

ORACLE®

Oracle and the Efficiency Programme



ORACLE®
PUBLIC SECTOR

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Overview

SUMMARY

- Standardise administrative processes to fit standard IT applications
- Move to Shared Services for Finance, HR, Payroll and Procurement
- Use CRM and Portals to deliver e-services in a customer-centric way
- Professionalise procurement with e-Auctions and e-Sourcing
- Improve personal productivity by integrating e-mail, voice-mail and personal files

As part of the 2007 Comprehensive Spending Review, the Government has further developed the efficiency areas identified in the original Gershon Report. Oracle's software enables many of these efficiency improvements to be implemented easily, consistently and cost-effectively.

WHAT THE EFFICIENCY PROGRAMME IS ABOUT

The objective of the Programme is to reduce the public sector's running costs by identifying where efficiency improvements can be made and thus releasing resources for front-line improvements to public services. The Gershon Report identified five areas where technology has a particularly important role. These are

- 1) Streamlining and standardising administrative processes
- 2) Sharing back-office services
- 3) Improving transactional services to the public
- 4) Making greater use of the public sector's collective purchasing power
- 5) Improving the productivity of professional staff

HOW ORACLE CAN HELP YOU ACHIEVE EFFICIENCY SAVINGS

Oracle is the leading supplier to the public sector of IT solutions to support the drive for efficiency. We supply both the software and implement the solution for you. This combination of Oracle products and services draws on our unique set of experiences in helping the public sector become more efficient:

- We have worked with Government Departments to help them get real benefits from tailoring their business processes to fit our software.
- We know how to make shared services succeed and have proved this in key shared-service projects in Central Government, Local Government and the NHS.
- We know how to realise savings through e-procurement from having introduced such techniques across all parts of the public sector

In short, we can help you deliver the efficiency savings that the Treasury requires.



STREAMLINE CORPORATE SERVICES WITH ORACLE E-BUSINESS SUITE RELEASE 12

Dramatic efficiency gains can be made if business processes are not only simplified and standardised, but are also aligned to packaged IT applications as closely as possible. For example, adapting an organisation's financial processes to fit Oracle Financials – as the majority of UK Government Departments and Agencies have already done (see below for Government Users) – avoids both costly initial customisation of the standard application, and future maintenance costs when new versions of the software are introduced. This approach works not only in the Finance function but in HR, Payroll and Procurement where Oracle also has applications that integrate seamlessly with each other.

MOVE TO SHARED SERVICES WITH ORACLE E-BUSINESS SUITE RELEASE 12

Once the processes and procedures within such functions are standardised, they can be undertaken by a single back-office service centre – a “Centre of Excellence” – rather than being duplicated in each public sector body. Release 12 of Oracle's e-business suite includes new features specifically designed to support shared services. This means that a Shared Service Centre can easily and efficiently handle many separate organisations' transactions using a single instance of the software, running on a single securely-partitioned database. Organisations can over the Internet, access their own data and produce their own reports, in whatever form they require to meet management needs, safe in the knowledge that the processes comply with best practice implemented by the latest version of modern software. The self-service and workflow features of Release 12 give users added assurance that the Shared Service Centre is handling their transactions flexibly, accurately and in a timely fashion.

STREAMLINE TRANSACTIONAL SERVICES WITH ORACLE CRM

The drive towards e-Government has demonstrated how well-managed e-services are always more efficient than traditional paper-based transactions, through such mechanisms as on-line payment and collection. It has also highlighted where public bodies have overlapping sets of customers (for example in HMRC and DWP). Public services can be made more customer-centric if there is a unified view of an individual's use of all relevant services, rather than each organisation having its own focussed view. A combination of Oracle CRM and Oracle Business Intelligence tools can make this unified view a reality. This approach delivers benefits both for the Public Service organisation as well as for its customers, giving a single point of entry to all the services they need to access.

INCREASE THE PROFESSIONALISM OF PURCHASING WITH ORACLE PROCUREMENT

Despite increasing the use of collective purchasing by parts of the public sector, much more can be done to exploit the power of the Public Service purchasing function, to make savings through deployment of Internet-based technologies such as e-Sourcing and e-Auctions. Increasing the efficiency of the Purchase-to-Pay process is only part of the story. There are more significant efficiency savings to be made in Inventory Management and Strategic Sourcing. Oracle has a comprehensive suite of Procurement Applications and Reporting Tools to support these changes.

