

# Rolling Out Oracle in Latin America: How to Meet the Challenge

---

Cecilia Aceti  
IT Convergence

# Agenda

- A Portrait of Latin America

---

- Oracle in Latin America

---

- Latin America's Main Challenges

---

- Benefits of Implementing Oracle Apps in LA

---

- Oracle Users Groups: LatinOAUG

---

- Successful Implementations

---

- Conclusion

# A Portrait of Latin America



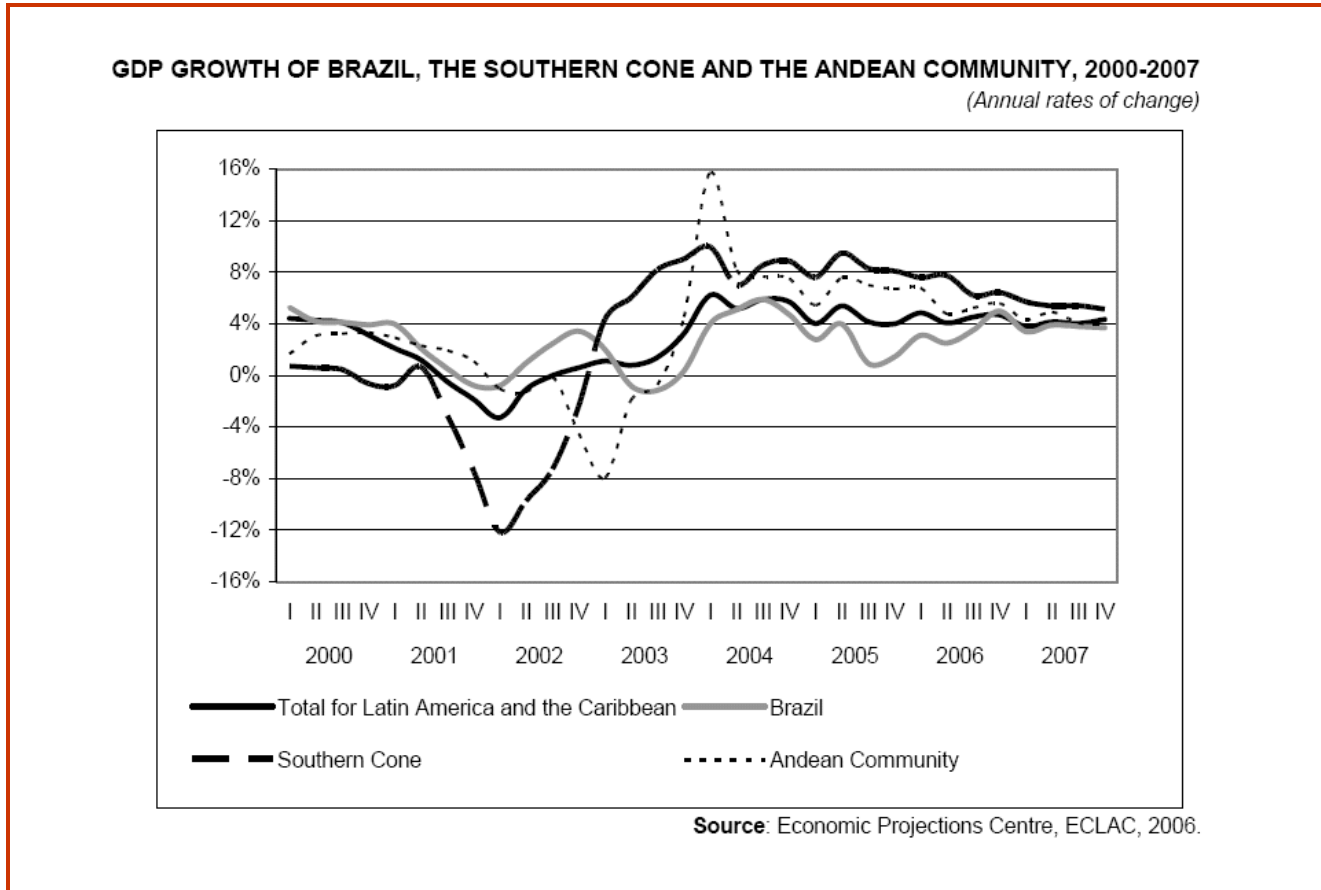
# A Portrait of Latin America

- Business climate: **excellent opportunities & significant challenges.**
- Entering the 6<sup>th</sup> year of its longest growth period in decades.
- Current situation not free of risks, specially related to:
  - Changing Regulatory reforms
  - Constant Market transformation
  - Volatile Financial systems

