

DOAG 2015 Business Solutions Conference

Keys to a R12 Implementations in EMEA and North America

George Somogyi
Board of Director, OAUG
June 9th, 2015

Introduction George Somogyi



IT Director
Societe Generale – Corporate and Investment Banking
2011 – Present

Senior Manager
KPMG Consulting / BearingPoint
2002 - 2005

Senior Manager
Arthur Andersen
1997-2002

OAUG
Board of Director and Secretary
2015-2016

User of Oracle Applications since 1990

Attended first OAUG conference in Miami 1991

Mosel Weinbau
1979

1979 Mosel Experience

Ich wollte diese



Aber ich habe diese



Agenda

- Objective of presentation
- Scope
- Best practices and tips
 - Project Approach
 - Project Organization
 - Project Communication and Tools
 - Global Design
- Technical Considerations
- R12 Applications
- Post Go-Live and Support
- Final Thoughts

Scope – Characteristics of Model Company

Ledgers

- North America, UK, and EMEA
- Ledger types GAAP, IFRS, and Adjustment
- One Global Chart of Accounts

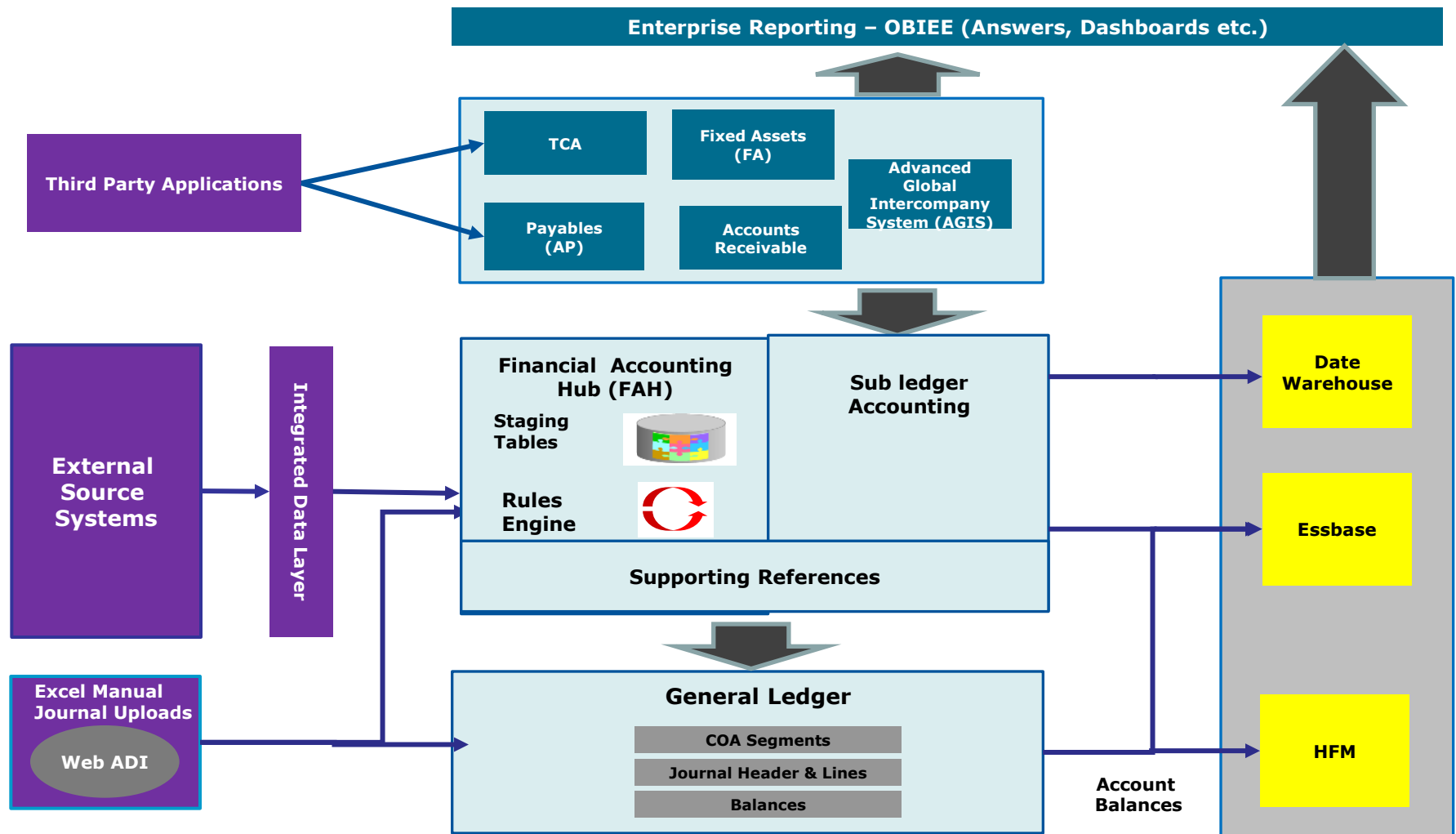
Reporting Components

- Global Chart of Accounts
- Global currency rates
- Global regulatory reporting requirements
- Single accounting calendar but multiple GL transaction calendars

Applications

- R12.1.2.x
- Hyperion HFM / Essbase 11.1.2.3
- OBIEE 11.1.1.7

Scope - Sample Financial Application Architecture



Project Approach

- Global implementation for EMEA and North America
- Where do you start
 - Location of headquarters
 - Location with most complex business model
 - Easiest to kick-off
- Considerations
 - Future state vision for the operational business functions?
 - Shared services model?
 - Level of autonomy retained by regions?
 - Decisions not made at project kick-off may difficult to change in the future

Project Organization and Team

- One global program manager
 - They will travel a lot
- Steering Committee
 - Active committee that reviews and acts on issues on a timely basis
- Project Managers
 - One per region
- Project Coordinators
 - Support project team
 - Enable project managers and team leaders to focus on real work
- Use of Consulting Firm
