



SIERRA ATLANTIC

ORACLE E-BUSINESS SUITE R12 UPGRADE SERVICES

White Paper

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INTRODUCTION

Enterprise applications are quite complex by design. This complexity is increased by the enlarged global footprint of today's business entities, with the need to meet a variety of compliance and tax requirements. These enterprises must serve diverse user profiles, and perform the necessary multi-language, multi-currency, multi-country regulatory compliance integration to dozens of applications in order to service specific industry needs. All of these factors are significantly increasing the operational challenges for enterprise IT teams on a continual basis.

Rapid technology changes, architectural advancements, and feature enrichments are all being incorporated into newer versions of today's enterprise applications. These upgraded software applications are providing many benefits to enterprises, paving the way for virtual anywhere access and facilitating better collaboration with all stakeholders to extend the enterprise's reach. But more importantly, they are enabling enterprises to design, configure, and administer robust business processes with proactive intelligence for responding to business challenges even faster and more securely than ever before.

To meet all of these challenges, IT organizations realize that their key enterprise applications must be upgraded regularly in order to benefit from the latest application and technical stack enhancements and to maintain basic supportability. For example, in the Oracle E-Business Suite (EBS) domain, the significant enhancements from the early release 10.7 to the current release 12 promise many significant productivity benefits to enterprises that upgrade to the newer version.

WHY UPGRADE?

With the exception of guaranteeing ongoing product support, organizations typically only consider upgrading if there is a compelling business reason. Some of the major benefits of upgrading include:

- I. **Obtaining a more robust and scalable architecture.** Upgrading can provide advanced database capabilities, better integration, newer extensions and personalization, and improved security for enterprise applications.
- II. **Enhancing efficiency.** Upgrading can lay the foundation for a shared services model, enable the easy design of multiple tax models, and introduce newer, more flexible accounting elements.
- III. **Streamlining compliance.** Obtaining compliance with industry regulations can be greatly simplified by upgrading to a newer version of the application. For example, new features in Oracle EBS R12 include alternate accounting representations, revenue management, and transaction sequencing.
- IV. **Enabling more efficient collaboration.** Enterprise application extensions can provide a platform for collaborating with all trading partners – leading to greater efficiencies in inventory, procurement, and logistics costs.
- V. **Facilitating better reporting.** Newer versions of enterprise applications often have improved reporting capabilities. Oracle R12 Flexi Reporting enables IT teams to easily create user-friendly reports, with higher presentation quality.
- VI. **Decommissioning legacy systems.** Upgrading can provide an excellent opportunity to move enterprise applications from a legacy platform, by optimizing the many new integration and administration capabilities.

However, every organization must carefully evaluate the perceived benefits against the classical upgrade concerns:

- I. How do I evaluate which feature enhancements will be relevant to my enterprise? Should I only focus on a select few enhancements?
- II. What is the impact on business process change management and user (re) learning? How will the upgrade affect my organization and how quickly can the changes be implemented?
- III. How will the existing custom components be assessed and upgraded? Will I be able to retire at least a few components of my older system?
- IV. Will upgrading require any additional investments in new hardware and the operating environment?
- V. How long will the upgrade take and how much will it ultimately cost?

Organizations will only start the upgrade journey if convincing answers are found to alleviate most IT and business concerns, and if the perceived benefits are significant and long lasting.

ORACLE EBS R12 UPGRADE FEATURES AND BENEFITS

Responding to today's truly globalized business strategies requires the ability to achieve 'universal' compliance, reduce IT costs, obtain flexible reporting, and perform efficient integrations. The launch of Oracle EBS R12 includes a host of enrichments (detailed in the Appendix B at the end of this document) that will enable enterprises to meet these goals and increase IT efficiency.

Oracle EBS R12 provides IT teams with a lot more flexibility in how they can design the company's global structure. For example, if a company has a United States headquarters, and maintains global operations with branches across Europe and Asia, there are many new options included in R12 that enable IT more easily set up a truly global business model. Specific enhancements in Oracle EBS R12 that provide this ability include:

- I. A new ledger architecture for supporting legal entity configuration and multi-reporting modeling;
- II. Enhanced support for global shared services;
- III. Sub-ledger accounting capabilities for greater control, transparency, and audit-ability;
- IV. A centralized banking model using a trading community architecture;
- V. Support for a global e-business tax model;
- VI. Multi-organization access control
- VII. An enhanced "Financial Consolidation Hub" which streamlines and simplifies global consolidation.