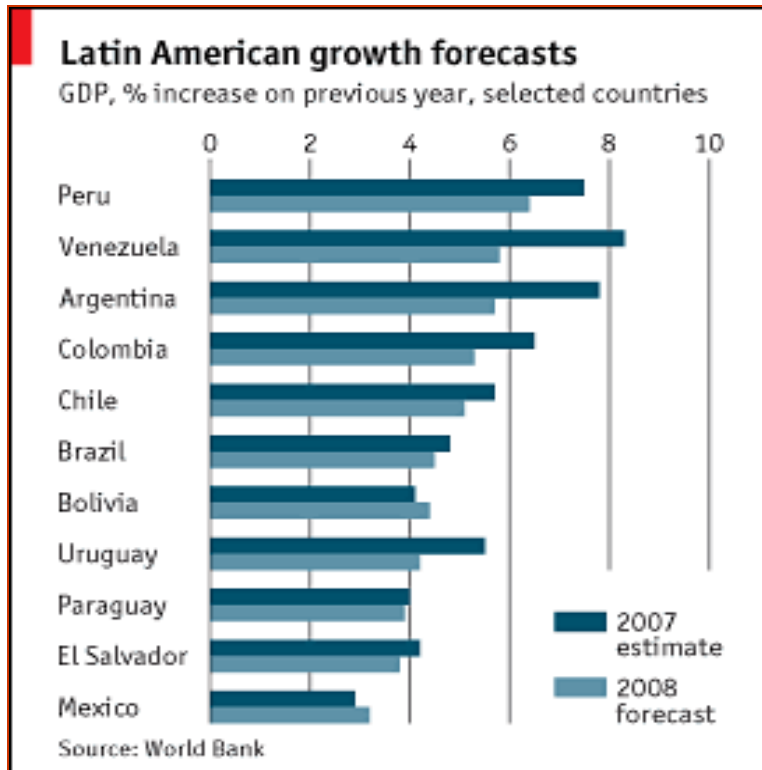
# A Portrait of Latin America

- GDP growth rate 2007: **5.6%**
- Perspective 2008: **4.9%** (6th year of growth rate over 4%)
- Inflation average: **6%**
- Unemployment rate descending since 2004
  - 2007: 8.0%
  - 2008: 7.6%
- Fiscal & Trade balances surpluses and growing international currency reserves

# A Portrait of Latin America



# A Portrait of Latin America



**Total Gross Domestic Product**  
(Millions of dollars expressed in constant 2000 dollars)  
Rates of variation 2005-2008

Country	2005	2006	2007	2008
Argentina	9.2	8.5	8.6	6.5
Bolivia	4.0	4.6	3.8	4.0
Brazil	2.9	3.7	5.3	5.0
Chile	5.7	4.0	5.3	5.0
Colombia	4.7	6.8	7.0	5.5
Costa Rica	5.9	8.2	7.0	6.0
Cuba <sup>a/</sup>	11.8	12.5	7.0	...
Dominican Republic	9.3	10.7	7.5	5.5
Ecuador	6.0	3.9	2.7	3.0
El Salvador	3.1	4.2	4.5	4.5
Guatemala	3.5	4.9	5.5	5.0
Haiti	1.8	2.3	3.3	4.0
Honduras	4.1	6.0	6.0	5.5
Mexico	2.8	4.8	3.3	3.3
Nicaragua	4.3	3.7	3.0	3.5
Panama	7.2	8.7	9.5	8.5
Paraguay	2.9	4.2	5.5	5.0
Peru	6.7	7.6	8.2	6.5
Uruguay	6.6	7.0	7.5	6.5
Venezuela	10.3	10.3	8.5	6.0
<b>Sub-total Latin America</b>	<b>4.6</b>	<b>5.5</b>	<b>5.6</b>	<b>4.9</b>
<b>Caribbean</b>	<b>4.7</b>	<b>6.9</b>	<b>3.9</b>	<b>4.9</b>
<b>Latin America and the Caribbean</b>	<b>4.6</b>	<b>5.6</b>	<b>5.6</b>	<b>4.9</b>

Source: ECLAC, on the basis of official figures.

<sup>a/</sup> Figures from Cuba are not strictly comparable with those of other countries due to methodological reasons introduced as of 2004, and are not included in the total figures.

