

3 KEY REASONS EXECUTIVES SHOULD STAY THE COURSE TO RELEASE 12.2.5

Texas Louisiana OAUG

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PRESENTER INFORMATION

- ▶ Over 21 years of Oracle Release 10.4 through 12.2 systems implementation, upgrades and Project Management experience
- ▶ Involved in more than 15 full life cycle implementations including the Business Requirements, Design and Analysis, CRP, Testing, Implementation, Training and Post Production support phases
- ▶ Published several times in the OAUG and Collaborate proceedings
- ▶ Over 8 years of finance and accounting experience including financial analysis, general accounting/financial reporting, revenue accounting, general ledger management and accounting supervisory roles

ABSTRACT

Numerous organizations are caught in a dilemma regarding decisions on keeping an Oracle E-Business Suite solution or implementing a cloud based solution. There are many convincing reasons for implementing a cloud-based solution; however, many more persuasive reasons to stay with Oracle E-Business Suite and upgrade to Release 12.2.5. Oracle E-Business Suite Release 12.2.5 focuses on a Modern User Experience including mobilization of many features. Oracle E-Business Release 12.2.5 is a reliable, fully integrated suite of Manufacturing, Human Capital Management, Procurement, Projects and Financials products. Upgrading will most likely be much more cost effective than a new cloud based implementation.

RELEASE 12.2.5 VERSUS 12.2.6

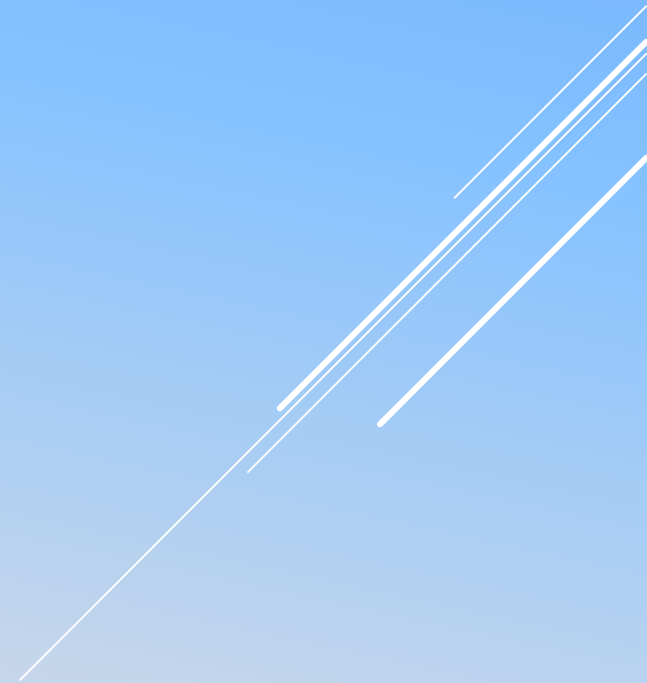
- ▶ This presentation was first developed in the Spring of 2016. At this time, Release 12.2.5 was the latest release of the Oracle E-Business Suite.
- ▶ Release 12.2.6 was released on September, 15th, 2016
- ▶ Please review the below blog related to the Oracle Press Release for 12.2.6
 - ▶ https://blogs.oracle.com/stevenChan/entry/ebs_1226_now_available
 - ▶ This blog contains links to:
 - ▶ The Press Announcement
 - ▶ A Oracle EBS Release 12.2.6 highlight video from Cliff Godwin (Oracle's Senior Vice President of Application Development)
 - ▶ Release 12.2.6 release content documents
 - ▶ Other relevant information
- ▶ The underlying points in this presentation are relevant to both Release 12.2.5 and 12.2.6. The newly introduced features of Release 12.2.6 further the discussion on Oracle continuing to invest in the Oracle E-Business Suite.