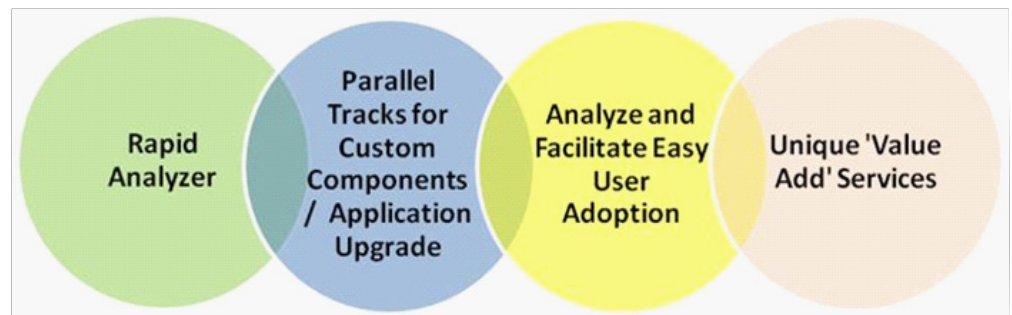
All of this new functionality will enable organization to make better, smarter decisions. Oracle EBS R12 will enable enterprises to become more competitive by increasing application performance. And with the ability to manage business applications more efficiently on a global scale, it can lower operational costs of many different key business processes. And finally, upgrading to Oracle EBS R12 will enable enterprises to create a truly globalized business environment with increased flexibility and more robust business models.

SIERRA ATLANTIC'S ORACLE EBS R12 UPGRADE SERVICES

Sierra Atlantic is uniquely positioned to be a “Trusted Partner in Progress,” providing an entire range of robust Oracle E-Business Suite Release 12 upgrade services. The proven Sierra Upgrade Methodology (SUM) provides a flexible and scalable process for projects of all sizes. Highlights of the Sierra Atlantic SUM service include:

- I. Well-defined project phases with associated deliverables
- II. Structured training sessions to aid fuller understanding and choices for implementation of business-relevant enhancements
- III. An umbrella of overall effective program management (joint or otherwise) with clear roles and responsibilities
- IV. Phased acceptance to aid risk mitigation
- V. A set of re-usable artifacts, aiding remote execution providing clients with optimal cost advantages

Several notable differentiators (described below) offer unmatched ‘value for money’ to all customers:



- I. **Rapid Analyzer.** Sierra Atlantic's unique pre-upgrade assessment tool gathers overall environment details, including 'Custom Components' (i.e., domain, impacted database objects, assessed upgrade complexity, etc.) The Rapid Analyzer provides the most accurate estimations of time lines and required effort. The solution is completely transparent to customers.
- II. **Parallel Tracks.** This Sierra Atlantic service provides unmatched insights into the Oracle EBS architecture, enabling parallelized application and custom component upgrade tracks. This service will minimize time lines and optimize efficiencies.
- III. **Analyze and Facilitate.** Sierra Atlantic will analyze the relevance of enhanced product features through business processes in use, and prepare the user community for easy assimilation of changes through contemporary processes, including User Productivity Packs, etc.
- IV. **Value-Added Services.** These services include needs-based deployments of 'Easy Cal' (for calendar change requirements); and 'Easy Chart' (for changes to chart accounts) for all solutions post upgrade. The services also provide proactive evaluation and optimized inventory modeling for 'Process Mfg. Suite' customers and a variety of other industry specific add-ons. All of these services are custom designed to meet the specialized needs of various customers.

The customer-centric value adds of Sierra Atlantic provide a strong foundation to deliver a seamless and pleasant upgrade experience to all customers through:

- I. Accurate scheduling and pricing
- II. Seamless and efficient retrofits of custom components, including assessments for possible retirements
- III. Zeroing on 'relevant' changes as against 'wholesome' changes, ensuring a focused approach and guaranteed success
- IV. Sustaining tight partnerships to efficiently address any change management issues
- V. Delivering an excellent value proposition, leading to high visibility with senior management

SIERRA ATLANTIC SERVICE OFFERINGS

Sierra Atlantic provides a wide range of comprehensive or needs-based services covering:

- I. Overall Program Management
- II. Database Upgrades and Administration
- III. Application Upgrade Services
- IV. Custom Components – Assessment, Retrofit, and Redeployment
- V. Testing and Validation
- VI. Training and User Adoption
- VII. Post-Upgrade Support

Sierra Atlantic's flexible service execution models offer the best value proposition to customers – including an optimized mix of on-site, offshore, and near shore as desired.

SUMMARY

Today's, IT organizations know that their key enterprise applications should be upgraded regularly in order to benefit from the latest application enhancements and to maintain basic supportability. But changes to any business critical applications must be done carefully, to ensure optimal performance and guarantee business continuity. By enlisting the help of an experienced IT services provider, enterprises can ensure that they are leveraging best practices for all upgrades to obtain the greatest possible benefits from their new implementations.

As a Platinum Partner in the Oracle Partner Network (OPN) and one of the world's top Oracle solutions and managed service providers, Sierra Atlantic has extensive experience performing successful Oracle EBS R12 upgrades for many global companies – from the smallest enterprises to the largest, global Fortune 500 organizations. Currently, over 200 active customers address their business needs leveraging the company's NShore™ methodology and best-in-class global delivery capabilities for their Oracle EBS and other key enterprise business applications.

To find out how Sierra Atlantic can help you leverage the many new capabilities and flexibility provided by upgrading to Oracle EBS R12, please visit www.sierraatlantic.com for contact information and office locations.