# A Portrait of Latin America

- **Pros**

- Unparalleled Opportunities = Great rewards
- Cost-Effectiveness
- Proximity = same business hours
- No war conflicts and/or significant natural disasters

- **Cons**

- History of volatile economic contexts
- Inappropriate regulation = uncertainty



# Oracle in Latin America



# Oracle in Latin America

- More than 15 years of operations
- 15,000+ clients & 1,772 Partners
- Offices in: México, Brazil, Colombia, Venezuela, Costa Rica, Puerto Rico, Peru, Argentina and Chile

# Oracle in Latin America

- 2 Pillars:
  - Total regional coverage through business partners
  - On Demand service (SAAS)

# Oracle in Latin America

- Oracle offers services and solutions especially designed for the **small and medium size (SMB) companies** segment, through technology and applications pre-packed solutions
- Today, **65%** of Oracle clients in the region belong to this sector

# Oracle in Latin America

FY 2007	
<b>30%</b>	Total Income Growth
<b>33%</b>	Growth in Applications Licenses
<b>15%</b>	Growth in Technology Licenses
<b>28%</b>	Growth in Middleware Licenses

# Oracle in Latin America

FY 2008 (First Half)	
<b>28%</b>	Total Income Growth
<b>42%</b>	Growth in New Licenses
<b>32%</b>	Growth in Applications Licenses
<b>46%</b>	Growth in Database & connection program Licenses

# Oracle in Latin America

- Oracle leads:
  - RDBMS (Relational Data Base Management System) market with a 53% market share
  - Applications market with a 17% market share

(IDC 2006)

# Oracle in Latin America

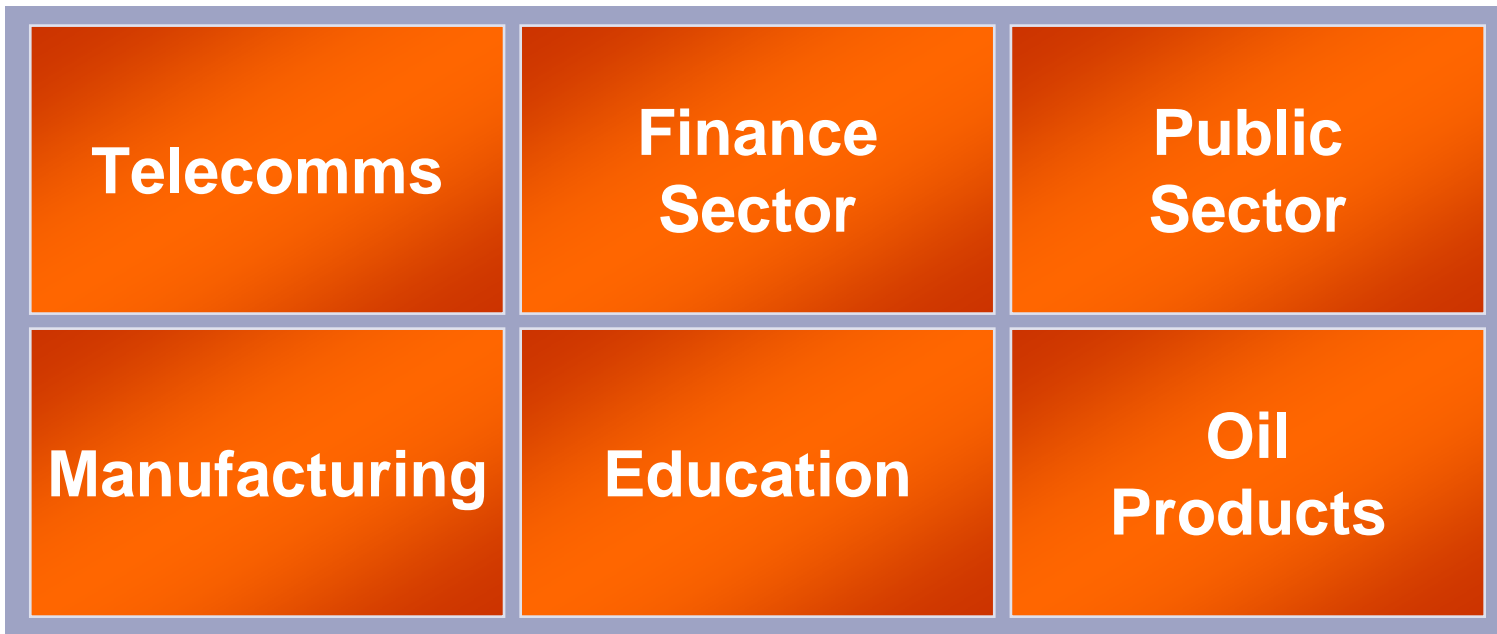
- #1 in:





# Oracle in Latin America

- The principal markets are:



# Oracle in Latin America

- Oracle Latin America has seen a **20% growth year on year the past five years** and managed to **grow by twice** that rate the last half of 2007.

