System Optimization

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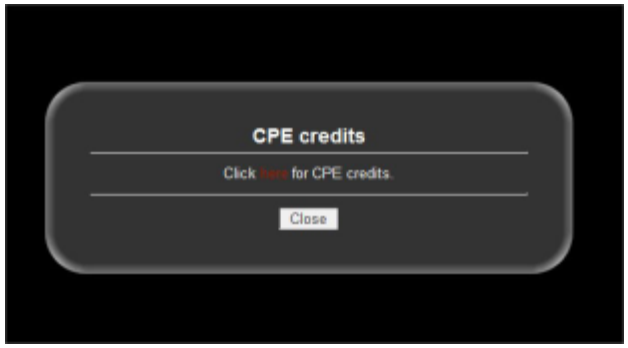
EBS Answers
Virtual Conference

Webinar Mechanics



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- Polling questions will be presented during the session. If you want CPE credit for this webinar, you must answer all of the polling questions.
- A recording of today's event will be available for 90 days for conference registrants.

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Learning Objectives

Objective 1: Maximize functionality - utilize existing standard Oracle® R12 functionality, automate processes, increase transparency, and train users.

Objective 2: Increase return on investment - eliminate non-value added tasks and reduce manual effort to increase productivity.

Objective 3: Reduce cost of ownership - consolidate disparate systems and eliminate redundancy.

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eprentise®: Transformation Software for E-Business Suite

Company Overview: Incorporated 2007, Helene Abrams, CEO

eprentise Can…

- Consolidate Multiple EBS Instances
- Change Underlying Structures and Configurations
  - Chart of Accounts, Other Flexfields
  - Merge or Split Ledgers or Sets of Books, Operating Units, Legal Entities, Inventory Organizations
  - Calendars, Currency, Costing Methods
  - Asset Revaluation, Inventory Valuation
- Separate Data

…So Our Customers Can:

- Reduce Operating Costs and Increase Efficiencies
  - Shared Services
  - Data Centers
- Adapt to Change
  - Align with New Business Initiatives
  - Mergers, Acquisitions, Divestitures
- Avoid a Reimplementation
- Reduce Complexity and Control Risk
- Improve Business Continuity, Service Quality and Compliance
- Streamline Operations with Visibility to All Parts of the Business
- Establish Data Quality Standards and a Single Source of Truth

Finished But Not Done®

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Oracle R12 System Optimization

Goals

- Customers
  - Accurate billing
- Suppliers
  - Direct ordering capability
  - Ability to monitor orders
  - Receive payment electronically
- Management
  - Easy access to information
  - Automated processes
  - Accurate forecasts
  - Increased decision support capability
- Employees
  - Payment by direct deposit
  - Focus on value added tasks

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Discovery

- Meet with IT and Finance Management to understand the pain points and overall system issues.
- Evaluate the Oracle system, observe use interview users
- Identify:
  - Opportunities for improvement
  - System vulnerabilities
  - Manual effort
  - Underutilization of standard functionality
- Does the system reflect the true operation of the business?

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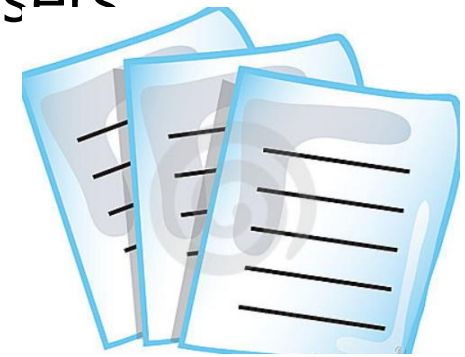
Findings

- Meet with IT and Finance Management to review the pain points and overall system issues.
- Provide evaluation of the Oracle system, observations, and feedback from users
- Include:
  - Opportunities for improvement
  - System vulnerabilities
  - Automation opportunities
  - Utilization of standard functionality
  - New functionality to replace/improve existing functions/processes



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Poll Question

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Pain Points

- Meet Finance Management to review the pain points and overall system issues of the month end close.
  - How are intercompany transactions handled?
  - Is there redundancy of processes?
  - Are spreadsheets used for manual calculations, allocations or intercompany transactions?
  - What are the causes for delay?
  - Is there a formal closing schedule?
  - Are you able to produce timely and accurate financial statements and management reports?

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Prioritization

Recommendations

Determine which recommendations would give the greatest benefit by using a weighting system that may include factors such as cost, ROI, reduction of manual effort, or productivity.

Example:
Provide a table of Findings, Recommendations, Expected Benefit and Remediation Effort which would help to prioritize the system optimization to achieve the best results.

Finding: Controller has limited knowledge of FSG functionality

Recommendation: Training

Expected Benefit: Enhanced reporting and analysis, self sufficiency

Level of Remediation Effort: Medium

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Training

Recommendations

Employee turnover may result in poorly trained users who may not be using the system efficiently.

Training may be beneficial to reduce manual effort. For example, an employee responsible for processing assets uses the asset workbench to record asset activity such as new purchases and retirements.