AGENDA

- ▶ 3 Key Reasons Executives Should Stay the Course to Release 12.2.5
 - ▶ Utilize significant investment in employee capital and technology
 - ▶ Functional and Technical innovation for foreseeable future
 - ▶ Maintain stability in your ERP system utilizing fully integrated suite of applications operating on a stable and well established platform
- ▶ Summary
- ▶ Questions and Answers

For the purposes of this presentation, cloud and Fusion are used interchangeably

UTILIZE SIGNIFICANT INVESTMENT IN
EMPLOYEE CAPITAL AND
TECHNOLOGY



UTILIZE SIGNIFICANT INVESTMENT IN EMPLOYEE CAPITAL AND TECHNOLOGY

- ▶ Continue exploiting company specific competitive advantages through the use of your company's eBusiness Suite
 - ▶ Many companies have extended the Oracle eBusiness Suite to reduce material costs, allow for the timely purchase of goods, increase margins and other benefits impacting their bottom line
 - ▶ These may be lost in migrating to a cloud solution
- ▶ Significant Investment in Employees can continue to be leveraged by upgrading to Release 12.2.5
 - ▶ Training (very little incremental training costs when upgrading to Release 12.2.5)
 - ▶ End Users
 - ▶ Support staff (Developers, DBAs, System Administrators, Business System Analysts, etc.)
 - ▶ Process and Procedure knowledge
 - ▶ Leverage existing knowledge capital

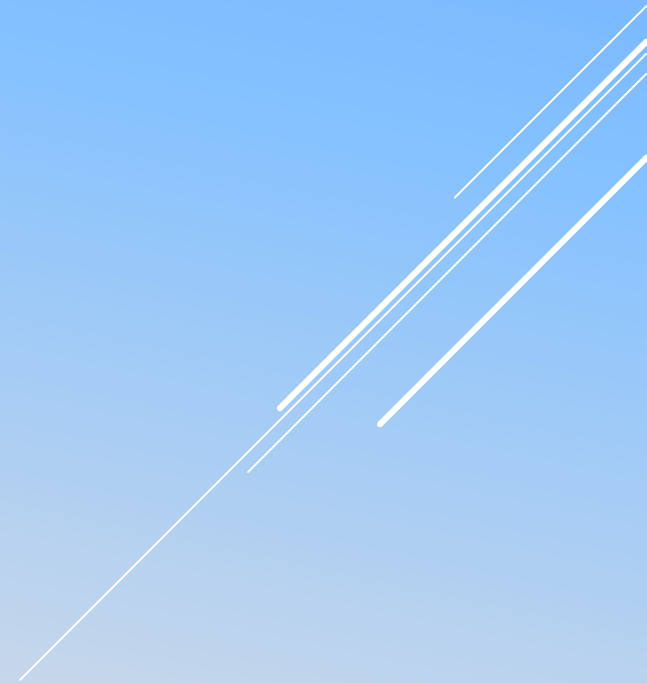
UTILIZE SIGNIFICANT INVESTMENT IN EMPLOYEE CAPITAL AND TECHNOLOGY

- ▶ Substantial Investment in current technology
 - ▶ Hardware
 - ▶ Software
 - ▶ Infrastructure
 - ▶ Testing Applications
 - ▶ 3rd Party Integrated Applications
 - ▶ Competitive Customizations and Extensions
- ▶ When evaluating implementing a Cloud Based solution, leveraging these investments needs to be a key factor in your decision. These investments may be able to be better leveraged in upgrading to Release 12.2.5 than to migrate to a cloud solution.

