

ORACLE®

E-Business Advanced Procurement Update and Roadmap

David Hope-Ross, Senior Director Procurement & SCM



Safe Harbor Statement

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Agenda



- Procurement Challenges and Opportunities
- How Oracle Delivers
- A Look at Release 12
- Summary and How to Learn More

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Business Challenges

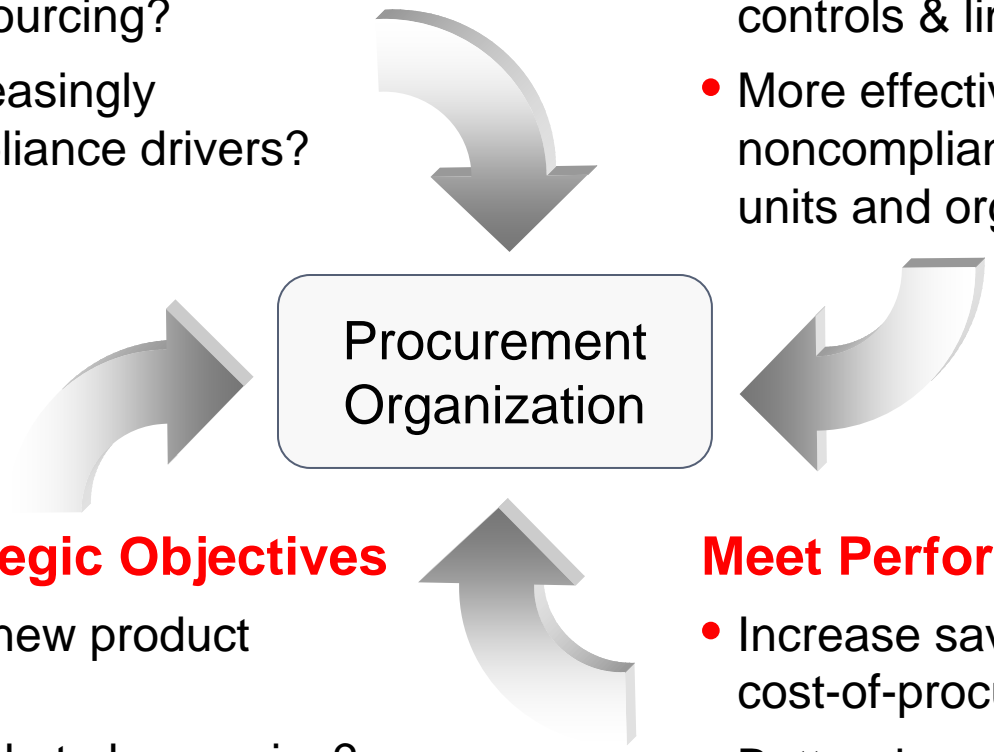
How Do We...

Implement New Processes

- Leverage outsourcing & low cost country sourcing?
- Deal with increasingly complex compliance drivers?

Align Business Practices

- Overcome our insufficient controls & limited influence?
- More effectively deal with noncompliance by business units and organizational silos?



Procurement Organization

Support Strategic Objectives

- Help improve new product introduction?
- Help drive market-share gains?
- Support M&A strategies?