Training on asset functionality resulted in increased efficiency by eliminating the need to record assets outside of the acquisition process within the Procure to Pay stream.

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Example 1

Leverage AP Security Features

It was observed that the Payables user was not using the control totals that includes the number of invoices and the total amount of the invoice batch.

The use of control totals prevent inaccurate batches. The user could miss an invoice when entering or key in the wrong amount. The actual totals would not match the control totals.

Training on how to manage invoice batches would reduce the event of an error.

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Example 2

Automate Assets

It was observed that the Payables user was entering asset purchases as regular invoices. The client owned Oracle Assets, but did not implement it and was paying the license fees.

The recommendation is to implement Assets for the following reasons:

1. Greater efficiency of processing transactions, less manual effort
2. Ability to generate asset related reports from Oracle
3. System generated journal entries including the asset purchase, depreciation, accumulated depreciation and retirements

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Example 3

Replace the Chart of Accounts

An outdated chart of accounts may not accurately reflect the true financial results.
A chart of accounts that limits the companies growth ability due to limited numbering in ranges or may not have a company balancing segment.

A new improved chart of accounts could provide:

1. Greater efficiency of processing transactions, less manual effort
2. Ability to generate timely and accura
3. Room to grow
4. Increased flexibility

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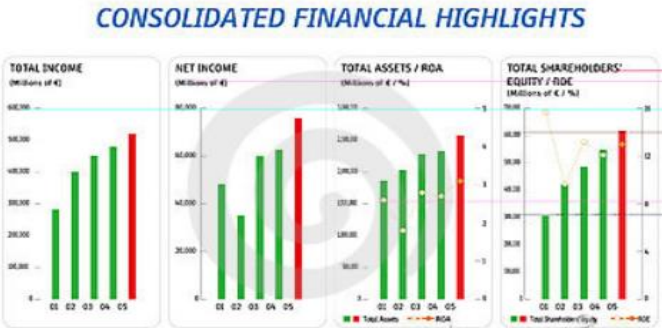
Example 4

Consolidate

Multiple charts of accounts and multiple instances is very costly. A single chart of accounts with a single instance simplifies the accounting process there by benefitting the organization by



1. Eliminates redundancy of processes
2. Increases accuracy of transactions
3. Quicker month end close cycle
4. Faster, accurate financial reporting
5. Reduces non value added functions
6. Cost savings in IT – lower maintenance costs, fewer resources needed
7. Increased cash flow
8. Greater transparency of business operations
9. Frees up resources to focus on value added tasks
10. Increased customer satisfaction

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Example 5

Improve Customer Service

Customers that may have been dealing with more than one AR manager were now dealing with one or two.
Previously fragmented customer data distributed across different instances or a single customer may have been entered into the system in different ways (IBM Corp, International Business Machines, Inc., or IBM), making it difficult for AR managers to view the customer as a whole.
The opportunity to consolidate data from multiple instances, eliminate duplicates, and ensure that credit limits is correct and contact information is current can vastly improve an organizations' data quality.
The receivables business service function can become a center of excellence by providing better service to any one of its clients or customers.

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Execute Recommendations

Project Plan

Identify resources – people, budget, timeline
Identify competing projects
Prepare a timeline
Implement the modifications that may include –
- A new chart of accounts
- Implement an application such as Assets or Advanced Collections
- Train users on the system and existing functionality
- Document current business processes
- Streamline accounting
- Run an Accounting Health Check
- Organize month end close to shorten cycle

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Expected Outcome

The number one goal of any financial ERP system is to produce accurate and timely financial results.

Shorter month end cycles
Documented procedures
Streamlined procedures
More efficient use of resources
Less manual intervention, fewer journal entries
Reduce/eliminate use of Excel

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Competitive Advantage

Business entities that migrate to a shared services model in Finance and IT are better positioned to support rapid growth by eliminating duplicate work and duplicate bureaucracies that add to system complexities.

Consolidating business operations results in improved quality and access to customer and supplier information.

These organizations are better positioned to respond quickly and efficiently to future market demands.

Staffs can handle significantly more transactions, prolonging the need to hire more res

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Plan to Optimize System

Process for Improvement

- Assess: Discovery Process
- Analyze: Findings
- Recommendations
  - Evaluation
  - Prioritization
  - Presentation

- Implement: Execution
  - Plan – phased in approach or big bang?
  - Communicate
  - Change Management
  - Test
  - Rollout
- Optimization

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Benefits of Optimization

- Reduce cost of operations by streamlining procedures
- Reduce cost of maintenance due to fewer systems to maintain
- Leverage system functionality
- Cost savings could include fewer licenses
- Leverage people resources by reducing non-value added tasks
- Efficient upgrades due to fewer customizations, streamlined systems, trained employees, documentation to support customizations
- Improved employee morale, less turnover
- Greater use of system increases transparency and reduces use of off system spreadsheets and as a result improves system security

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