UTILIZE SIGNIFICANT INVESTMENT IN EMPLOYEE CAPITAL AND TECHNOLOGY

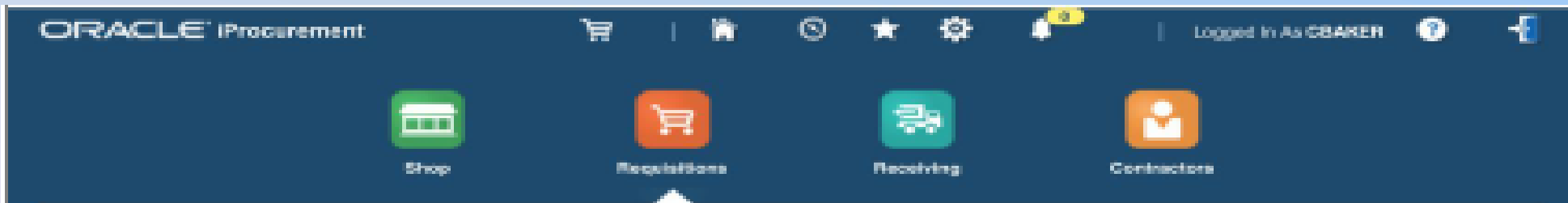
- ▶ When evaluating migrating to a cloud based solution versus upgrading to Oracle Release 12.2.5, there are several cost considerations to be used in the evaluation
 - ▶ When migrating to a cloud solution, the current outstanding capital costs for your current EBS solution may have to be expensed at go-live (Depreciation brought forward)
 - ▶ The implementation costs for a cloud based solution may have to be expensed versus EBS implementation costs which can be capitalized
 - ▶ The differentiating factor on whether the implementation can be expensed or capitalized is if you purchase a license. The standard cloud based model is a subscription basis model versus licensing the software.
 - ▶ Please review the below article which discusses the FASB Accounting Standards Update to “Intangibles – Goodwill and Other – Internal-use Software (Subtopic 350-40)” which was updated in December, 2015
 - ▶ <http://www.networkworld.com/article/3026123/cloud-computing/will-new-accounting-rule-slow-adoption-of-cloud-computing.html>
 - ▶ Companies Need to perform a complete financial impact including the cost of writing-off Infrastructure and implementation investments and the impact of expensing the implementation costs versus capitalizing the costs

FUNCTIONAL AND TECHNICAL
INNOVATION FOR FORESEEABLE
FUTURE



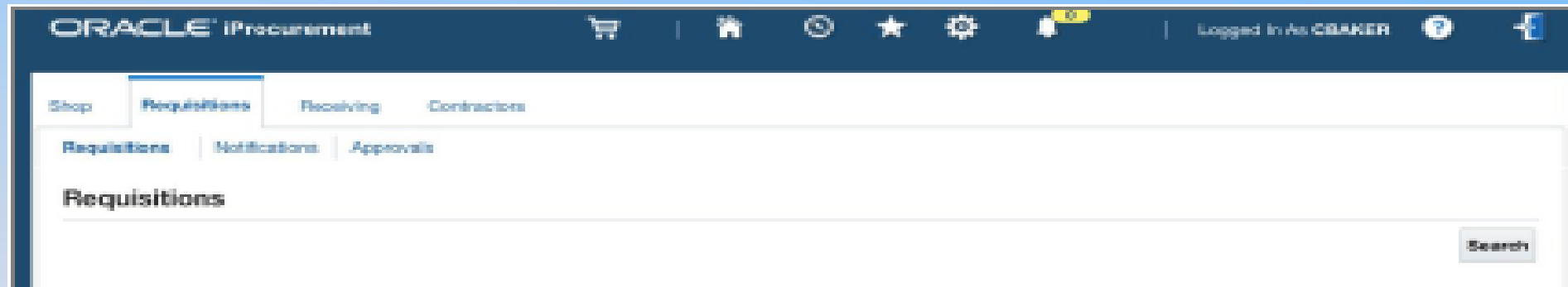
FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ New Investments in Oracle E-Business Suite (EBS) Release 12 for foreseeable future (12.2.5, 12.2.6, 12.2.7, 12.3 and beyond)
 - ▶ New code releases will be built on code base for Release 12.3
- ▶ Modern User Experience
 - ▶ Uniform Global Header across Desktop, Tablets and Mobile Applications
 - ▶ Icon based