 - Strategy and business process
 - Technology firm with deep product skills
- Team Training
 - Schedule early
 - Use as vehicle for team building



Project Tools

- Collaboration Tools
 - SharePoint
 - Drop Box / Google Drive
 - Process is important
- Global Meetings
 - Conference Calls
 - Use only for short meetings
 - High level status
 - Single uncomplicated topics
 - Webx
 - Use for complex topics
 - Clarity and reinforcement needed
 - Follow-up with meeting minutes
- The “Circular” meeting



Project Approach – Global Design

- Benefits of Global Design
 - Globally aligned processes and systems that are properly maintained and operate consistently.
 - Implementation of best practices
 - Promotes global knowledge sharing
 - Provide future state visions for the operational business functions, global policies and procedures
- Approach and organization
 - All regions need to participate
 - Identify key resources from each region
 - These resources should be allocated throughout project
 - Plan 2-3 separate workshops sessions
 - Plan workshops in advance
- Can it be successful?



Project Approach – Global Design



- Deliverables
 - Future state business processes and flows
 - Key functional policies
 - Guiding principles
 - Key open issues
- Center of Excellence
 - Resources with deep architecture and application skill sets, but not architects. Global team representing functional and technical areas.
 - Maintains global configuration management and data management documentation
 - Approves configurations and process flows
 - Ensures global design is carried through all regions and deployments
 - Active members of regional deployment teams
- After global design is complete, take a pause!
 - Global design should be approved by all global stakeholders
 - Do not rush into implementation phase

Data Management

- Master File Processes
 - GL: Chart of accounts, parent accounts, cross validation rules, security rules, etc...
 - Receivables: TCA
 - Suppliers: TCA
 - Inventory: Inventory Master
- Master / slave concepts
- Business service level agreements
- Either IT or business can perform data management maintenance