ENABLE PROFESSIONALS TO BE MORE PRODUCTIVE WITH ORACLE WEBCENTER SUITE

Web 2.0 products that enable more efficient collaborative working and information-sharing are increasingly being used by people in their personal lives, particularly young people. Google, MySpace, Wikipedia, YouTube and blogs are some of the leading examples of Web 2.0 services. Such techniques can also benefit the Enterprise. The challenge for today's enterprises is to weave Web 2.0 technology and services into the user's work environment. Oracle WebCenter Suite combines process, business intelligence, structured and unstructured content, communication, and Web 2.0-style services into the very fabric of the application to create next generation online work environments.

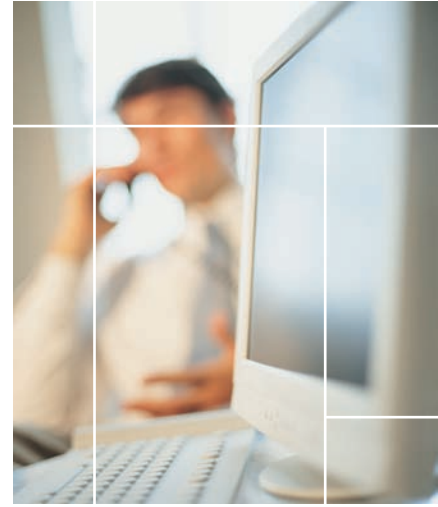
Putting these tools at users' fingertips enables public sector organisations to foster the development of new ideas, tap into critical employee thinking and knowledge, and make teamworking more efficient.

ORACLE CAN HELP YOU MEET THE CHALLENGES OF THE EFFICIENCY PROGRAMME

Achieving the CSR07 Efficiency targets presents a huge challenge for all public sector organisations. It is important to take a consistent approach to deploying IT solutions across the programme of efficiency improvements. Oracle's technology and applications are designed to work together. Our consulting services can help you make the most of the changes you need to introduce.

PUBLIC SECTOR USERS OF ORACLE'S APPLICATIONS

Many organisations within the Public Sector use Oracle's Applications. The Table below shows the number of separate organisations in each sector that use Oracle Applications, and lists some leading examples



Sector	Number of Users	Examples
Central Government	60	Department of Work and Pensions Home Office HM Prison Service – Shared Services Foreign and Commonwealth Office DEFRA
Local Government	80	Cambridgeshire County Council Liverpool County Council London Borough of Lambeth Northumberland County Council Suffolk – Customer Service Direct
NHS	140	NHS Shared Business Services Homerton University Hospital South Tyneside PCT University College London Hospitals West Yorkshire SHA
Education	35	Manchester University Oxford University AQA Exam Board
Police Forces	23	Greater Manchester Police Metropolitan Police Northumbria Police
Defence Organisations	10	GCHQ Royal Navy Royal Air Force



Streamlining and Standardising Corporate Services with Oracle Applications Release 12

SUMMARY

- Releasing resources to the frontline puts pressure on corporate services
- There are several approaches to making efficiency improvements in corporate services
- One key approach is to use standard business flows which fit off-the-shelf software and avoid customisation
- Oracle e-Business Suite provides comprehensive functionality in a configurable integrated set of modules
- Oracle e-Business Suite is now available as an on-line on-demand service

The Efficiency Programme contains a wide range of measures in order to release resources to the front-line. One of its themes is how efficiency savings can be made by streamlining and standardising the business processes in corporate services, so that they can readily use commercially-available software packages in a vanilla form. Oracle's e-Business Suite provides a comprehensive set of modules to support all corporate service functions, using standard business flows such as accounting-to-reporting and purchase-to-pay.

THE PROBLEM IN A NUTSHELL

Freeing up resources for the front-line inevitably focuses attention on the cost of corporate services. However, these services are essential to the running of the enterprise; they cannot simply be ignored or contracted out to external service organisations. The dilemma is that corporate services need to be relevant and they need to support the business, but they also need to be delivered at an increasingly reduced cost.