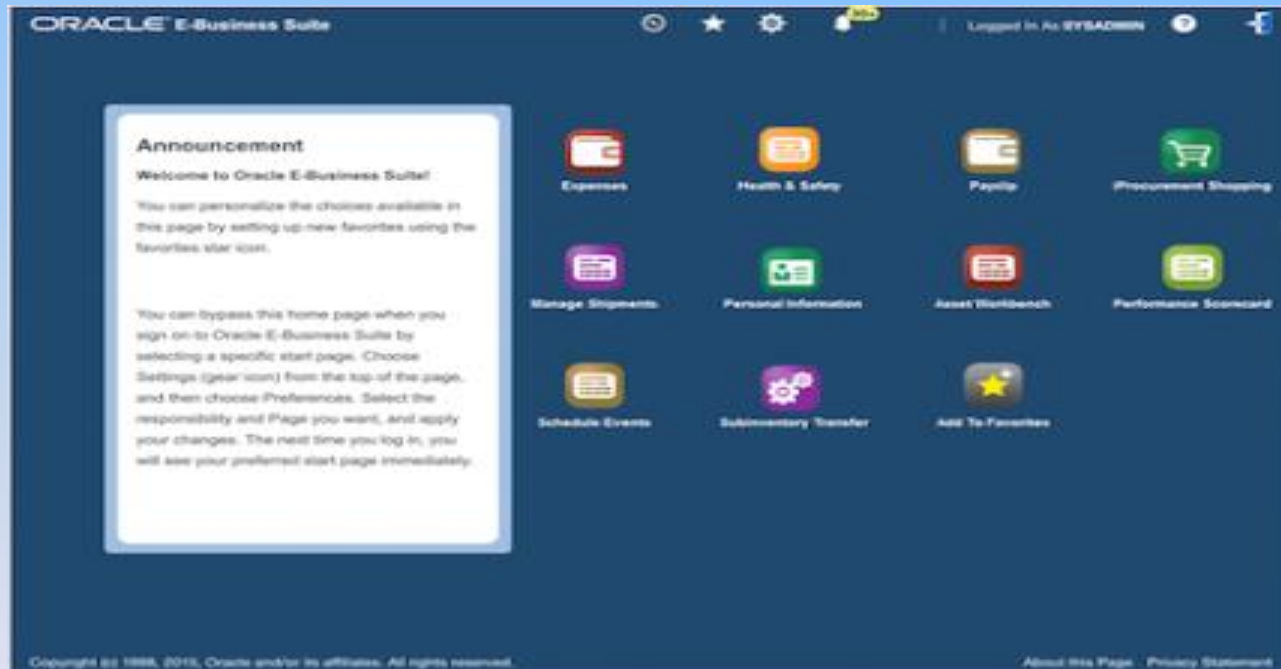
FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Uniform Global Header across Desktop, Tablets and Mobile Applications (Continued)
 - ▶ Tab based Header



FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Modern User Experience (Continued)
 - ▶ Similar touch friendly home page for EBS and Cloud applications



FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Mobilization of many applications and features
 - ▶ There are now many mobile applications to use on mobile devices (Smart

Mobile Approvals (Requisitions, Purchase Orders, Expenses, etc.)	Mobile Person Directory including integrated map interface
Mobile Procurement and Mobile iProcurement	Mobile Learning
Mobile Timecards	Mobile Maintenance (Asset Lifecycle Management)
Mobile Expenses	Mobile Project Manufacturing
Mobile Sales Orders	Mobile Product Information
Mobile Inventory	Mobile Project Manager
Mobile Process Production Supervisor	Mobile Discrete Production Supervisor
Mobile Field Service	Oracle E-Records (Now supports 21 CFR Part 11-compliant electronic recordkeeping with electronic signatures on mobile devices)

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

▶ Mobilization (Continued)

- ▶ Please access the below link for a press release on the Mobile Applications <https://www.oracle.com/corporate/pressrelease/e-business-suite-100114.html>
- ▶ Mobile Application Framework (MAF) is the development framework for the mobile applications and allows your company to develop Mobile applications and extensions
- ▶ Please find below several enhancements to MAF
 - ▶ Mobile application management (MAM) support with Oracle Mobile Security Suite (OMSS)
 - ▶ Including single sign-on
 - ▶ Support for Web SSO authentication to delegate authentication to Oracle Access Manager (OAM)
 - ▶ Customization support for corporate branding
 - ▶ Gesture Support for Mobile Devices
 - ▶ Distribution to your users through your enterprise's own site rather than through a public app store

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Mobilization (Continued)
 - ▶ Tablet Optimization
 - ▶ All OA Framework and MAF forms can be viewed on your company's tablets. Specific examples include:
 - ▶ HR Self Service
 - ▶ iProcurement
 - ▶ Order Information Portal
 - ▶ New Release 12.2.5 Specific User Interfaces geared toward tablets
 - ▶ Receiving
 - ▶ Mobile Process Production Supervisor
 - ▶ Mobile Discreet Production Supervisor