Technical Considerations - Cloud

- What is the cloud?
 - Software as a Service (SaaS)
 - Infrastructure as a Service (IaaS)
 - Platform as a Service (PaaS)
- Benefits of hosting
 - Single Vendor Accountability
 - Lower TCO and increased ROI
 - Choice of Deployment Models
 - Increased Availability, Performance, and Security
 - Proactive Change Management and Problem Resolution
 - Predictable Monthly Fees
 - Flexible Contract Terms

Technical Considerations – The Cloud

- Network ports
 - During implementation, provide sufficient time for your network team and cloud vendor to open up all required product ports.
- Effort and resource allocation of internal resources to manage hosted applications
- Maintenance and patching cycles
 - Avoid production periods and month-end closing cycles
 - They just don't understand me?
- Server farms
 - Required patching and upgrades

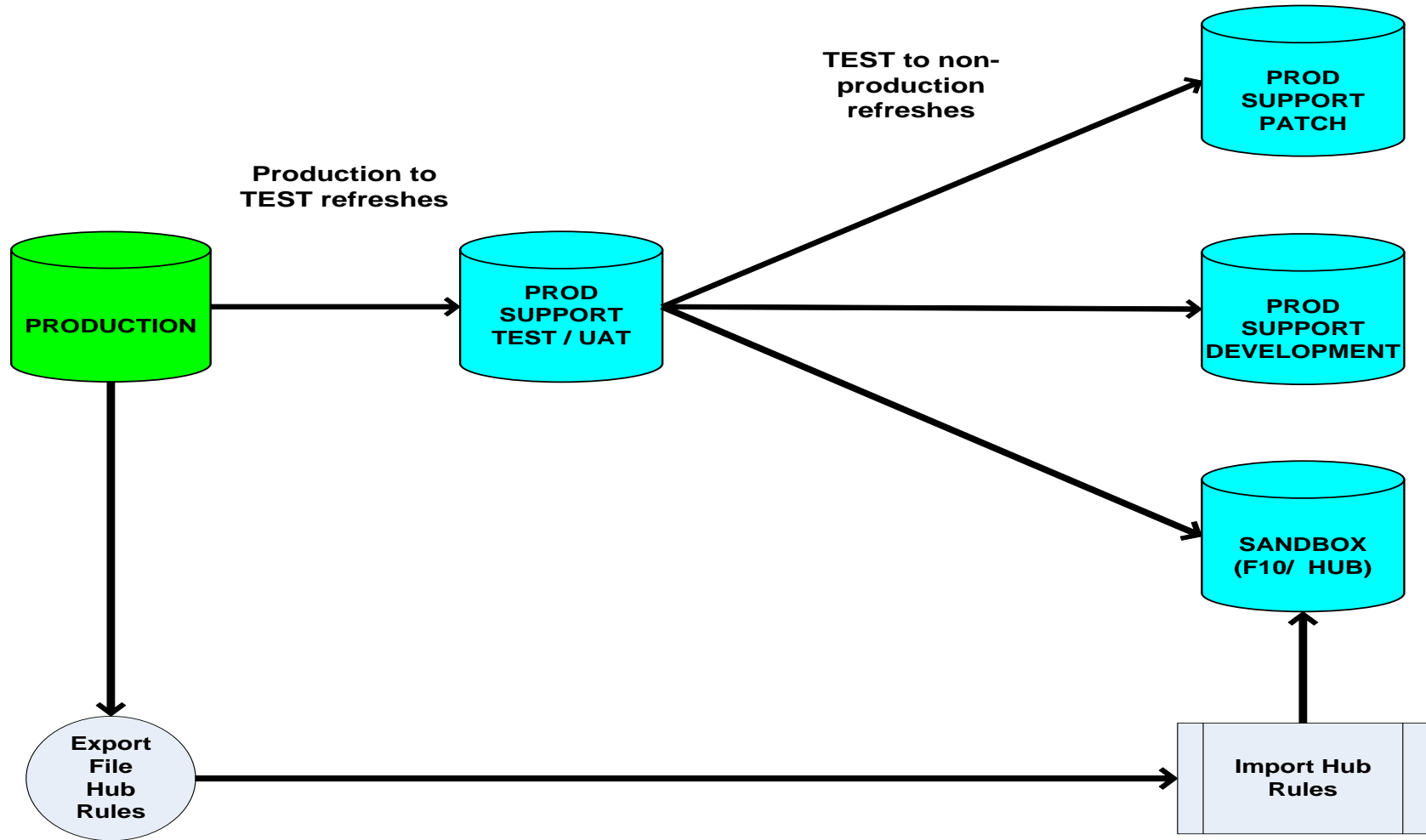


Technical Considerations - Cloud

- Hyperion HFM Upgrade
 - Upgrades from 11.1.2 and prior do not need to jump to 11.1.1.3 before moving to 11.1.2.x
- Columnar compression in R12?
- Batch process testing
 - Performance testing
 - DR testing
- System Administration Maintenance
 - Execute production maintenance processes in development and UAT environments before go-live
- Data migration
 - Strategy
 - History or “balances as of date”?
 - Understand the implications and risks
 - Start early and execute often



Technical Considerations Instance Strategy



General Ledger

- GL Balances
 - Point in time
 - Average daily balances only provides balances for asset, liability and equity GL accounts
- Do not under estimate importance of COA maintenance
 - Segment values
 - CVR
 - Security rules
- Revaluations
 - Be sure to clear GL balances for disabled COA combinations
 - Custom revaluations