KEY ISSUES

There are several ways in which efficiency improvements can be made through sensible use of business application software packages:

Implement ERP not separate stovepipe applications Government should always choose to implement a suite of applications that is capable of delivering the full range of the usual Enterprise Resource Planning functions. Stovepipe implementations require interfacing and ongoing management and they make greater longer term support demands. Experience shows that such stovepipe implementations do not support public service organisations that need to respond to change and modernise.

Think Big, Start Small Not every organisation can undertake a full enterprise-wide implementation in one go. The maxim of 'Think Big, Start Small' allows strategic thinking with manageable implementation options.

Use Standard Business Flows Standard business flows that have been proven in practice and that fit commercial-off-the-shelf application packages, should be considered in place of an organisation's own business processes, which have evolved piecemeal over time and invariably reflect paper-driven and manually-intensive procedures. Wherever there is a choice, good practice suggests selecting the standard business flow.

Configure Don't Customise Modern ERP applications are significantly configurable to meet the majority of the demands of today's businesses. Customisation on the other hand, comes with a heavy price for future support and upgradeability.

Have the Software Solution Delivered as a Service Only where there is certainty about the suitability of the software solution's functional fit, should an outsourcing or on-demand service be considered. However, where such certainty exists, then "software as a service" is a highly efficient way of receiving high value, low cost services.

THE ORACLE SOLUTION

Oracle's e-business suite enables all the above approaches to make efficiency improvements.

Full Functionality Oracle's e-business suite comprises an integrated set of modules that support all commonly-found corporate service functions.

Standard Business Flows Oracle has defined a number of standard business flows that are supported by our applications.

Configurability Oracle applications are highly configurable.

Software As a Service Oracle applications are available as an on-line on-demand service, where the data centre can be situated at your premises, at Oracle, or at a third-party organisation.

ADDITIONAL INFORMATION

Additional product information can be obtained from:

<http://www.oracle.com/>

Additional information on Oracle's response to the Efficiency Programme can be obtained from:

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Enabling Professionals to be More Productive with Oracle Webcenter Suite

SUMMARY

- The true value of SOA will not only be at the application level, but in how it empowers the information worker and increases the productivity of every employee
- Web 2.0 techniques, combined with SOA, can benefit the enterprise by improving staff's productivity, just as these techniques have improved people's personal lives
- Oracle's Webcenter Suite is designed to bring Web 2.0 to the enterprise and further increase the productivity of its professional staff

The Efficiency Programme contains a wide range of measures in order to release resources to the front-line. One of the Programme's themes is improving the productivity of professional staff by facilitating collaborative working and freeing up the time they spend on routine administration. The new generation of Web tools, known as Web 2.0, go some way to providing the answer. Webcenter Suite is Oracle's Web 2.0 Middleware product. It integrates structured and unstructured content, business intelligence, business processes, and collaboration services. It is particularly beneficial for mobile staff that use Blackberries or other PDAs.

THE OPPORTUNITY FOR GREATER PRODUCTIVITY

Since the 1980s, we've been through at least two "IT revolutions" that changed the way people worked in an office environment. In the first, PCs came into widespread use, replacing typewriters. In the second, the Web dramatically increased access to information and created a completely different style of communication. Everything was 'on the net' either in your inbox or on a Web site somewhere. Today, we are advancing through the third, commonly referred to as Service Oriented Computing or Service-Oriented Architecture (SOA). Web 2.0 technology is fundamental to realising the full potential of SOA.

Administrative tasks are rarely executed in a vacuum. Unfortunately, most applications simply automate the task; they don't provide all related information necessary to complete it. The user is required to leave what they are doing to research a question, find a document, work out the next steps, or confer with other people in the team. It is more efficient if the user can do all this from one home screen, without having to keep switching between different applications. Web 2.0 tools can, on a single portal, bring together one-click access to all these services that are typically used collaboratively. The benefits of such an approach are particularly striking for mobile working. Blackberries and other PDAs should be usable not only to access e-mail, but all other related information that the mobile worker needs.

WEB 2.0 AND THE ENTERPRISE

Web 2.0 products that enable more efficient collaborative working and information-sharing are increasingly being used by people in their personal lives, particularly young people. Google, MySpace, YouTube, Wikipedia and blogs are some of the leading examples of Web 2.0 services.