ABOUT SIERRA ATLANTIC

Sierra Atlantic is among the largest global IT services companies, and a leader in offshoring enterprise applications and outsourced product development. With expertise derived from deep R&D relationships with enterprise software leaders, such as Oracle and Microsoft, Sierra Atlantic provides full lifecycle product development and IT services including implementation, integration, development, testing, and support offering services.

A recognized leader in quality, Sierra Atlantic has been the recipient of many distinguished awards, including Oracle Partner of the Year (three years consecutively), Microsoft Gold Certified and NXT Delivery Partner, IDC DQ Top 20, and Great Places to Work. Sierra Atlantic is headquartered in Fremont, California and maintains operations in 16 countries across North America, Europe, and Asia Pacific.

APPENDIX A: UPGRADE CLASSIFICATIONS

Factors to Consider	Dot Upgrades	Version Upgrades
What Is It?	Denotes upgrades to a higher version within the same 'base release' (E.g., Oracle EBS R11.5.9 to R11.5.10)	Denotes upgrades to a release in the next higher version. (E.g., R11.5.x to R12.x.x)
Technology Stack	Will have a minor impact on the technology stack.	Significant impact on the technology stack.
Database Upgrade	May not be necessary in every case.	Usually necessary in every case.
Additional Applications / Enriched Functionality	Relatively moderate impact with fewer enhancements.	Provides significant enhancements in features, but in some cases like R12, also provides additional applications [e.g., Oracle R12. E-Business Tax, Sub-Ledger Accounting].
User Training	Requires delta training. User adoption will be easier since most core business process steps will more or less remain the same.	User participation and adoption will be extensive requiring total participation and intensive efforts.
Instance / Change Management	Incremental changes, relatively easy to implement.	Comprehensive changes may occur with steep learning curves.
Opportunities for Process Improvements, Legacy Retirements	Minimal impact.	Significant impact (e.g., 'MOAC' model in R12 enables a shared services platform, E-Business Tax – eliminates most of the localization patches).
Retrofits – Custom Components	Relatively easier since data model changes are minimal.	Usually longer, and in some cases, need to be designed from scratch due to significant data model changes.
Upgrade Duration	Medium duration, depending upon the number of dot versions involved in migration.	Relatively longer duration considering technology, feature enrichments, and higher learning curve.
Overall Assessment	Very low effort, investment, risk and change management. Occasionally minimal changes to business processes.	Typically requires significant effort, investment, risk, and change management. Usually requires major changes to business processes. Consulting organizations' capability, trust, and willingness to extend proactive assistance for process transformation are key mitigating factors for a very success

APPENDIX B: ORACLE EBS R12 KEY ENHANCEMENTS

Functional Area	Enrichments
Technology Stack	<ul style="list-style-type: none"> • Fusion Middleware • Robust Integration Repository • SOA Architecture, BPEL, and other improved toolsets • New version of mid-tier technology • Application Server – 10.1 • Servlet Container: Jserv - OC4J • Forms and Reports: Version. 6 - 10 • Improved personalization capabilities • Two middle tier Oracle homes are replaced with newer versions
Efficiency Enhancers	<ul style="list-style-type: none"> • Multiple Organization Access Control [MOAC] – for instituting a shared services model • Centrally controlled tax engine catering to the needs of multiple geographies and the elimination of localizations • Centrally maintained, flexible and configurable ‘Sub-Ledger Accounting Model’ that allows organizations to operate under various accounting policies and rules throughout the enterprise. • Centralized control of ‘inflow’ and ‘outflow’ of funds in multiple methods thru ‘Oracle Payments’ • Single point of access allows efficient management of bank accounts and numerous banks. • Funds optimization with cash pooling and zero balancing
Easy Compliance	<ul style="list-style-type: none"> • Multiple choices / levels for alternative representation of transactions (e.g., Secondary Ledger, Reporting Currency) • Improved intercompany transaction model through Advanced Global Intercompany System (AGIS) • Revenue management and matching ‘Revenue and Costs’ • Improved sequencing of transactions to meet statutory requirements. • New ‘segment’ qualifier in accounting Flexfield • Significant enhancements in access / privileges controls. • Designation of ‘Control Accounts’ and tighter reconciliation control between sub and general ledger(s) • ‘Reconciliation’ qualifiers to match transactions within for net off.
Operational Convenience	<ul style="list-style-type: none"> • Improved global inventory optimizations • Disabled account replacements • Manufacturing Execution System (MES) increases efficiency and improves floor visibility and reduces total cost of ownership through integrated manufacturing management and production execution. Promotes paperless record keeping, reducing operational costs. • For ‘Process Mfg. Customers’ offers a converged inventory model, integration with mobile devices, and optimizing inventory model.
Flexi Reporting	<ul style="list-style-type: none"> • XML Publisher-based reporting. Provides user friendly reports and supports various publishing styles (e.g., pdf, MS Word, MS Excel, XML, etc.)