



An Oracle White Paper
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Delivering Value with Oracle E-Business Suite Projects 12.1

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Executive Overview

The Oracle E-Business Suite family of Oracle Projects applications supports the full lifecycle of project and portfolio management with a single, accurate view of all project-related activities. Industry leading functionality allows users to execute projects in adherence with methodologies, assign the right global resources, proactively streamline project delivery, and track profitability via accurate budgeting, forecasting, and customer invoicing. The latest offering of Oracle E-Business Suite Projects is Release 12.1. This white paper will focus on the value inherent in the latest release (inclusive of Release 12) and provide insight into some of the new capabilities now available.

Small, seemingly insignificant projects don't unexpectedly delay related strategic work. Aberdeen found that combining standardized best practices with enterprise-wide PPM solutions, companies were 43% less likely to have poor performance on one project have a ripple effect on other projects."

Aberdeen 2010 Project Management Report, January 2010

Driving Themes

Oracle's E-Business Suite Projects Release 12.1 is focused on four critical areas of interest to all project-driven organizations. These include:

- Maximize the business impact of the project portfolio
- Improve project execution
- Improve operational efficiencies
- Increase user acceptance and satisfaction

Maximize the Business Impact of the Project Portfolio

In today's competitive market, all organizations must maximize their contribution to the overall success of the company. Quickly adjusting and responding to complex situations, such as changes in corporate objectives, merger and acquisitions, and macroeconomic change, is a must.

The process of determining the optimal mix and sequencing of proposed projects to best achieve your organization's overall goals is challenging. Companies must consider strategy and technical goals while honoring constraints imposed by management or external factors. Typical attributes to be analyzed include each project's total expected cost, consumption of scarce resources (human and otherwise), timelines and schedules, magnitude and timing of benefits to be realized, and the relationship or inter-dependencies with other projects.

To this end, functionality within the Project Portfolio Analysis module allows organizations to:

Define Strategic Objectives - Oracle Project Portfolio Analysis comes with a set of standard financial criteria and allows you to define additional criteria to enumerate your business goals

Score and Rank Projects - Projects are scored against the metrics defined above to calculate an overall investment index.

Perform "What if" Analyses - Oracle Project Portfolio Analysis provides you with the ability to construct various portfolio scenarios. In each alternative scenario, users can propose to place projects on hold, reject others, and approve still others. A graphical scenario summary allows users to see how the scenarios constructed measure up against target financial and strategic criteria.

From a project management standpoint, the latest release understands the value of reporting as a driver of solid business decisions. To this end, the EBS Projects 12.1 offering delivers:

Enhanced Offline Reporting Distribution - Project executives and managers are often on the go and cannot log into their Oracle system to get updates on project performance. The Reporting Pack released in 12.1 allows project managers to monitor performance at all times. Selected reports are delivered via email making information easily attainable at all times.

Increased Project Information at Your Fingertips - To ensure information is readily available when needed, key metrics are now available on more pages. Project managers leverage these metrics (e.g. like Year-to-Date and Quarter-to-Date values) to monitor performance against plans and to calculate burn rates. Early detection of variances can prevent cost overruns and profit losses. Project managers will now spend less time looking for information and more time ensuring project success.

Improve Project Execution

The latest statistics from Gartner state that 30% of IT projects never come to a fruitful conclusion. On average 51% exceed budget by 189% while only delivering 74% of the originally stated functionality.

Oracle Project Management provides project managers the visibility and control they need to deliver their projects successfully, improve profitability, and operate more efficiently. It consolidates project information into one repository: work plans, progress, issues, changes, costing information, budgets, actuals and forecasts, performance, and status reports. Oracle Project Management empowers project managers to plan the work, assign resources, forecast to completion, and communicate to stakeholders, while streamlining the collaborative execution of project work.

In Release 12.1, project managers have even greater visibility and control. Dashboards are enhanced to provide access to more information and new off-line reporting capabilities make distribution of information more efficient and convenient.

Oracle's Project Resource Management centralizes information to empower project, resource, and staffing managers to better utilize their single most critical resource: people. The net result is improved customer and employee satisfaction, increased utilization, and higher project and enterprise profitability. On the resource management front, the new release provides new and enhanced functionality around strengthened planning capabilities including the following:

Increased Planning Options - Identifying resource requirements during the initial planning cycle helps reduce staffing issues throughout the life of the project. However, during initial planning, project phases and tasks are planned at varying degrees of detail. Near term tasks are planned in detail while future tasks are only planned at a high level. Oracle Resource Management allows for the selection of level of granularity resource planning. For longer term tasks resource time can be planned as a lump sum dollar amount. When the tasks are ready from staffing, plans can be determined by team role or named person.

New Public APIs for Resource Planning - To combine the strengths of Oracle Resource Management with the strengths of the organization's scheduling tool and other external systems such as HR, this release introduces a new set of public APIs. These new APIs enable users to create and maintain requirements,

assignments, and candidates from an external or legacy system providing greater integration options to manage enterprise resources.

Improved Error Handling on Resource Processing - It is critical to have accurate resource information when planning projects and adjusting project schedules to accommodate for changes. The PRC: Maintain Project Resources concurrent program is used to acquire up-to-date resource information from Oracle HRMS. Previously, this process failed if all information could not be retrieved successfully. The new process now completes updates to all resources without errors and reports those in error to an exception report. This not only reduces the time required to complete the back office process but also allows resource planning to continue for the majority of resources while reported exceptions are separately investigated and corrected.

On the contract management front, contracts for large projects are frequently renegotiated on a periodic basis. Customers may wish to continue work on a fixed price basis rather than time and materials or may want to bring in an additional customer in a joint venture to share costs. In this release, the Oracle Project Billing module adds the flexibility to support these types of changes for existing projects. These include:

Adaptable Invoicing for Large Projects - As customers evaluate and renegotiate existing contracts, organization's need the ability to accommodate desired changes without a great deal of overhead and without losing historical information. To support changes in contract terms or the addition of new work to an existing project with differing contract terms, Project Billing introduces the ability to define the invoice method by top task. This allows users to perform some work as fixed price and other work for the same project as time and material. It also allows users to change the invoice method for all future work if desired.

Flexible Customer Billing by Project or Task - For longer projects, funding is often negotiated or renegotiated over time. In order to complete phase two work for example, a new customer may be added to the project to provide additional funding. Again, it is important to have the ability to accommodate changes in customer relationships and contracts without incurring a lot of unnecessary overhead. Therefore, Project Billing now allows users to assign customers to tasks rather than define cost sharing percentages. This allows users to add a new customer to an existing project and also allows for the billing of specific customers for specific parts of the work; again eliminating the need to create a new project to accommodate contractual changes.

Improve Operational Efficiencies

All organizations strive to become more efficient in day to day operations in order to lower costs, increase productivity and focus efforts on business critical activities. Oracle Projects enables project-centric organizations and departments to optimize core operational processes throughout the full project lifecycle – from project selection, planning and staffing, through execution, cost control, and analysis.

The Oracle EBS Projects family of applications allows you to standardize project delivery and normalize key business processes. By streamlining process flows and making the system more

adaptable to change, this release of Oracle Projects increases your ability to efficiently and consistently deliver projects on time and within budget.

Increased Project Performance Refresh Options - Depending on factors such as the number of projects specified, and the number of workplan and financial plan versions that exist on each project, the refresh process can take a substantial time to complete. To help minimize processing time and provide greater flexibility, new process parameters are provided. You can now choose whether to refresh only actual amounts or all amounts (plan and actual). In addition, you can optionally select the workplan and financial plan versions that you wish to refresh which means that you have more control over your updates.

Another area of importance is cost, and in particular services spend. Although most organizations spend a large share of total budget on services, few have the same visibility into service costs as they do for goods and materials. For even the most efficient enterprises, service spending can be a black hole of un-sourced buying, lost savings opportunities, and limited oversight from the Purchasing department.

Project Costing's integration with Services Procurement allows users to efficiently procure and manage the contingent workers that are frequently hired to fill project resource requirements. By managing services procurement with step-by-step online processes, organizations can improve operational efficiencies for costing activities associated with staffing projects with contingent workers.

From an Oracle Project Costing perspective, this takes the following form:

Increased Control and Visibility for Multi-Funded Contingent Workers - Contingent workers typically submit invoices for labor and expenses on a periodic basis. These invoices are then matched to purchase orders prior to payment in order to ensure proper funding and to track outstanding balances. Oracle Services Procurement and Project Costing allows for the automation of this process and capture time and expenses for contingent workers directly as they occur. This eliminates time delays in recording expenditures and eliminates reconciliation issues downstream. In addition, with this release, the transaction flows have been enhanced to support multiple funding sources.

