ORACLE
Oracle OpenWorld 2019
SAN FRANCISCO
Oracle E-Business Suite
Financials: Strategy and Updates

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Safe Harbor

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Agenda

• Continuous Innovation Release Roadmap
• EBS Financials Feature Highlights
• Southern Company Services: Enterprise Command Center Story
• Takeaways
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CONTINUOUS INNOVATION ON EBS 12.2
WITH PREMIER SUPPORT THROUGH
AT LEAST 2030

Delivering Ongoing Innovation and
Underlying Technology Stack Updates
without Major Upgrade

Announcing Continuous Innovation on Oracle E-Business Suite 12.2 (PDF)
Continuous Innovation on EBS 12.2

Update Underlying Technology while Keeping the Same Level of EBS Code

- Uptake new middleware without major EBS upgrade
- No need to rewrite customizations
EBS Roadmap: Continuous Innovation on EBS 12.2

Continued Investment and Support for Years to Come without Major Upgrade

PREMIER SUPPORT THROUGH:
• Release 12.1: Dec. 2021
• Release 12.2: At least 2030
## Oracle Applications: Current Release and Roadmap

### Oracle E-Business Suite: Financials

### Financials

**Release 12.2.8**  
September 2018

- Enterprise Command Centers for Assets, Payables, and Receivables (from 12.2.4 and up)
- Credit Management Improved Financial Data for Data Scoring and Approval Decisions
- US IRS Form 4562 Report Enhancements
- Person Data Removal Tool to Support GDPR
- Legislative Updates (available on 12.1 and 12.2):
  - Brazil, India, Italy, Mexico, Poland, Spain, United Kingdom

**Lease and Finance Management**

- Evergreen: Prior Dated Term, Split Asset, Fixed Term Renewals
- Prior FY Termination
- Termination Pre-Requisites
- Access Control to Terminations Quote Types

**Property Manager**

- Support for ASC 842 / IFRS 16 for Property and Equipment. Equipment leasing features are available to EBS Financials customers through restricted use license.

**Release 12.2.9**  
August 2019

- New iReceivables Command Center and Enhancements to Asset Command Center
- Credit Management Credit Limit Value Display
- Report Manager: Office 365 Support
- Legislative Updates (available on 12.1 and 12.2):
  - Brazil, Italy, Poland, Spain, United Arab Emirates

**Lease and Finance Management**

- Streamlined Non-Financial Amendments
- Purge Historical Streams
- Revolving Loan Improvements
- New Web-Services
- Mobile App for Approvals
- Investor Agreements: Disbursement Schedules & Contract Level Accounting

**Property Manager**

- Support Retro-Dated Bookings & Terminations
- Streamlined Amendments Processing
- View AP Transactions from Property Manager
- Equipment Related Improvements:
  - Attachments, Approvals, Auto-generate Asset Numbers
- Compound Interest Rate for PV & Amortizations

**Future**  
Beyond August 2019

**Financials**

- ECC Dashboard Enhancements for AP and AR
- Web ADI: Integrator Set
- Legislative Updates Argentina, India, Poland, Portugal, Spain, Taiwan, European Union

**Lease and Finance Management**

- Command Center for Asset Management
- Lease by Unit of Measure (e.g. by the hour, click, etc.)
- Transfer & Assumption
- Cash Management:
  - Contract Allocation of Future Payments
  - Line Level Application of Credit Memos
- Re-Lease of Previously Sold Assets

**Property Manager**

- Enterprise Command Center to support IFRS 16 and ASC 842 Analysis
- Additional Disclosure Reports
- Option to not Pro-Rate Payments
- Lease Classification Test
- Improved Reporting of Contract Amendments
- GASB 87 Support

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EBS Financial Management: 12.2

Key Enhancements

- Enterprise Command Centers: AR, iRec, AP, FA, Lease
- Equipment Leasing for Lessee for IFRS 16 / ASC 842*
- GL and AP Approval Flexibility and Automation
- AR: New Cash Receipt Application Methods
- Enhanced Credit Scoring and Collection Strategies
- Lease: Increased Throughout Across End-to-End Process