Meet Performance Goals

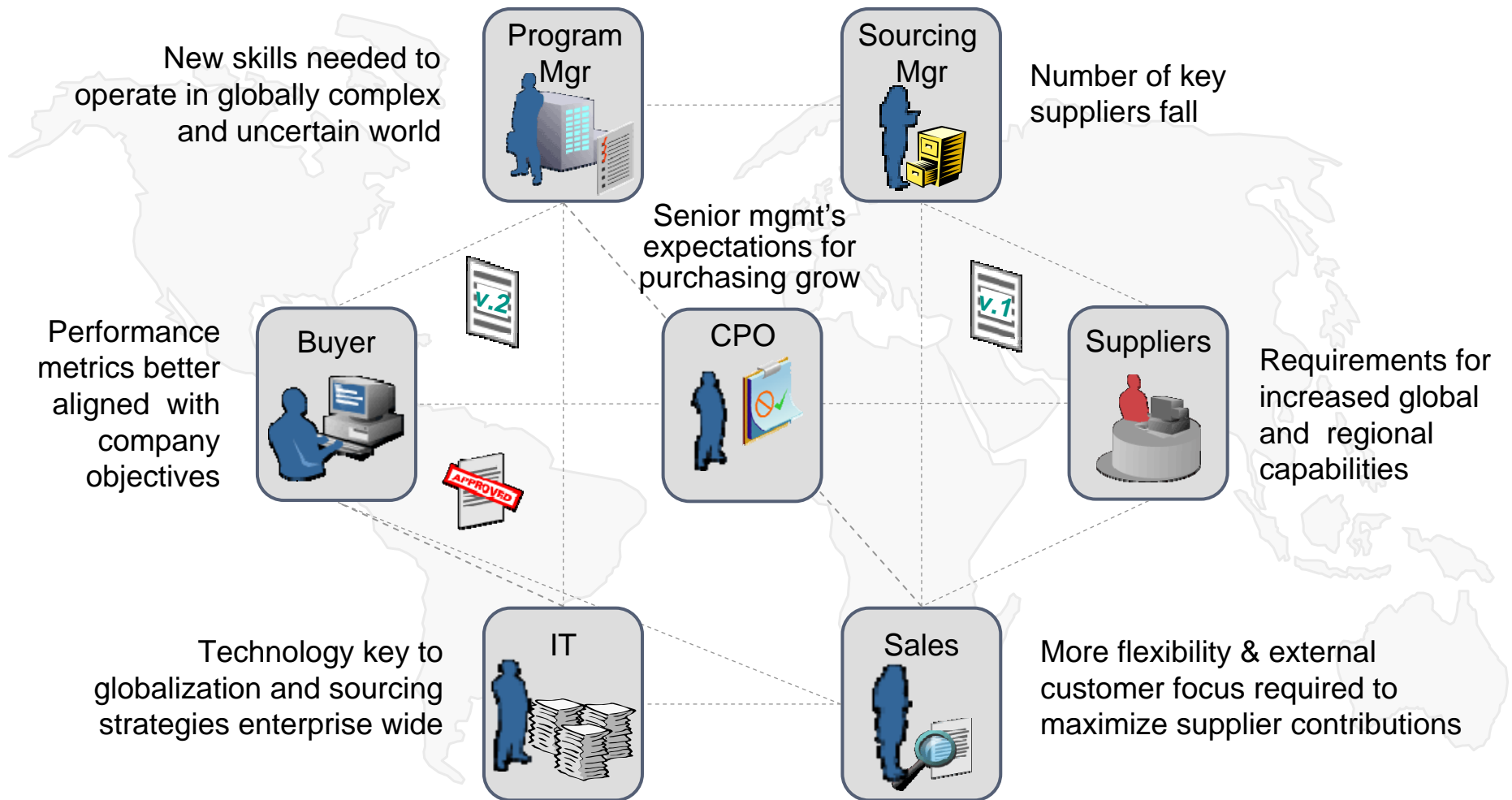
- Increase savings and reduce the cost-of-procurement?
- Better document cost savings and cost avoidance?

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The Future Of Purchasing & Supply

Sourcing Strategies Become a Critical Source of Competitive Advantage



Source: Center For Advanced Purchasing Studies, THE FUTURE OF PURCHASING AND SUPPLY: A FIVE- AND TEN-YEAR FORECAST