# Latin America's Main Challenges

**Cultural  
Differences**

**Achieving  
Business Process  
Standardization**

**Language**

**Currency and  
Statutory Related  
Issues**

# Latin America's Main Challenges

**Cultural  
Differences**

**Achieving  
Business Process  
Standardization**

**Language**

**Currency and  
Statutory Related  
Issues**

# Latin America's Main Challenges

## Cultural Differences

Product of many influences



Mix of Native, European  
& African cultures

Uncertain Economic &  
Political environment

Organization/People  
culture

# Latin America's Main Challenges



- Key to face the cultural differences:
  - ▶ Define the project scope and establish a good communication
  - ▶ Efficient Resources Scheduling and Budgeting
  - ▶ Change Management Plan

The rollout can help to **standardize business processes and unify business criteria**

# Latin America's Main Challenges

**Cultural Differences**

**Achieving Business Process Standardization**

**Language**

**Currency and Statutory Related Issues**

# Latin America's Main Challenges

## Language Considerations



21 independent countries

561,200,000 people

Spanish: predominant



# Latin America's Main Challenges



- Key to face the Language Differences:
  - ▶ Bilingual & experienced consultants
  - ▶ Oracle is Multilingual, the challenge is the good communication to execute the project successfully.

From different Languages to a “**Business Language**”

# Latin America's Main Challenges

**Cultural  
Differences**

**Achieving  
Business Process  
Standardization**

**Language**

**Currency and  
Statutory Related  
Issues**

# Latin America's Main Challenges

**Inefficiencies involved in re-inventing the same process over and over again**

**New Technology applied to old processes**

**Low capacity in the standards institutional framework**

**High input prices, inadequate infrastructure, and undeveloped marketing and distribution chains**



# Latin America's Main Challenges

## Achieving Business Process Standardization

Benefits for the region →



Best Practices

Online information systems within companies/subsidiaries

Improves supply chain efficiency and performance

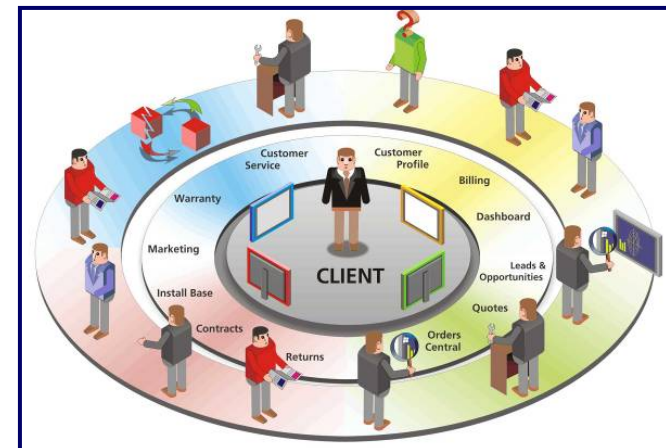
Comparative measures of performance

# Latin America's Main Challenges

 **Key** to achieve Business Processes Standardization:

- Jump Start the implementation by engaging with Partners with:

- ▶ Local expertise
- ▶ Bilingual consultants
- ▶ Program Management Resources
- ▶ Business Process Knowledge



