downtime reduction feature.

CONCLUSION

Today's business environment calls for Human Capital Management to extend well beyond HR basics in order to enable sophisticated, yet easy-to-use workforce related business processes. HR is a key stakeholder in an organization's success and plays a pivotal role in the boardroom. Organizations must be able to compete in the global economy in order to attract, retain and motivate their top talent. Concurrently, they must maintain regulatory compliance, control costs, and have access to business performance metrics that demonstrate clear ROI. As part of Oracle's commitment to Applications Unlimited, Oracle E-Business HRMS Release 12 continues to evolve, offering greater value and providing new advantages for your organization. Oracle HRMS is based on extensive customer feedback, industry best practices, analysts' research and Oracle's own commitment to thought leadership. Upgrading is key to realizing the maximum return on your Oracle investment. When considering an upgrade or implementation, each organization must evaluate the costs, risks, and rewards. Oracle E-Business HRMS Release 12 is designed to meet customer needs, industry best practices and thought leadership recommendations. Oracle E-Business HRMS Release 12 is a testament to Oracle's commitment to our customer base and leadership in the HCM arena.

FOR MORE INFORMATION

Find out more about Oracle E-Business Suite HRMS 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 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>)



Building a Business Case to Upgrade to Oracle E-Business Suite Human Resources Management System Release 12
June 2007

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

Copyright © 2007, Oracle. All rights reserved.

This document is provided for information purposes only and the contents hereof are subject to change without notice.

This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission. Oracle, JD Edwards, PeopleSoft, and Siebel are registered trademarks of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners.