Oracle Cost Management is a comprehensive solution that helps organizations project costs then perform cost accounting for supply chain transactions. These activities serve as a key component for complying with regulatory reporting and accounting requirements, for streamlining the use of working capital in organizations, and improved profitability for businesses. Oracle Cost Management is part of the Oracle E-Business Suite, an integrated set of applications that are engineered to work together.

**Standard Cost Simulation for Product Profitability Planning**

Oracle’s supply chain standard costing solutions can help you model and simulate alternatives for sourcing, producing, distributing, and delivering products to end customers. Once you have modeled the various alternatives using Oracle Cost Management, the solution will help you compare the relative profitability of the various alternatives so you can make strategic and tactical decisions with confidence.

Cost Management provides flexible cost setup features, including multiple cost elements and unlimited sub-elements, unlimited resources, and overheads, and unlimited activities. You can use one or more of the following cost elements: material, material overhead, resource, outside processing, and overhead. Sub-elements enable you to analyze costs in greater detail. For example, you can have multiple material overhead sub-elements such as purchasing, material handling, freight, duty, and so on. You can apply overhead on a fixed and variable basis, using activity, resource, or unit cost drivers.

The Supply Chain Cost Rollup functionality rolls costs across your global enterprise using your sourcing rules. This enables you to accurately define and maintain costs and associate them with items across your extended global supply chain for detailed product profitability planning purposes.

Cost Management provides several user friendly views into your standard costs to help you proactively understand and manage your cost structures (Figure 1). The solution will help you streamline the effort required to maintain cost data for cost simulation and for analyzing the profitability of alternatives. This includes master cost data for defaulting, copying, and mass edit capabilities.
ORACLE COST MANAGEMENT OFFERS

- A full absorption, perpetual and periodic cost system for purchasing, inventory, work in process, and order management transactions
- Multiple cost elements, costed transactions, comprehensive valuation and variance reporting, and thorough integration with Oracle Financials

RELATED PRODUCTS:
Oracle Cost Management is part of the Oracle E-Business Suite, an integrated set of applications that are engineered to work together. Some of the closely related products include:
- Product Lifecycle Management
- Inventory
- Work in Process
- Flow Manufacturing
- Shop Floor Management
- Configure to Order
- Project Manufacturing
- Purchasing
- Payables
- Receivables
- General Ledger
- Public Sector Accounting

RELATED SERVICES
The following services are available from Oracle Support Services:
- Oracle E-Business Suite Accelerators
- Oracle Application Solution Centers
- Oracle University
- Oracle Consulting

KEY BENEFITS

Cost Accounting, Financial Reporting, and Audit

Oracle Cost Management is a full absorption, perpetual and periodic cost system for purchasing, inventory, work in process, and order management transactions. Cost Management supports multiple cost elements, costed transactions, comprehensive valuation and variance reporting, and thorough integration with Oracle Financials.

Cost Management automatically costs and values all inventory, work in process and purchasing transactions. This means that inventory and work in process valuations are up-to-date for tracking and managing your effective use of working capital.

The Cost Management solution provides flexible account setup, including accounts by organization, sub-inventory, and work in process accounting class. These tools help you distribute costs to the proper expense accounts and capture valuation in the proper asset accounts. Additionally, Cost Management’s strong integration with Oracle Financials brings you powerful accounting configuration capabilities. You can take advantage of any of nearly eight hundred transaction attributes to fit the system’s accounting behavior to your financial reporting needs.

Product Profitability and Working Capital Analytics

Cost Management provides comprehensive valuation and variance reporting. Perpetual inventory and work in process balances are maintained on-line. Multiple variances are supported such as: purchase price, standard cost, cycle count, physical inventory, work in process usage, and work in process efficiency.

Cost Management gives you sophisticated margin analysis reporting capabilities. Oracle Cost Management will help you gain and understanding of product profit contributions for your product management and profit improvement activities.
Oracle E-Business Suite—The Complete Solution

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, and products—all important aspects of your business. Whether you implement one module or the entire Suite, Oracle E-Business Suite enables you to share unified information across the enterprise so you can make smarter decisions with better information.