Simplified Procurement for Multi-Purpose Contingent Workers - Contingent workers are often hired to work on multiple projects during their engagement. The distribution of their time across projects is based on need and is not known when the purchase order is created to fund the resource. With this release, Services Procurement and Project Costing now have the ability to allocate funding based on time and expense entry. This reduces purchase order maintenance and makes it far easier for workers to report their time accurately.

Increase User Acceptance and Satisfaction

User acceptance is a critical measure of a system's success. Satisfaction is generally based on five components: content, accuracy, format, ease of use, and timeliness. To ensure return on investment, user acceptance and continued satisfaction is vital. Dissatisfied users will lead to lack of use and the introduction of alternative solutions.

As if to underscore the need for user satisfaction, a Computer Economics study “shows that project managers have grown as percentage of the overall IT staff, from 3.4% in 2007 to 4.7% in 2010. The growing reliance on project management is even more apparent considering that during this period many IT organizations were placing capital projects on hold and reducing headcount.”¹ This would suggest the increasing requirement for an easy to use and understand toolset allowing for rapid execution of project initiatives. The E-Business Suite Projects 12.1 release increases user acceptance by improving performance and enhancing the user experience.

This is exemplified in functionality around workplans, and budgets and forecasting.

Improved Workplan Functionality - Maintaining work plans can be time consuming for project managers. This release focuses on making the task easier and more efficient. To make maintenance easier, required key strokes have been reduced and new APIs are introduced to improve integration with 3rd party tools such as schedulers. To improve performance, purge programs are provided to delete old data which allows reporting and publishing processes to complete rapidly.

Enhanced Budgeting and Forecasting Usability - Generating budgets and forecasts can be a complex and onerous process involving various rates, quantities and calculations. Oracle Projects offers predefined calculation and derivation logic to streamline budget and forecast building, while requiring less hands on intervention. To further improve entry and maintenance, the system can automatically detect and recalculates errant rates when quantities and amounts are provided. In addition, rate overrides for planning transactions can be entered directly on the Edit Budget and Edit Forecast pages. This reduces key strokes and provides visibility to all plan attributes on the same page. In addition, the release provides a new planning option that adds all new unbudgeted tasks and resources to budget versions automatically.

Increased Visibility into Expenditures - Often when a project manager is studying their project expenditures, a question may arise as to the nature of a charge. When this occurs, the project manager needs the ability to drill down to see transaction details. With this release, project managers can now drill to expenditure items right from the financial tab of their dashboard. Less time is spent navigating through the system and more time is spent analyzing the data.

Upgraded Integration to Scheduling Software - To allow users to take advantage of new features and upgraded technology, Oracle Project Management is now certified with the newest version (2007) of Microsoft Projects.

Consistent User Interface - Project managers perform a wide variety of tasks on a project. From budgeting and forecasting, to monitoring process and spending, to approving customer invoices. It is expected that the tool for accessing the system will support all functions that the project manager must perform. In Release 12.1, Project Billing has introduced self service billing review, allowing project managers to

¹ Computer Economics, “Project Manager Staffing Ratios and PMO Adoption”, February 2011

monitor customer billing, approve customer invoicing, and review overall billing and revenue numbers from their project manager dashboard. Project managers are no longer required to use multiple tools to complete their tasks.

These new features in EBS Projects 12.1 alleviate usability issues, allowing project managers to spend more time executing projects and less time making system updates.

About Oracle E-Business Suite Projects

The Oracle E-Business Suite family of Oracle Projects applications supports the full lifecycle of project and portfolio management with a single, accurate view of all project-related activities. Industry leading functionality allows users to select the best portfolio of initiatives, execute projects in adherence with methodologies, assign the right global resources, proactively streamline project delivery, and track profitability via accurate budgeting, forecasting, and billings/chargebacks.

Oracle Projects integrates with other Oracle E-Business Suite applications, including Oracle Financials, Oracle Supply Chain Management, and Oracle Human Resources Management, among others to complete end-to-end business processes. Oracle Projects is equipped to address the unique enterprise and industry challenges facing project-centric organizations and departments today, including: Engineering and Construction, Professional Services, Public Sector, Industrial Manufacturing, Communications, and Internal IT.

For more information, please visit: www.oracle.com/goto/ppm



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