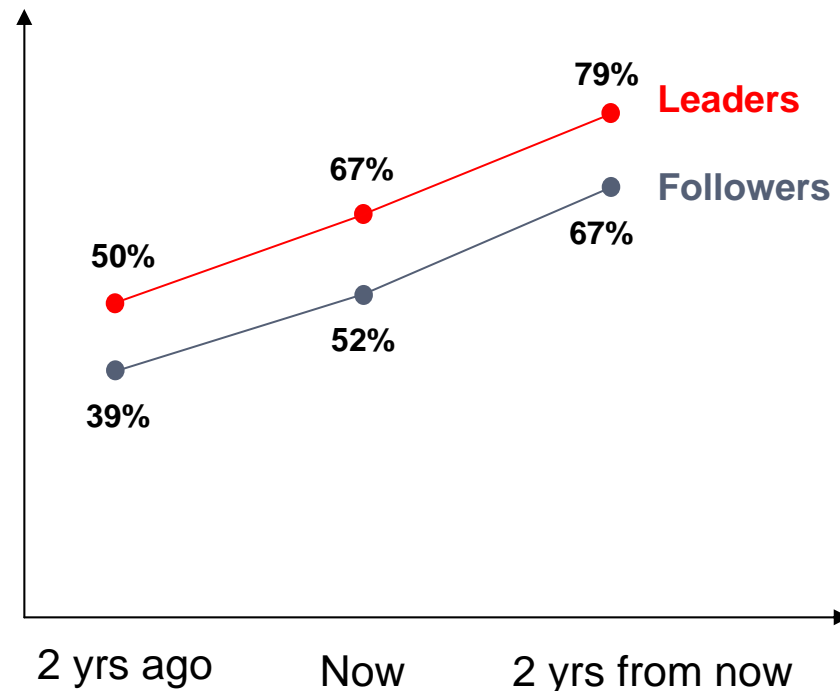
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The Lives of Procurement Professionals Are Already Changing

Procurement Organization Focus

(% of Time Involved In Strategic Activities)



A.T. Kearney's Assessment of Excellence in Procurement

The CPO's Agenda

1. Improve supplier development & collaboration
2. Enhance and integrate procurement automation infrastructure
3. Adopt low cost country supply initiatives
4. Transition to a center-led procurement organization
5. Increase spend under management and improve spend compliance

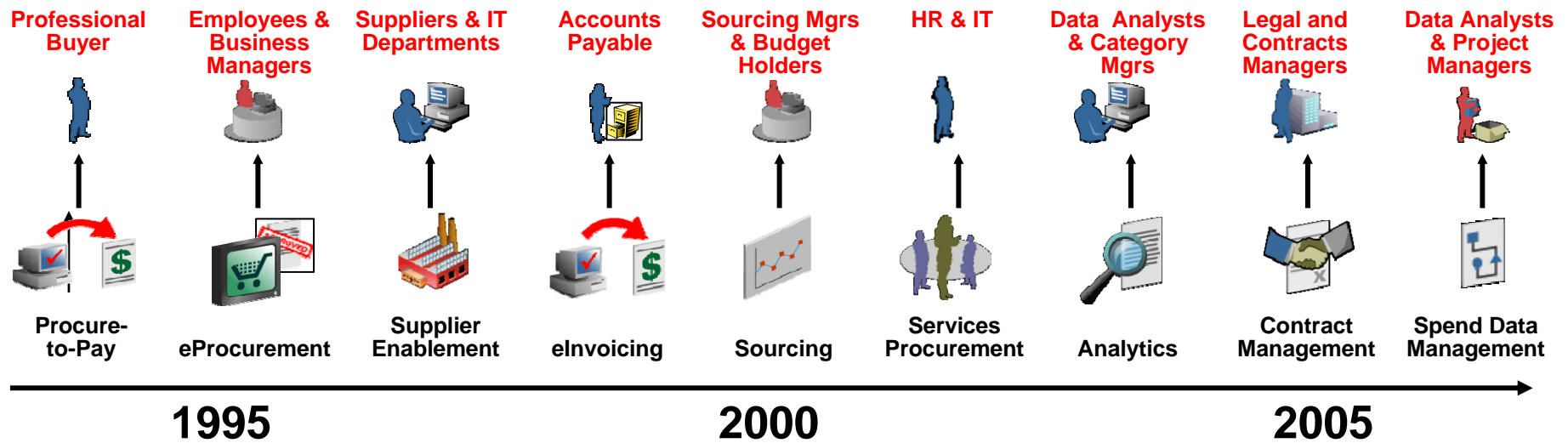
Aberdeen Group, The CPO Agenda: Five Strategies for Organizational Transformation.

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A Decade Of Procurement Innovation

What's Wrong With This Picture?