* Available for 12.1.3 and 12.2
EBS Enterprise Command Centers

Identify and Act on Priority Transactions without Custom Operational Reporting

Information-Driven Navigation

• Browse and drill on actionable indicators
• Use consumer-like search and filters
• Displayed data recalculated with each drill
• “Conversation with the data” to narrow in on most important priorities
• Take action on selected transactions
Enterprise Command Centers with EBS 12.2

Easy to Deploy in EBS 12.2 environment

- Supports EBS 12.2.4 and above
- No additional costs for licensed users of base products
ECC: Integrated with EBS UI and Security

Minimal Configuration Required

• Integrates with EBS UI
  – ECC pages are within EBS menu navigation
  – Drilldown to transaction pages to take action

• Honors EBS Security
  – Function security
  – Data security at the record level
ECC: Multi-Lingual Support

Easy to Deploy Different Languages in Same Instance
ECC: Extensible with ECC Framework

Easy to Change and Add Dashboards for EBS-Related Data

- Update dashboard design and visualizations
- Expose additional data in EBS instance on the dashboard
- Extending Oracle Enterprise Command Centers -- MOS Document 2527150.1

New Data Attributes and Metadata

Summarization Bar
Tag Cloud
Chart
Results Table/Grid
Receivables Command Center

Optimize Collection Cycle and Increase Cash Flow

- Minimize customer account delinquency
  - Compare current and delayed transactions against unapplied receipts
  - Contact customer and expedite collection
- Reduce Days Sales Outstanding (DSO)
  - Resolve billing process bottlenecks
  - Reconcile payment exceptions and discrepancies
- Tailor collection strategy per customer
  - Analyze payment trends, overdue balances, adjustments, credit memos, and more
  - Recognize potential problems early and minimize delays
iReceivables Command Center

Streamline Disputes Management

• Minimize revenue leakage (for internal users)
  – Monitor dispute activities to eliminate invalid disputes
  – Reduce cost of collection related activities
• Optimize cash outflow (for customer users)
  – Take advantage of discounts
  – Avoid late payment charges
  – Manage and dispute invalid invoices
  – Reconcile own account
Payables Command Center

Optimize Invoice Processing and Utilize Discounts

• Optimize Days Payable Outstanding (DPO)
  – Resolve processing issues and accelerate payments to capture discounts
  – Eliminate early payments and pre-payments

• Optimize cash outflow
  – Estimate cash outflow based on due date
  – Forecast cash requirements in different currencies

• Improve supplier relationships
  – Release invoice holds effectively and avoid late payments
  – Track status of recent payments
Assets Command Center

Improve Fixed Assets Management and Accounting

• Speed up period close
  – Reconcile Assets and General Ledger accounting discrepancies
  – Clear pending transactions of type revalue, re-class, transfer and more

• Forecast and manage capitalization events
  – Assess impact on key financial indicators
  – Monitor capitalization spending

• Increase asset utilization
  – Resolve asset utilization, assignment and location discrepancies
  – Address data quality issues
Lease and Finance Management Command Center

Increase Usage Based Revenue and Dealer/Partner Cash Flow

• Increase revenue from asset usage
  – Identify and track down usage amounts
  – Contact dealer/partner to expedite read collection

• Increase billing accuracy
  – Validate meter readings at time of entry
  – Analyze reading errors to improve meter capture process

• Improve dealer/partner cash flow
  – Accelerate dealer/partner payments
  – Communicate status from customer invoice through dealer/partner payment
**IFRS 16 / ASC 842: New Lease Accounting Reqmts.**

New Accounting Requirement for Lessees to Put Most Leases on Balance Sheet  
Effective Fiscal Years Starting on or after Jan 1, 2019

### Balance Sheet Impact

<table>
<thead>
<tr>
<th></th>
<th>Pre-Accounting Changes</th>
<th>Post Accounting Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>-</td>
<td>Right of Use</td>
</tr>
<tr>
<td>Liabilities</td>
<td>-</td>
<td>Lease Liability</td>
</tr>
<tr>
<td>Off-Balance Sheet</td>
<td>Leased Assets</td>
<td></td>
</tr>
</tbody>
</table>

### Income Statement Impact

<table>
<thead>
<tr>
<th></th>
<th>Pre-Accounting Changes</th>
<th>Post Accounting Changes</th>
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</thead>
<tbody>
<tr>
<td>Operating Cost</td>
<td>Lease Expense</td>
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<tr>
<td>Depreciation &amp; Amortization</td>
<td>-</td>
<td>Amortization of ROU</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>-</td>
<td>Interest</td>
</tr>
</tbody>
</table>