# Latin America's Main Challenges

**Cultural Differences**

**Achieving Business Process Standardization**

**Language**

**Currency and Statutory Related Issues**

# Latin America's Main Challenges

## Currency and Statutory Related Issues



Inflation Adjustments

Devaluations

Translations to Foreign  
Currencies

Other Statutory Requirements

# Latin America's Main Challenges

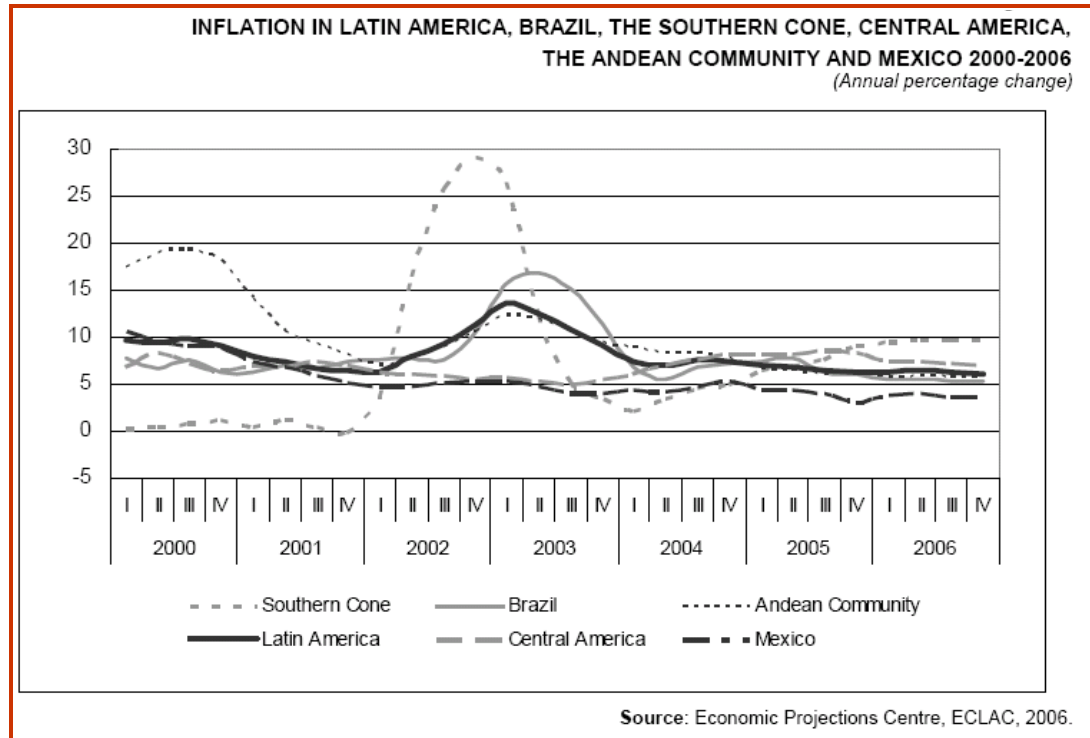
- Inflation Adjustments**

**Inflation rate:**

**5% - 7%**

**2008:**

**6.5% average**





# Latin America's Main Challenges

COUNTRY	INFLATION
Venezuela	17%
Paraguay	12,5%
Argentina	9,8%
Uruguay	6,3%
Bolivia	4,95%
Colombia	4,48%
Ecuador	4,36%
Brasil	3,7%
México	3,33%
Chile	2,6%
Perú	1,14%

Source: Diario Clarín, 02/17/2007

# Latin America's Main Challenges

- **Devaluations**

- Local currencies are devaluated taking the exchange difference among the dollar.
- When this happens, the overall cash and actives of the local subsidiary need to be adjusted.

Oracle EBS offers a convenient way to reflect the company's financial information in a **constant currency**.



# Latin America's Main Challenges

- **Translations to Foreign Currencies**
  - Process of restating foreign currency accounts of subsidiaries into the reporting currency of the parent company
  - Objective: to prepare consolidated financial statements.

**Oracle EBS** integrates seamlessly with the global enterprise system by proving **real time** information the subsidiary's sales in a **constant currency**.



# Latin America's Main Challenges

- Other Statutory Requirements
  - Taxes Calculations
  - Legal Documents Generation
  - Import Goods
  - Legal Reports



Oracle enables **full compliance** with local statutory legislation and meets other additional auditing needs.

