

The Right Route to Oracle Release 12

Part 1:

Oracle Release 12 - What's in it for me?

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1. So What's the Big Deal?

More functionality, better functionality, compliance and less complexity at Period End Close are pretty much the deal. For many organisations, upgrading to Release 12 isn't optional; inevitably it has to happen to maintain regulatory requirements. Even with pressing regulations, the questions "What extra functionality will it give us?", "When?", "How?" and "How do I mitigate risks?" still have to be addressed as part of a business case before the project can commence. With Version 11.5.10 going into extended support in November 2010, the time to start addressing these questions is now.

In the first part of our new three part series, 'The Right Route to Oracle Financials Release 12', we'll address some of the new features of this release and what they deliver to your organisation.

For many organisations, financial systems are a "necessary evil" that we can't live without. So we look for less cost and complexity associated with Financial Management through consolidation of systems, standardisation and automation of policies, processes and controls.

With Oracle Release 12 we believe you'll get this, so read on...

2. What's in it for me?

300+ New Features

With Release 12, we think it's fair to say that Oracle has addressed customer demand and focussed on simplification, standardisation and centralisation to simplify organisation and user experience of Oracle E-Business Suite. Release 12 boasts over 2300 new features, with over 300 in Oracle Financials.

Quite simply, most organisations with current deployments of Oracle Financials should see three key business benefits from upgrading to Release 12:

- **Faster, simpler period end processing**

Improved Ledger Architecture, along with enhanced intercompany, directly improves reconciliation thus increasing the efficiency at period end.

- **Increased operational efficiency and flexibility**

With many new centralised and standardised key business functions including centralised accounting policies, centralised bank model and payment processing, simplified global tax compliance and improved intercompany.

- **Timely and simplified reporting**

By delivering reports using BI Publisher, the capability to format and deliver reports is firmly in the hands of business users. Financials has moved much of its standard reporting to an extract and template model to increase efficiency and compliance with local reporting obligations.

3. New Features — In Detail

Let's take a look in more detail at some of these changes.

3.1. User Experience

New colours, buttons, icons and fonts – all of which are a result of studies by Oracle's User Experience Team – now make the user interface much more appealing to end users. Additionally, workflows have been re-designed and streamlined thereby reducing the number of key steps in processes.

Oracle has invested over 426,000 hours in improving the user experience and it shows. Significant improvements have also been made across Collection Setup, Payments, Loans and Accounting Setup. An example of this is the new Accounting Setup Manager, a 'wizard-like' interface that replaces the average five tabs of fields, rules and options that takes you through each process, with an on-line checklist to ensure complete and accurate setup.

Additionally, common setup components such as legal entities, operating units and ledgers have been centralised, making the setup process quicker and easier whilst minimising user errors.

3.2. Operational Efficiency

Release 12 centralises accounting, tax, payment and banking functions to provide greater efficiency, control and flexibility.

Sets of Books have been replaced by Ledgers which can be grouped into Ledger Sets for central management. For example, you can now open and close Ledgers, manage calendars, write accounting adjustments and run reports across the Ledger Set, instead of for each group.

A single subledger posting can now create multiple postings to a primary General Ledger and one or more secondary General Ledgers, according to the business rules defined for each General Ledger, thereby reducing the amount of effort involved in maintaining and reporting on accounts.

The centralised architecture standardises control in 5 key areas:

- An improved accounting engine for subsystem accounting
- A new legal entity model
- A new bank and payments model
- A powerful global tax engine
- A robust intercompany system

Operational Efficiency...cont/

With Single-Sign On capabilities and role-based access controls to operating units, a single responsibility can now access data and execute a set of actions across operating units.

3.2. Improved Period End Processing

The new Ledger and Ledger Sets functionality vastly improves the management of data across business entities, with the ability to tie many Ledgers together in one set. Ledgers in a set must share the same Chart of Accounts and Calendar but can contain different currencies. Ledger Sets allow you to perform cross-ledger functionality such as open and closing as one, allocations, report totals and details as one, translating currencies within the set and making entries across the set; directly improving period end processing.

3.3. Centralised Accounting

The new centralised accounting engine, Subledger Accounting (SLA for short), provides service to all of the subsystems. It's not a separate module that has to be purchased, it's part of Financials.