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Oracle Endeca Information Discovery
 - ▶ Oracle EBS Extensions for Oracle Endeca renamed to Oracle Endeca Information Discovery
 - ▶ Oracle Endeca Information Discovery capabilities include:
 - ▶ Explore, Analyze and Understand wide range of data
 - ▶ Combines information:
 - ▶ Any type
 - ▶ Any Source (EBS, 3rd Party systems, Social Media)
 - ▶ Search and analyze structured and unstructured content
 - ▶ Allows for business user independence with IT governance
 - ▶ Allows for Dashboard view of operational data
 - ▶ Allows access to real-time data and allows managers and users to react to what should be worked on next

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Oracle Endeca Information Discovery (Continued)
 - ▶ Endeca Information Discovery additional modules / functionality in Oracle EBS Release 12.2.5
 - ▶ Fixed Assets
 - ▶ Order Management Customer Explorer
 - ▶ Quoting
 - ▶ iStore
 - ▶ Incentive Compensation
 - ▶ Procurement Command Center
 - ▶ Projects (Advanced Project Planning and Control)
 - ▶ Contract Renewal Command Center
 - ▶ And more....

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Oracle Endeca Information Discovery (Continued)
 - ▶ Almost all areas of EBS are now included in the Endeca Information Discovery functionality for Release 12.2.5

Financials	Advanced Projects Planning & Control
Human Capital Management (HCM)	Supply Chain
Order Management and Quoting	Inventory / Cost Management
Assets	Service (Field Service, TeleService, Install Base & Depot Repair)
Process Manufacturing	Discreet Manufacturing
Enterprise Asset Management	Warehouse Management
Quality	Istore

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Oracle Endeca Information Discovery (Continued)
 - ▶ Mobile Enabled
 - ▶ Please utilize the below link to access an overview of Oracle Endeca Information Discovery

<http://www.oracle.com/us/solutions/business-analytics/business-intelligence/endecca/overview/index.html>

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Other Functional Enhancements
 - ▶ Journal Approvals using AME
 - ▶ iProcurement Ratings and Reviews
 - ▶ Manage Project schedules of values (SOV) throughout project lifecycle
 - ▶ Added functionality for subscriptions in Order Management
 - ▶ Flexible Serial Tracking / Tagging
 - ▶ Item does not have to be serial controlled
 - ▶ Just in time serialization
 - ▶ WMS Zone picking
 - ▶ Divide warehouse / sub-inventory into zones
 - ▶ Combine sub-inventories into a single zone

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Other Functional Enhancements (Continued)
 - ▶ Manufacturing
 - ▶ Component Availability Management
 - ▶ Improves on the Clean to Build process (Do you have product for next production run)
 - ▶ Enhanced Outsourcing features
 - ▶ Outsourced Processing in Process Manufacturing
 - ▶ Internal Toll organizations in Discrete Manufacturing
 - ▶ EAM Visualization for discrete and linear assets
 - ▶ Locate all assets on a map
 - ▶ Create and View request and orders on a map

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Other Functional Enhancements (Continued)
 - ▶ Multi-Org Asset Controls (MOAC) for service modules
 - ▶ New HTML forms for Tele and Field Service
 - ▶ Can be viewed on mobile devices
 - ▶ Dispatch Center for Field Services
 - ▶ Contact Center for TeleService
 - ▶ HCM HTML Payroll Dashboards
 - ▶ Once the payroll module is configured, all processing can be done via HTML forms

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Technical Enhancements
 - ▶ On-Line Patching (12.2)
 - ▶ 5 Phases of On-Line patching
 - ▶ Prepare
 - ▶ Apply
 - ▶ Finalize
 - ▶ Cutover
 - ▶ Cleanup
 - ▶ Users remain on-line while patches are applied
 - ▶ This functionality is capable due to two new features
 - ▶ Two File Systems (Patch and Run)
 - ▶ Edition-Based Redefinition (EDR) enables you to upgrade an application's database objects while the application is in use. This is accomplished by redefining database objects in a private environment known as an edition.