### Balance Sheet
- Lease Assets
- Financial Liabilities
- Equity

### Income Statement
- Operating Expenses
- Finance Costs

### Cash Flow Statement
- Operating Cash Flows
- Financing Cash Flows
- Net Cash Flows
## EBS Solutions for IFRS 16 / ASC 842

Support for Both Real Estate and Equipment Leases for Lessee and Lessor

<table>
<thead>
<tr>
<th></th>
<th>Real Estate</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessee</td>
<td>Oracle Property Manager</td>
<td>New solution leveraging Oracle Property Manager capability</td>
</tr>
<tr>
<td>Lessor</td>
<td>Oracle Property Manager</td>
<td>Oracle Lease and Finance Management</td>
</tr>
</tbody>
</table>

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EBS Solution for Equipment Leasing for Lessee

- Equipment leasing for lessee leveraging Property Manager capability
- Available to Financials customers as part of Financials license
IFRS 16 and ASC 842 Updates

Lease Accounting Improvements

• Process accruals anytime during the accounting period
  • No longer wait for last day of the period

• Retrospective booking
  • Book contract for any period. Accounting entries are posted to the current open period

• Compound Interest
  • Use of compound interest rate to calculate present value and amortizations

• View AP transactions generated by Property Manager from “View Transactions”
IFRS 16 and ASC 842 Updates

Lease Accounting - Operational Improvements

• Streamline contract amendments
  • Categorize type of amendment
    • Term, Classification, Rate
  • Multiple amendment types during one change
  • Improve audit of amendments
• Add attachments to equipment leases
• AME approvals support for equipment leases
• Auto-generate asset numbers for equipment
# Lease & Finance Management Improvements

## Robust Contract Management
- Revolving Loans
- Web Services for Contract Creation and Funding

## Improve Partner
- Syndication

## Scale Your Meter Management
- Re-book of Usage Contracts

## Improve Cash Flow
- Cash Sweep / Cash Re-Application
- Sales Tax Integration on Location Changes
- Web-Services for 3rd party billing

## Streamline EOT Processing
- Evergreen
- Term changes
- Split Asset
- Prior FY Termination
- Terminations: Pre-Reqs and Future Dates
- User-Access to Terminations
- Web Services: Asset Return and TQs
GL and AP Approvals Flexibility and Automation

Improve Governance, Control and Compliance with Increased Automation of Approvals

• GL Journal Approval Integration with Approvals Management (AME)
  – Flexible Approval Rules
  – Parallel Approvals

• AP Invoice Approvals Enhancements
  – Parallel Approvals
  – Transfer Approval Ownership
AR: New Cash Receipt Application Methods

Improve Accuracy and On-Time Cash Application

- **Match Score**
  - Based on Levenshtein distance algorithm based on 2 strings to find the best match

- **Knapsack Method**
  - Based on knapsacking the receipt amount and the open transactions of the customer to maximize the value applied
Credit Mgt: More Financial Data for Credit Scoring

Improve Customer Credit Assessment

• Capture and use additional financial data for credit scoring
• Customer-defined data points
  – Using new Credit Financial Data DFF
  – Use in checklist and scoring model
• Example data points
  – Debit equity ratio
  – Interest coverage ratio
Credit Mgt: User Experience Productivity Improvements

Speed Up Credit Approvals, Improve Credit Accuracy and Assessments

• Speed up Approval Process with Direct Access to Case Folder from within Approval Notification
• Increase Accuracy with Improved Formatting for Credit Applications and Case Folders
• The Credit Limit value is now shown as at the time it was processed in the original Case Folder to provide a more accurate audit trail
Advanced Collections: Enhanced Collection Strategies

Improve Collection Efficiency and Lower Days Sales Outstanding

• Collect on related accounts
  – Group parties with parent and child relationships for collection activities
  – Introduces new collection level beyond customer, account, and bill to

• Execute work items based on template rules and amount collected
  – Define logic to skip steps in work items

• Apply strategy and work item templates to specific operating units
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• Takeaways
Southern Company

With regulated electric and natural gas distribution companies providing service to over 9 million customers, Atlanta-based Southern Company (NYSE: SO) is the premier energy company serving the United States through its subsidiaries.