Putting Web 2.0 tools at users' fingertips will enable public sector organisations to foster the development of new ideas, tap into employee thinking and knowledge and promote teamworking. Making Web 2.0 bring benefits to the Enterprise, is about more than just adopting the latest technology. We need to find ways to weave Web 2.0 technology and services into the user's work environment.

ORACLE WEBCENTER SUITE

Oracle WebCenter Suite, a new offering in Oracle's Fusion Middleware product line, is designed to help build more effective applications that take advantage of SOA to bring complete context to the information worker's daily tasks. WebCenter weaves process, business intelligence, structured and unstructured content, communication and Web 2.0-style services into the very fabric of the application to create next generation online work environments.

WebCenter Framework supports the creation and execution of context-rich applications. This context can come in the form of human interaction, files and documents, or simply a clear representation of where the user is within a complex work process. WebCenter Framework also enables users to contribute content through three different portlet-based tools:

The Rich Text portlet, which allows the user to add any text, HTML or images directly.

The Web Clipping portlet, which allows the user to navigate to any Web site and 'clip' all or part of the displayed page.

OmniPortlet, through which the user can select from any number of data sources, including Excel spreadsheets, database tables and XML files, then publish that information in a variety of formats.

These powerful tools make it easy for information workers to inject meaningful context into their own work environment. By bringing together the flexibility and power of portals and a set of horizontal Web 2.0 services, Oracle WebCenter Suite provides a unique ability to build applications that maximise productivity.

ADDITIONAL INFORMATION

Additional product information can be obtained from:

<http://www.oracle.com/>

Additional information on Oracle's response to the Efficiency Programme can be obtained from:

ian.z.white@oracle.com



Moving to Shared Services with Oracle E-Business Suite Release 12

SUMMARY

- Releasing resources to the frontline puts pressure on the costs of corporate services
- Shared service working can yield cost savings, but is only feasible if users are offered self-service and related facilities
- Success in shared services depends on clear agreement on the level of service provided and a programme of continuous process improvement
- Oracle e-Business Suite provides the ideal platform for operating shared services

The Efficiency Programme contains a wide range of measures in order to release resources to the front-line. One of the Review's themes is that corporate services such as Finance, HR and Procurement should be run from Shared Service Centres (SSC) rather than each organisation having its own capability and resources. Experience in the private sector and in the NHS has demonstrated the benefits of Shared Services. Oracle's e-Business Suite provides an ideal platform for Shared Services through its multi-organisation capability and its self-service and workflow facilities.

THE PROBLEM IN A NUTSHELL

Combining separate corporate service functions in a single Shared Service Centre can improve the quality and timeliness of information and achieve substantial cost savings. But it is only desirable if the SSC can:

- Offer each of its user organisations self-service facilities
- Provide assurance that their data is managed correctly and securely
- Offer a programme of continuous process improvement using the latest software

Only in this way will the user organisations have the confidence to give up direct control over their processes in return for the benefits they can obtain.

WHAT ARE SHARED SERVICE CENTRES

Shared Service Centres handle high-volume, routine, yet essential operations such as finance, purchasing, human resources and IT. SSCs optimise business processes by first standardising and automating them and then consolidating activities in a few locations. The crux of the shared-service model is to minimise corporate service costs, so organisations can focus their resources and attention on front-line delivery of transactional services to their customers. Critical to success in establishing an SSC is the correct allocation of business processes between the SSC and user organisations.

Not only does a shared-service approach enable a renewed focus on the front line, it also enables better management. This comes from:

- Simplicity through standardisation
- Greater consistency of data across business units
- Improved flow of management information

- easier and more reliable benchmarking of performance
- more timely decision-making

MAKING SHARED SERVICES A SUCCESS

Experience shows there are two key factors to making Shared Services a success

Self-Service for non-professional users With self-service operations, originators in user organisations can deploy web-based applications to enter their own transactions. All approvals and business rules are enforced automatically, using workflow-driven processes. The result is faster processing, more accurate information, greater managerial control and lower costs. Surveys have shown that non-professional users of finance, HR and procurement functions achieve higher levels of satisfaction via self-service.

Service Level Agreements (SLA) between the SSC and user organisations Formalising the services in an SLA helps impose accountability, create ownership and develop a customer-focus. The SLA should describe when reports will be delivered, percent of accuracy, response time on problems and other issues of this nature. This helps make it clear that the SSC is first and foremost a customer-service organisation.