As niche start-ups drove action “at the edges”, the tools needed for the daily business of procurement were taken for granted

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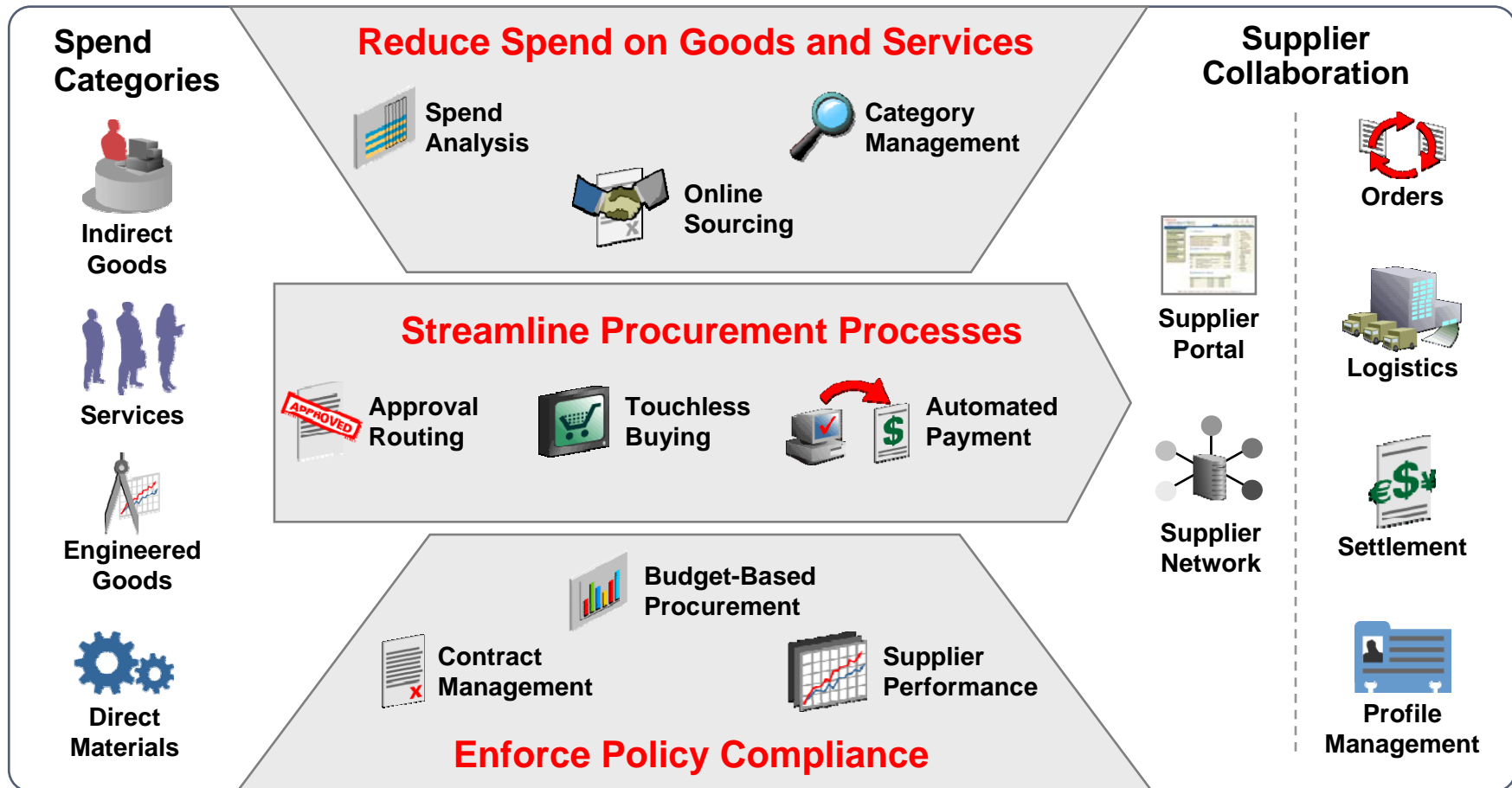
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Oracle Advanced Procurement

The Integrated Suite that Dramatically Cuts All Supply Mgmt Costs...