Subsidiaries:

- **Electric Operating Companies**: Alabama Power, Georgia Power, Mississippi Power
- **Local Gas Distribution Companies**: Atlanta Gas Light, Chattanooga Gas, Nicor Gas, Virginia Natural Gas
- **Competitive Generation**: Southern Power Company
- **Licensed Nuclear Operator**: Southern Nuclear
- **Fiber Optics and Wireless Communications**: Southern Telecom and SouthernLINC
- **Distributed Infrastructure and Energy Efficiency**: Power Secure

The Southern Company system employs 29,000 individuals at electric utilities in three states and natural gas distribution utilities in four, and provides wholesale energy, customized energy solutions and fiber optics and wireless communications across the country.
Team Members

Gnaneshwar Yempally
Database Administrator

Julio Lois
Team Lead

John Gunja
Developer/Analyst
Objectives

- Business Challenges
- Business needs met by Enterprise Command Centers (ECC):
  - Payables, Receivables, Assets, Inventory and Order Management
  - Installation and implementation of ECC with a timeline
- Benefits
- Lessons learned
- Our ECC Roadmap
Business Challenges

- Operations reporting to obtain day to day metrics regarding key values
- Near real time
- Drill down capabilities
- Inherits security from Oracle EBS

Custom Solution

<table>
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<tr>
<th>Task</th>
<th>Estimated Hours</th>
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<tbody>
<tr>
<td>Requirements</td>
<td>80</td>
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<tr>
<td>Data Profiling / Analysis</td>
<td>20</td>
</tr>
<tr>
<td>Design / Develop SSAS Tabular Model</td>
<td>50</td>
</tr>
<tr>
<td>Visualizations/Dashboards</td>
<td>40</td>
</tr>
<tr>
<td>Testing / Fixes</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>230</td>
</tr>
</tbody>
</table>

Drawbacks:
- Complexity of keeping the custom warehouse in sync with EBS.
- Custom visualization layer using Power BI (additional support and licensing fees).
- Complexity around security by responsibility in EBS.
- Not supported by Oracle.
Why Implement Enterprise Command Centers (ECC)?

• Free of charge
• Supported by Oracle
• Similar look and feel to EBS
• Security was easier
• Could be easily implemented with existing skillsets
• Delivered more than required
ECC Installation and Implementation Timeline

- Discovered ECC: October 2018
- Deployed in Dev: November 2018
- UAT: January 2019
- Go-Live: March 2019

Why this gap?

Tech Stack Backlog and Scheduling
Installation

• Installed the Oracle Enterprise Command Center Framework tier on a standalone server by downloading and installing the quick install package
• Applied patches to Oracle EBS
• Configured the ECC Framework Components
• Integrated Oracle Enterprise Command Center Framework with Oracle E-Business Suite
• Loaded product data to Command Centers (Initial and Ongoing)
• Gave users access to Command Centers
Loading Product Data to ECC
You must also create grants for the Enterprise Command Center permission sets:
• Referencing the appropriate responsibility as the security context for the grant.
• Assign these grants to the Enterprise Command Center roles.
ECC Responsibilities
Key Benefits Observed

• User experience enhanced by visualizations and drill down to business area to take required action
• Find inefficiencies in business processes
• Spot anomalies quicker
• Reduces the need for custom reports
• Reduces the need to run queries daily to find anomalies
• Find things you weren’t looking for!
• Savings!
Lessons Learned

• Keep the EBS technical stack updated
  • Hindered by highly customized environments (not LINC)
  • Re-running patchEccFiles.pl script
• ECC Schema during V2 installation
• Cloning steps
• FND_NODES
• ECC Domain
Our ECC Roadmap

• Installed Version 2 in Development in August

• The process was very similar to V1, we applied a few extra patches and had to reinstall the Command Center framework

• Total time: 3 hours

• Given V2 provides many additional dashboards we are analyzing which ones provide value to our users, as not to apply unnecessary patches
• Installing Oracle Enterprise Command Center Framework, Release 12.2 (Doc ID 2409163.1)

• Installing Oracle Enterprise Command Center Framework, Release 12.2 V2 (Doc ID 2495053.1)

• ECC Business Value by Muhannad Obeidat
  https://www.youtube.com/watch?v=iguB3x6oToI