ORACLE R12 – THE PERFECT PLATFORM FOR SHARED SERVICES

Oracle has built an integrated suite of business applications designed to work together and to support shared service modes of working. Oracle has for some years run its own finance, procurement and HR functions worldwide from just three Shared Service Centres: in Dublin, Sydney and California. More recently, business processes from these three SSCs have progressively been relocated to just one Global SSC – in Bangalore, India. The Oracle SSCs successfully operate a range of transaction-processing, self-service and business intelligence processes. The success can be measured in several ways:

- Cost savings achieved
- Improvements in process performance
- Job satisfaction amongst SSC employees
- Customer satisfaction amongst Oracle business units

“The shared service environment is perfect for many HR and financial processes,” says Gartner Group. “If a consistent, standard service offering can be deployed centrally and enabled through the Internet – which Oracle does very well – that’s a perfect example of where you can get economies of scale.”

ADDITIONAL INFORMATION

Additional product information can be obtained from:

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Transforming Transactional Services with Oracle CRM

SUMMARY

- Government transactions with citizens and businesses still rely heavily on paper-based manual processes
- There should be active management of the mix of customer access channels, learning from the private sector where appropriate
- A CRM system should enable a holistic view of the customer's transactions
- Oracle Collaboration Suite also enables easy sharing of documents using web storage

The Efficiency Programme contains a wide range of measures in order to release resources to the front-line. One of the Review's themes is how IT can transform transactional services delivered direct to the public, such as the payment of benefits and collection of tax revenues. This theme has been further developed in the recent Varney Report on Service Transformation.

THE PROBLEM IN A NUTSHELL

Many of the transactions conducted by Government with citizens and businesses are still heavily reliant on paper-based manual processes. The drive for e-Government has focused attention on the potential for e-services, but these have often been seen as an add-on rather than an opportunity to introduce efficiencies across all channels through which services need to be delivered. In order not to widen the digital divide, it is necessary for Government to retain traditional channels. Nonetheless, there is scope for efficiency savings through more active management of the mix of channels and the processes that support them.

LEARNING FROM THE PRIVATE SECTOR

Private sector service organisations such as banks and utility companies have radically changed their approach to providing services to their customers, in the following ways:

- Providing access through more channels: Telephone, Internet, Digital TV etc
- Extending opening hours, particularly for the newer channels
- Having all the information on a customer to hand when they call
- Integrating the information systems in the various internal functions which together provide the full customer service

Such changes as these in the private sector have raised the bar of public expectation and Government needs to meet this challenge in the way it delivers its services. Although Government is not free to choose its customers, it can learn from the private sector in how to transact with them more efficiently and effectively.

CRM

Key to success in improving services to customers is the use of an appropriate CRM system. CRM stands for Customer (or Citizen) Relationship Management and CRM systems in the public sector should incorporate the following facilities:

Holistic View The system should enable staff to see the entire history of the customer – whether a taxpayer, benefit-recipient or other service user – including all the customer's previous contacts with the organisation. The system can also prompt awareness of related services and initiatives relevant to the customer's enquiry.

Management Information The CRM system should be able to monitor and analyse the volume of requests for service. It can also be used to show costs, volumes and response times against key performance indicators (KPIs).

Multi-Agency Access to Information Many users of public services regularly require access to a number of agencies. For example, older people may need access to Health Care, Social Care and Benefits. In such situations, being able to deliver these services in a joined-up manner is vital. Joining up agency services requires joined-up information on the citizen and this can most readily be achieved by a CRM system accessible by suitably-authorized staff in all relevant agencies.

Integrating transactional systems and corporate systems Fulfilment of transactional services often entails utilising an organisation's corporate services, such as accounting or purchasing. If transactional and corporate services are integrated, this can yield additional efficiencies and cost savings.

THE ORACLE SOLUTION

Release 12 of Oracle's eBusiness Suite allows information about the citizen to be stored right at the very heart of the business applications, along with related transactional and interactional information. Consequently, information can be accessed seamlessly by all of Oracle's multi-channel applications including Web, Telephone, Wireless and Digital TV. Oracle's CRM application enables a holistic view of the citizen and integrates with the other e-Business Suite modules that support corporate services such as Finance and Purchasing. Oracle's Business Intelligence tools analyse data across end-to-end business processes to provide real-time measures of customer service performance and management information for planning and forecasting.