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

▶ Technical Enhancements

▶ On-Line Patching (12.2) - Continued

- ▶ Downtime is limited to a small window for the patch file system to become the run system
 - ▶ Application Tier is shut-down and restarted
 - ▶ Database remains running throughout this process
- ▶ Maintenance window is predictable
- ▶ Code changes are applied to the patch file system until the cutover phase
- ▶ Only when all changes have been made and tested, the patching process makes the new version of the application objects available to users

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

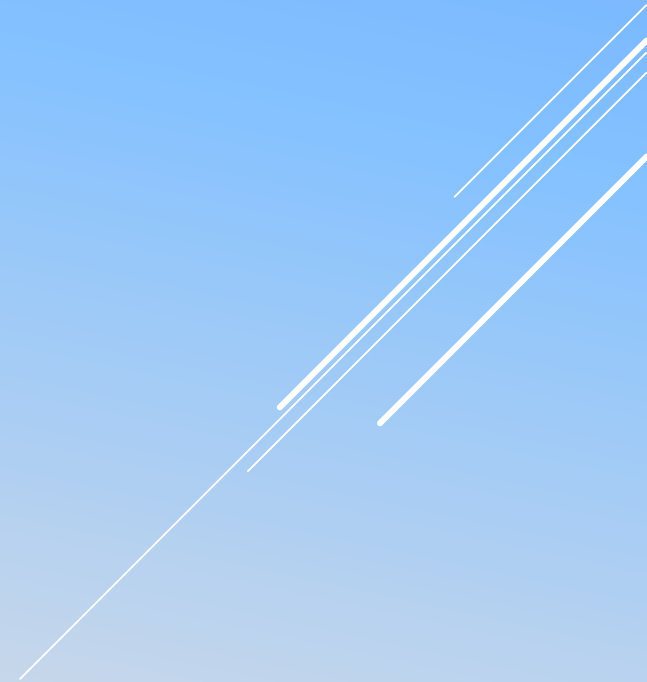
- ▶ Technical Enhancements (Continued)
 - ▶ On-Line Patching Release 12.2.5 enhancements
 - ▶ Simplified Development environments with Single File System
 - ▶ On-Line Patching validation
 - ▶ Patching Progress Monitoring Tool
 - ▶ For additional information on on-line patching, please use the below link for the On-Line Patching FAQ document

[Oracle E-Business Suite Release 12.2: Online Patching FAQ \(Doc ID 1583902.1\)](#)

FUNCTIONAL AND TECHNICAL INNOVATION FOR FORESEEABLE FUTURE

- ▶ Release 12.2 Utilizes Fusion Middleware (Weblogic)
 - ▶ Deploy Applications on:
 - ▶ Engineered Systems
 - ▶ Conventional Systems
 - ▶ Cloud Environments
 - ▶ High Performance
 - ▶ Scalable
 - ▶ Reliable
- ▶ When considering migrating to the cloud versus Oracle EBS Release 12.2.5, executives should consider the investment Oracle is spending to innovate the EBS ERP system now and into the foreseeable future

MAINTAIN STABILITY IN YOUR ERP SYSTEM
UTILIZING FULLY INTEGRATED SUITE OF
APPLICATIONS OPERATING ON A STABLE
AND WELL ESTABLISHED PLATFORM



INTEGRATED, WELL ESTABLISHED AND STABLE EBS SYSTEM

- ▶ Release 12.2.5 is a fully integrated suite of applications

Financials	CRM (Channel Revenue Management, Incentive Compensation, Sales and Marketing)
Corporate Performance Management	Human Capital Management
Manufacturing (Process and Discreet)	Logistics (Inventory, Landed Cost Management, Transportation Management & Warehouse Management)
Procurement	Order Management
Value Chain Planning	Projects
Master Data Management	Service (Field Service, TeleService, Depot Repair, Install Base, Service Contracts & Communications)
Asset Lifecycle Management	Maintenance, Repair and Overhaul

INTEGRATED, WELL ESTABLISHED AND STABLE EBS SYSTEM

- ▶ Oracle has been developing Oracle eBusiness Suite since 1988. Release 12 was first introduced in 2007.
- ▶ Oracle eBusiness Suite allows companies to utilize a fully integrated suite of applications not yet available on the cloud
- ▶ With close to 30 years of history, you can be assured EBS is built on a stable and well established platform
- ▶ Because of the history of the Oracle EBS applications, there is a large talent pool of EBS resources to recruit into your organization