• Unlocking Value of EBS using ECC by Muhannad Obeidat
  https://www.youtube.com/watch?v=F1YAoiGblOI

• ECC Administration by Gustavo Gonzalez
  https://www.youtube.com/watch?v=4tBfrAALA_Q
Southern Company
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Takeaways
Takeaways

• **EBS 12.2 provides substantial value now and into the future**
  – Online Patching
  – Enterprise Command Centers (ECC)
  – 9 years of functional advancements and UI improvements beyond EBS 12.1.3
  – Continuous Innovation: Ongoing functional enhancements and technology modernization
  – Long term Premier Support

• **Customers need to move beyond EBS 12.1**
  – EBS 12.1 Premier Support ends Dec 2021
  – Customers need to decide and act on next step
    • Migrate to Oracle Cloud Applications
    • Upgrade to EBS 12.2
Where to Find EBS News and Information
Engage with Applications Unlimited License Sales

Focused on Oracle E-Business Suite Customers

• Interested in purchasing EBS?
• Want to expand your EBS usage?
• Need EBS licensing help?

• Contact
  – NA: licensesales-naa_us@oracle.com
  – EMEA: appslicensesales_be@oracle.com
Where to Find EBS News and Information:

www.oracle.com/ebs
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• Continuous updates and additions

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EBS 2019 Innovations - Announcement and Video

Available under [www.oracle.com/ebs](http://www.oracle.com/ebs) > Resources > Announcements


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Announcing Oracle E-Business Suite 12.2.9

Oracle is pleased to announce the availability of Oracle E-Business Suite 12.2.9. The 12.2.9 release combines new features and enhancements with error corrections and statutory and regulatory updates in a consolidated, suite-wide patch set.

Many new features and enhancements were requested and voted on by customers using the social media capabilities of the Oracle E-Business Suite Communities on My Oracle Support. Other new features and enhancements reflect continued development of themes introduced in earlier 12.2 releases, including support for modern business models, user interface modernization, and increased operational efficiency.

The 12.2.9 release demonstrates Oracle’s commitment to a [Continuous Innovation release model for Oracle E-Business Suite 12.2](https://www.oracle.com/ebs). With Continuous Innovation, Oracle E-Business Suite 12.2 customers can continue to access new applications functionality and separately uptake later versions of underlying technology, all without the time and expense of a major release upgrade. In addition, customers can count on Premier Support for Oracle E-Business Suite 12.2 through at least 2030.
Oracle Support: IRFS16 / ASC842 Information Center

• Available on Oracle Support: Doc ID 2482062.2

Includes:
• Latest Patches
• Recent Improvements / Fixes
• Best Practices
• Functional & Technical Documentation
• Migration Process
• Support Diagnostics
• Links to forums
Where to Find More Information on EBS

- EBS Documentation and Training
  - EBS 12.2 Information Center on MOS
  - EBS Release Content Documents
  - EBS Transfer of Info (TOI) Online Training
  - EBS Documentation Web Library

- EBS Learning Subscription via OU
  - learn.oracle.com/subscriptions/ebs
Oracle E-Business Suite Learning Subscription

Available under [www.oracle.com/ebs > Resources > Videos](http://www.oracle.com/ebs)

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[Link Here](http://learn.oracle.com/subscriptions/ebs)
EBS Globalization Center on My Oracle Support

My Oracle Support Document ID : 973912.2

- Central site for access to information on globalization
- Internationalization
- Translation
- Localization
- Legislative Updates Center
- Country specific features data sheets
- Add-on localizations info center
- Translations availability matrix
EBS Legislative Update Center on My Oracle Support

My Oracle Support Document ID: 871204.2

• Timely updates on legislative changes
• Visibility on pending government changes
• Target timeframes shared for patch availability
• Links to download patches once available
• Subscribe to Hot Topic email alerts by region
• View updates by:
  • Worldwide
  • Region
  • Country
• Significantly improved dynamic content and navigation
Legislative Update Hot Topic Email Alerts

My Oracle Support Document ID: 2064143.1

• Subscribe to Hot Topic email alerts by region to receive notifications for:
  • New legislative update notes
  • Updates to existing notes
  • Follow the link from the Legislative Update Center for instructions on how to subscribe
  • Or go directly to MOS Document ID: 2064143.1
Thank You

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