SLA provides rule-based and user-definable accounting rules, allowing you to comply with multiple accounting policies simultaneously. Reconciliation is considerably easier with all aspects of journal entries being controlled from SLA and auditability and transparency are improved with a full audit trail which drilldowns to the actual subledger transaction.

It provides a single source of truth for all subsystem accounting activity and with a consistent data model and user interface across all subledgers, greater efficiency should be achieved in the closing process. The 'compare' button simplifies the end user experience by allowing parallel entries to easily be compared and viewed simultaneously.

The screenshot shows the Oracle 'View Subledger Journal Entries' window. Annotations with red circles and arrows point to specific features:

- Compare the parallel entries created:** Points to the 'Compare' button in the 'Select Journal Entries' section.
- Assign different accounting methods to different ledgers:** Points to the 'Select Ledger' dropdown menu in the table below.

Select Ledger	Journal Entry Status	Type	Category	GL Date	Created	Created By	Created Date	Created Time	Invoice Validated	Invoice Number	Date	Document Category	Sequence	From	Invoice Voucher Number	Invoice Description
Wine Works France (Fiscal)	Final	Actual	Purchase Invoices	10-Jun-2006	20-Sep-2006 15:37:33	AP	10-Jun-2006	09:00:00	Invoice Validated, Nonre Factura	06102006	10-Jun-06	STD INV		Wine AP		
Wine Works France (Corp)	Final	Actual	Purchase Invoices	10-Jun-2006	20-Sep-2006 16:07:30	AP	10-Jun-2006	16:07:30	Invoice Validated, Invoice Number: 06102006, Date: 10-JUN-06, Document Sequence Category: STD INV, Document Sequence Name: Wine AP, Invoice Voucher Number: 134, Invoice Description:	06102006	10-Jun-06	STD INV		Wine AP	134	

Centralised Accounting...cont/

Single subledger postings can create multiple postings to a primary General Ledger and one or more secondary General Ledgers, according to the business rules defined for each General Ledger. For example, a sales invoice can post to a primary General Ledger maintained for local accounting purposes and at the same time post to a secondary GAAP General Ledger according to GAAP defined business rules. This greatly improves the efficiency and compliance associated with maintaining and reporting on accounting records.

3.5. Legal Entity Model

One of the major challenges that Teamsolve's clients have reported in 11.5.10 was configuration or set-up of legal entities, which we believe Oracle has addressed in Release 12. The role of legal entity has been elevated to allow separate management and security issues associated with operating units.

The new legal entity model easily allows organisations to create and tie together all the components that a legal entity has responsibility for, including:

- **Tax** – Registered companies calculates, files and pays the transaction taxes they owe
- **Intercompany** – Identifies the entities that do business together to allow business transactions between and across all registered companies within the organisation's family
- **Banks** – Define the banks associated with your legal entity
- **Accounting** – Books, bookkeeping rules and currency management can be applied to registered companies

3.6. Legal Entity Configurator

Legal corporate structures and data can be managed and tracked with the Legal Entity Configurator. Tracking data from the legal perspective enables detailed reporting at legal entity, establishment and registration levels.



The screenshot shows the Oracle Legal Entity Configurator interface. The main title is "ORACLE Legal Entity Configurator" with navigation links for "Home", "Legal Entities", and "Setup". The "Legal Entity Details" section is active, showing the following information:

Legal Entity Details			
Legal Entity Name	Vision Corporation	Territory	United States
Legal Entity Identifier	USSYS11020	Transacting Entity	Yes
Organization Name	Vision Corporation	Inception Date	01-Jan-1987
Organization Number	69725	End Date	