# Benefits of Implementing Oracle Applications in Latin America

- Language Differences  
→ Business Language
- Business Processes  
→ Best Practices & online Information
- Statutory/Currency Issues  
→ Auditability  
→ Visibility  
→ Accountability

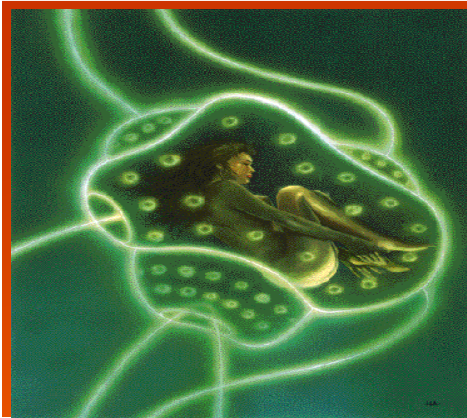
**Challenges → Assets**



# Benefits of Implementing Oracle Applications in Latin America

- The **real challenge** then becomes **managing the implementation Project**, as the Oracle eBusiness suite is a world-class platform that meets the business needs of the region

# Benefits of Implementing Oracle Applications in Latin America



## *Soulware*

Technology requires changes in the way humans work, yet companies continue to inject technology without making the necessary changes

# Oracle Users Groups: LatinOAUG





# Oracle Users Groups: LatinOAUG



- The LatinOAUG is **Spanish speaking** OAUG affiliated **GEO** that has the objective of making the Oracle apps more robust, and giving its members a unique role in the continuous search for improvements

# Oracle Users Groups: LatinOAUG

# LatinOAUG: Facts

- Founded: 2005
- Members: over 350
- Management: governed by a 5 person volunteer Board of Directors
- Headquarters: Buenos Aires, Argentina



# LatinOAUG: Facts

- Sponsor:  **IT Convergence**<sup>®</sup>
- Main Companies that belong to the Group:  
Emerson, Marsh, Cablevisión, Multicanal, Enersa, Salmofood, Airliquide, Aluar, Dana, Maple Gas Corporation, Serono, Danone, Barrick, Panama Canal, Vitopel, Nextel, Aguas Argentinas, Frito-Lay, etc.

# LatinOAUG: Mission

- The LatinOAUG empowers its membership by delivering the highest quality opportunities for:

**Networking**

**Sharing  
Information**

**Gaining  
access  
to timely  
Education**

# LatinOAUG: Goals

- Share and benefit from **real-world** user experiences
- Gain access to a **network of peers** for collaboration and information exchange
- Voice **opinions of the region** for future Oracle services and technology



# LatinOAUG: Activities

- Meetings, Conference Calls, Discussion Forum

The image displays two screenshots of the LatinOAUG website. The left screenshot shows the homepage with a banner that reads "Meet our new discussion forum" and a "CLICK HERE TO ENTER" button. Below the banner, there is text about the forum's launch and a "FORUM REGISTRATION" button. The right screenshot shows a forum thread list with columns for "Thread", "Replies", "Views", and "Last Post".

Thread	Replies	Views	Last Post
<b>Subscripción de Usuarios de Datos de Aplicaciones</b> Comunicación de los usuarios de aplicaciones	3	3	02/26/2008 06:31:21 Por: Carlos Hernandez By: Carlos Hernandez
<b>Reunión de Usuarios</b> Reunión de Usuarios	3	3	02/26/2008 06:31:21 Por: Carlos Hernandez By: Carlos Hernandez
<b>Introducción Funcional de las Aplicaciones</b> Introducción Funcional de las Aplicaciones	30	24	02/26/2008 06:31:21 Por: Carlos Hernandez By: Carlos Hernandez
<b>Introducción Funcional de las Aplicaciones</b> Introducción Funcional de las Aplicaciones	31	25	02/26/2008 06:31:21 Por: Carlos Hernandez By: Carlos Hernandez
<b>Introducción Funcional de las Aplicaciones</b> Introducción Funcional de las Aplicaciones	8	8	02/26/2008 06:31:21 Por: Carlos Hernandez By: Carlos Hernandez
<b>Introducción Funcional de las Aplicaciones</b> Introducción Funcional de las Aplicaciones	7	21	02/26/2008 06:31:21 Por: Carlos Hernandez By: Carlos Hernandez

# Successful Implementations



# Conclusion

- Latin America is a **promising region** for doing business and for implementing Oracle applications
- Oracle provides an **answer** for the region's **business needs**
- The real challenge is **managing the implementation** Project so that all localization issues are proactively addressed

# Conclusion

- Implementing Oracle Apps in Latin America provides the opportunity to achieve greater levels of **business process standardization**
- Latin America roll-outs should be **carefully planned**, taking business decisions in advance and relying on **experienced partners**

# Conclusion

***“think global, act local”***

philosophy is a must

# Conclusion

- After successfully implementing Oracle apps, the **challenges become assets** and the company speaks the same “**business language**”

**Challenges → Assets**

# Thanks!

---

Cecilia Aceti  
IT Convergence