ADDITIONAL INFORMATION

Additional product information can be obtained from:

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Increasing the Professionalism of Purchasing with Oracle Procurement applications

SUMMARY

- There is scope for much wider use of e-procurement techniques
- These techniques include e-auctions, e-sourcing and e-marketplaces
- Oracle e-Business Suite provides comprehensive e-procurement facilities

The Efficiency Programme contains a wide range of measures in order to release resources to the front-line. One of the Review's themes is the scope for savings in procurement. Procurement of goods and services represents nearly one third of all spend by government; within Local Government the proportion is as high as 50%. Hence there is a need to focus on the professionalism of the purchasing function and on making greater use of collective purchasing arrangements between public sector bodies.

THE PROBLEM IN A NUTSHELL

Procurement across the public sector operates in a largely haphazard manner. Opportunities are not often taken to exercise collective purchasing power as widely as it could be. Many procurement exercises are unnecessarily costly and time-consuming, discouraging many potential suppliers from participating. More use should be made of framework contracts and of electronic catalogues, marketplaces and auctions.

UTILISING MODERN E-PROCUREMENT METHODS

Technology enables new techniques to be introduced into the procurement process. These techniques give savings in time or cost.

e-Auctions The concept of an auction can be reversed to put control in the hands of the buyer rather than the seller. In a reverse e-auction, the buyer invites companies to quote electronically for supplying a quantity of a well-defined commodity and the companies then compete on price over a specified short period of time. During the e-auction the companies have visibility of each other's bids, though not the identity of the other bidders. This radical approach to procurement has already been proven to work in the NHS and to deliver substantial savings, as well as greatly shortening the time to procure. Typically, the e-auction is used at the final stages of a procurement, once the specification is clear and due diligence has been undertaken on the potential suppliers.

e-Marketplaces e-Marketplaces combine electronic buying with electronic supplier catalogues to create a procurement environment in which transactions can be executed faster and better terms obtained from suppliers. Public sector e-Marketplaces already exist (eg OGC's Zanzibar, the IdeA marketplace in Local Government), but there is scope for much wider adoption of the technique, which in turn will enable even better deals to be done by public sector buyers.

e-Sourcing Traditional sourcing within the procurement process includes the identification of requirements, through expression of interest (EOI), issue and receipt of tenders, to evaluation and finally contract award. e-Sourcing web-enables these routines through the use of innovative secure Internet based technology, providing process efficiencies and reduced timescales to the mutual benefit of buyers and suppliers. Once a buyer has created a Request for Quote, it can be issued electronically to those suppliers identified to compete for the requirement. An e-RFQ would be used for below OJEC threshold purchases. All transactions between the buyer and supplier to do with the purchase are managed and recorded electronically up to the acceptance/ rejection notification.

ORACLE AND E-PROCUREMENT

Release 12 of Oracle's e-business suite includes facilities to enable all of these e-procurement techniques to be implemented. We have a complete suite of modules for e-Auctions, e-RFI and e-Tender processes. We also provide a complete source to pay solution for services, which includes our iProcurement, Purchasing, Contract Management, Oracle Sourcing RFI and Supplier Portal products.

ADDITIONAL INFORMATION

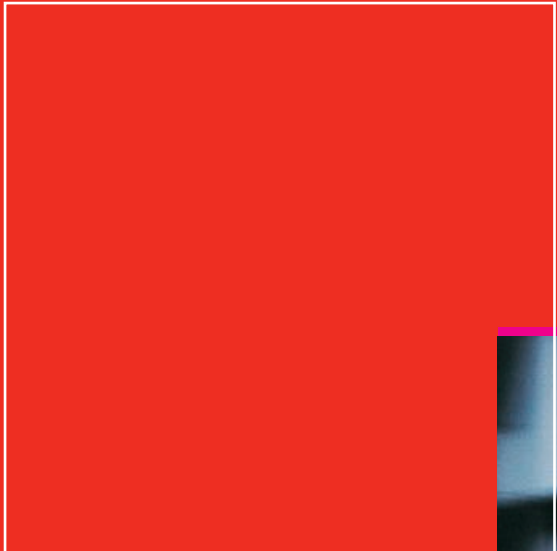
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