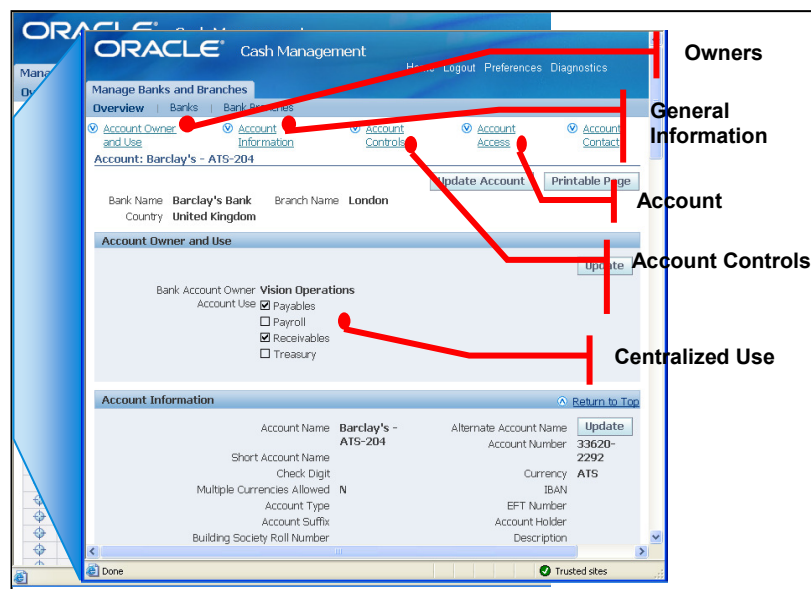
Below the details, there are tabs for "General", "Registrations", "Establishments", "Contact Information", and "Intercompany". The "Identification Information" section is expanded, showing the same data as above. The "Transactional Tax Profile" section is partially visible at the bottom, showing a checkbox for "Set for Self Assessment / Reverse Charge" and a "Tax Classification" field.

Oracle Release 12 - What's in it for me?

3.7. Centralised Banks and Payments

Again, setup and maintenance related to banks and bank accounts are much easier with a single centralised bank setup interface and reporting is vastly improved with dashboards that provide total visibility into disbursements and funds capture.

Bank models have changed in Release 12 so that a Legal Entity now owns a bank account and the different Operating Units can access it or be serviced by that bank account, where previously it was from the Operating Unit.



Oracle Payments, a central engine to disburse and capture payments, vastly improves efficiency and user productivity in the processing and tracking of payment. It connects Oracle E-Business Suite products such as Receivables and Payables, to financial institutions like banks and credit card processors, to process electronic payments.

It also processes invoice payments from Oracle Payables, bank account transfers from Oracle Cash Managements and settlements against credit cards and bank accounts from Oracle Receivables.

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3.8. Global Tax Processing

Underpaying, overpaying, fragmentation, complexity and global expertise are challenges that customers have been pushing back to Oracle to consider. Again, we believe Oracle have listened and addressed these concerns in Release 12 with a centralised global tax engine which has a single user 'wizard-like' interface for all setup and maintenance.

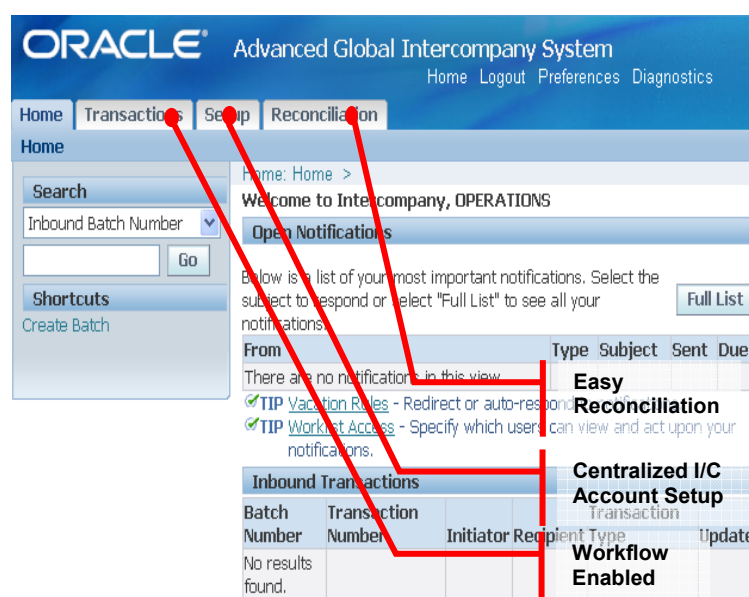
The tax engine delivers efficiencies by enabling tax configuration across the suite, automating processing based on predefined tax rules and providing a standard service to all Oracle E-Business Suite applications that generate transaction level taxes.

3.9. Intercompany Capabilities

Reducing period end cycle time and reducing the time it takes to reconcile intercompany transactions are a must for most Financial Controllers.