INTEGRATED, WELL ESTABLISHED AND STABLE EBS SYSTEM

- ▶ Your company has invested significant amounts in Oracle EBS
 - ▶ End User Training
 - ▶ Support Staff Training
 - ▶ Development Tool Set training
 - ▶ Infrastructure Costs
 - ▶ Costs to build and maintain CEMLI items (customizations, extensions, modifications, localizations and interfaces)
 - ▶ In many cases, these CEMLI objects help your company maintain a competitive advantage

INTEGRATED, WELL ESTABLISHED AND STABLE EBS SYSTEM

- ▶ Executives should consider leveraging their EBS investment and upgrading to EBS Release 12.2.5
- ▶ There are many different upgrade Paths



INTEGRATED, WELL ESTABLISHED AND STABLE EBS SYSTEM

- ▶ The first three methods require an upgrade to Release 12.2 first and then to Release 12.2.5 for the on-line patching capability. This is seamless to the user community.

SUMMARY



SUMMARY

- ▶ There are some compelling reasons to migrate to a cloud based solution
 - ▶ Designed from the ground up using the latest technologies
 - ▶ Process flows developed using best business practices
 - ▶ Can be Hosted (Software as a Service)
 - ▶ Reduced Infrastructure Costs
 - ▶ No lengthy Patching Cycles
 - ▶ Timely Patching
 - ▶ Up to Date with Security and Application Patches

SUMMARY

- ▶ There are also many persuasive reasons to stay the course and upgrade to Release 12.2.5
 - ▶ If you need a feature rich fully integrated suite of applications
 - ▶ If your company has invested heavily in proprietary CEMLI objects or CEMLI objects that provide a competitive advantage
 - ▶ If you are looking to maintain Oracle based knowledge capital within your organization

SUMMARY

- ▶ Compelling reasons to stay the course and upgrade to Release 12.2.5 (Continued)
 - ▶ If you need a large talent pool for recruiting purposes
 - ▶ If you want to utilize a platform with a Vendor that is still investing in the product
 - ▶ Modern User Experience
 - ▶ Mobilization of many functions
 - ▶ Etc.
 - ▶ If you want to run your ERP solution on a stable and well established application suite

SUMMARY

- ▶ Stay the Course and upgrade to 12.2.5 (Continued)
 - ▶ Migrating to the cloud requires a reimplementation versus an upgrade
 - ▶ Why go to R12.2 versus R12.1.3
 - ▶ High availability via Online Patching
 - ▶ Many Functional Enhancements including mobile functionality
 - ▶ Invest in a single project to upgrade directly to 12.2

SUMMARY

- ▶ Stay the Course and upgrade to 12.2.5 (Continued)
 - ▶ Oracle's initial announcement for Release 12.2 stated Release 12.2 was covered in Premier Support through 2021 and extended support through 2024
 - ▶ In April, 2016, the support period was changed. Please review document "E-Business Suite Releases - Support Policy FAQ (Doc ID 1494891.1)"
 - ▶ Premier Support has been extended through 2023 and extended support has been removed
- ▶ In Summary, Fusion is the future; but, Oracle eBusiness Suite is the here and now...

QUESTIONS AND ANSWERS



REFERENCES

The following reference material was used to develop this presentation:

- ▶ Oracle EBS Release 12.2.5 Announcement

http://oukc.oracle.com/static14/opn/tod/EBS_12_2_5_Announcement.pdf

- ▶ Oracle Release Content Documents

[R12.1 / R12.2 : Oracle E-Business Suite Releases 12.1 and 12.2 Release Content Documents \(Doc ID 1302189.1\)](#)

- Oracle press release for the Mobile Applications

<https://www.oracle.com/corporate/pressrelease/e-business-suite-100114.html>

- ▶ Oracle On-Line Patching FAQs

[Oracle E-Business Suite Release 12.2: Online Patching FAQ \(Doc ID 1583902.1\)](#)

- ▶ Endeca Information Discovery Overview

<http://www.oracle.com/us/solutions/business-analytics/business-intelligence/endeca/overview/index.html>

THANK YOU

- ▶ Thank You for attending today's presentation
- ▶ Please find below my contact information

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