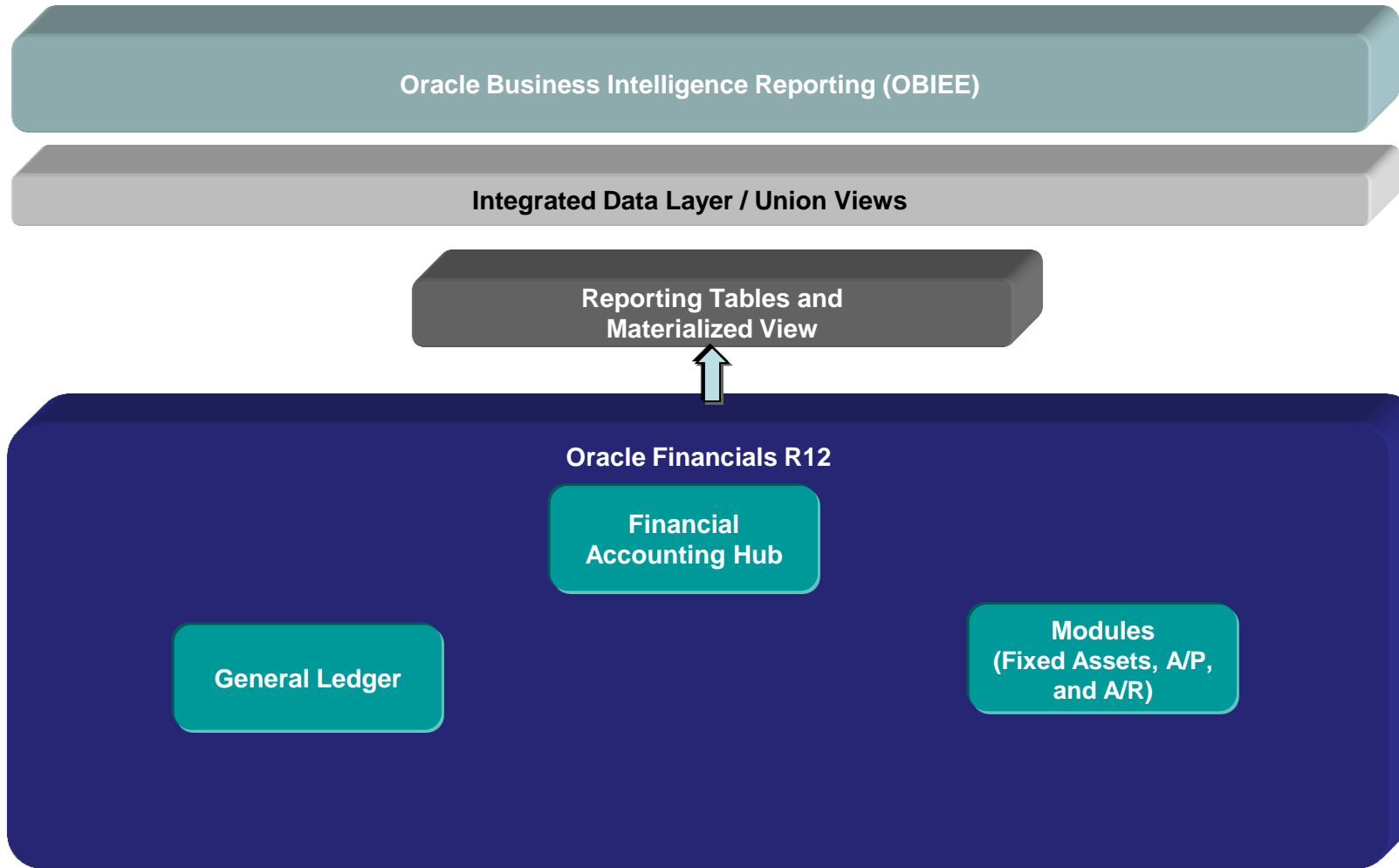
General Ledger

- Journal Processing
 - Limit manual journals
 - Use fast data entry vehicle Web ADI or vendor tools
- GL Account Control
 - Designate GL accounts as sourced automated or manual entries
 - Use distinct journal categories for reporting
- GL Transaction Dates table
 - Configure separate calendar by region
 - Impact in sub-modules

Sub-Ledger Accounting

- SLA / XLA tables provide great source of detailed data for reporting while maintaining a thin ledger.
- Best policy for data entry of manual journals
 - SLA / Financial Accounting Hub
- Use of supporting references
 - Reporting on projects, clients, etc...
 - Only functional currency reporting available

Financials / OBIEE Architecture



R12 Payables

- Daily processing
 - Daily load of currency rates
 - Auto rate process to apply rates to future dated invoices that have invoice holds
 - Invoice Validation program
 - Create Accounting Process
 - Resolve create accounting issues reported in Sub Ledger Accounting (SLA). Issues not resolved can delay month-end close

R12 Payables Month-End Closing

- Start to work any payable exceptions in Sub Ledger Accounting 5 days before close
- Do not allow unresolved invoice exceptions to be rolled over into next accounting period. This will just cause issues in the future that may require a GDF.
- Be prepared to address issues that prevent Payables to be closed as a severity one issue
- Before closing, run Transfer to GL program to verify all accounting entries have transferred. This program also should be run after any GDF patches from Oracle Support are applied
- GDF – Global Data Fix enhancement

Support

- Support after go-live
 - Use consultants for the least possible time period
 - Own support issues
 - Perform cross training while consultants on-site during post go-live support
 - Do not mix level one support and level 2-3 IT resources
- Oracle Support
 - With 24x7 support, your service request (SR) is moved around the world
 - High priority severity one services requests should not be 24 x 7; only severity one
 - Save 24 x 7 severity one services for outages and down database issues

Final Thoughts

- Keys:
 - Good resources
 - Organization
 - Advance planning
 - Discipline
 - Communication
- Use reference sources available
 - DOAG: www.doag.org
 - OAUG SIGS: <https://oaug.org/communities/sigs>
 - Oracle Communities
 - <https://www.oracle.com/communities/index.html>

Questions

- Questions?
- Contact Information:
 - George L. Somogyi
 - E-mail: george.somogyi@sgcib.com
 - Personal: gsomogyi@comcast.net