In Release 12, intercompany capabilities have dramatically been improved to give increased accuracy and visibility by streamlining operations and eliminating potential for out of balance entries. Advanced Global Intercompany System (AGIS) replaces Global Intercompany System (GIS) and has been taken from the GL bundle and put into core Oracle E-Business Suite Financials, Transaction Level Balancing automatically generates accounting lines in subledgers (AP, AR) to speed reconciliation.

Processing is more efficient with the ability to run one, intercompany batch across different ledgers, currencies and calendars. Additionally, GL balances have real-time visibility and complete drill down capability.



ORACLE Advanced Global Intercompany System
Home Logout Preferences Diagnostics

Home Transactions Setup Reconciliation

Home

Search

Inbound Batch Number Go

Shortcuts

Create Batch

Home: Home >

Welcome to Intercompany, OPERATIONS

Open Notifications

Below is a list of your most important notifications. Select the subject to respond or select "Full List" to see all your notifications. [Full List](#)

From	Type	Subject	Sent	Due
There are no notifications in this view.				
	Easy	Reconciliation		
✓ TIP Vacation Rules		Redirect or auto-respond		
✓ TIP Worklist Access		Specify which users can view and act upon your notifications.		

Centralized I/C Account Setup

Batch Number	Transaction Number	Initiator	Recipient	Type	Update
No results found.					

Workflow Enabled

3.10. Auditability

Alongside driving efficiency and flexibility, auditability is high on the list of key improvements in Release 12.

Sequential numbering of accounting entries is a key business requirement in many countries and is used by fiscal authorities to check the completeness of a company's accounting records. In Release 12 you can assign sequence numbers to journals during the posting process to ensure that finalised journal entries are properly sequenced. Separately, you can also assign a sequence number to journals when a period is closed to sequence journals for reporting purposes.

Additionally, the GL Entry Reconciliation feature within the Oracle Financials Common Country features is part of Oracle General Ledger and renamed 'Journal Line Reconciliation'. This feature enables you to reconcile journal lines that should net to zero; this is often actioned to suspense accounts to audit or reconcile payroll and tax payable accounts or to verify the open balances of specific accounts at the end period.

3.11. Control and Security

Single Sign on capability and role based access controls enable a single responsibility to access data across the Operating Units and execute a set of actions and reports across the OUs.

Multi-Org access controls allow companies that operate Shared Service Centres or that have centralised their accounting and other administrative functions, to more efficiently process business transactions. Users can more easily access, process and report on data across the multiple operating units from a single responsibility without compromising data security or system performance.

3.12. Productive Shared Service Centres

Shared Service Centres are regularly adopted as a model of operations that drive cost savings and increase information quality, leaving business units to focus on their core competencies. The changes that Oracle have introduced in Release 12 are likely to dramatically improve the overall operational efficiency of Shared Service Centres with greater data integrity, simplified and consistent user interfaces and consistent real-time and accurate reporting.

4. Applications Unlimited

We often hear and read articles from Oracle with phrases like 'Applications Unlimited' and 'Fusion' and wonder how on earth they apply to our business?

Release 12 is actually the first time Oracle has released E-Business Suite under Applications Unlimited and for this we'll refer straight back to Oracle's own product literature to see how that might benefit you:

- **Customer driven enhancements to product lines** - Oracle continues to support and invest in all its Application product lines. Customer input is driving innovations and enhancements for all future releases.
- **Ongoing upgrade innovations** - Reduced down time, shorter upgrade cycles and proven upgrade paths and methodologies, ensure that upgrades are now simpler and more efficient.
- **Lifetime support and no forced migrations** - The Applications Unlimited program and lifetime support policy provide customers with a choice of what platforms and releases to be on and when to upgrade based on your company's business needs, rather than forcing you to upgrade.
- **Upgrade path to next-generation applications** - Each of these new releases uptakes Fusion technology. By staying current on these new releases you evolve closer to the next-generation applications, which are Fusion Applications.

So that's it....we hope that this first White Paper has provided you with an overview of the additional features you can expect when upgrading Oracle Financials to Release 12. Next month we'll be looking at the methodology you should adopt when considering when and how to upgrade.

We have offices in Derby and a presence London, with clients all over the UK and world. Contact us today for more tailored information on how Teamsolve can improve your business productivity, streamline your IT procedures and boost your service levels.

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