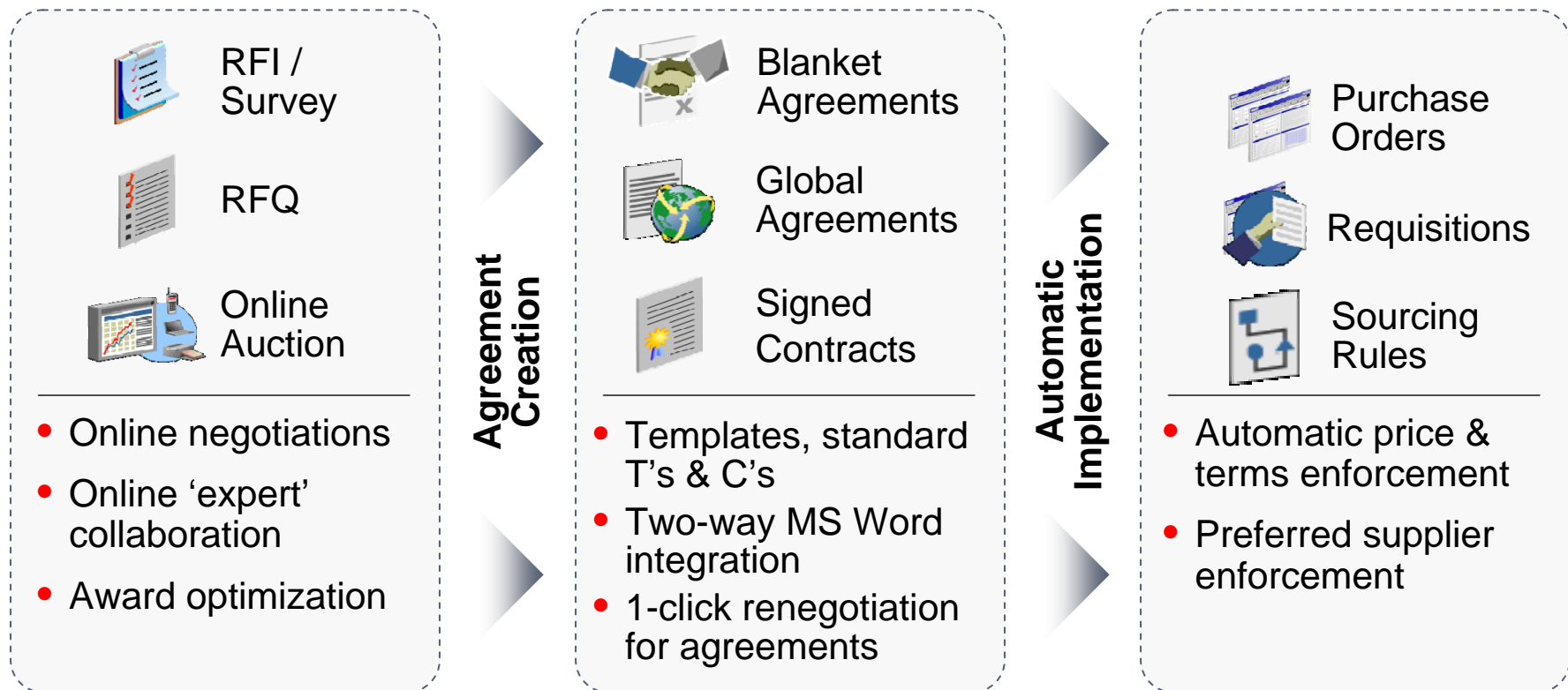


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Reduce Spend on Goods and Services

Increase Sourcing Efficiency and Effectiveness



Exploit Savings Opportunities and use Open Competition to Improve Price / Terms

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Streamline Procurement Processes

Reduce Manual Effort to Free Staff for Higher-Value Activities



Free Staff for Higher-Value Activities

e.g., Implement Strategic Agreements

Drive Continuous Improvement

Procure-to-Pay

Apply Auto-Source Rules

Apply Agreement Terms & Conditions

Create Purchase Order

Dispatch Electronic PO to Supplier

Auto-Approve Minor Changes

Receive Goods or Services; Inspect

Receive Electronic Invoice

Pay Supplier (EFT)



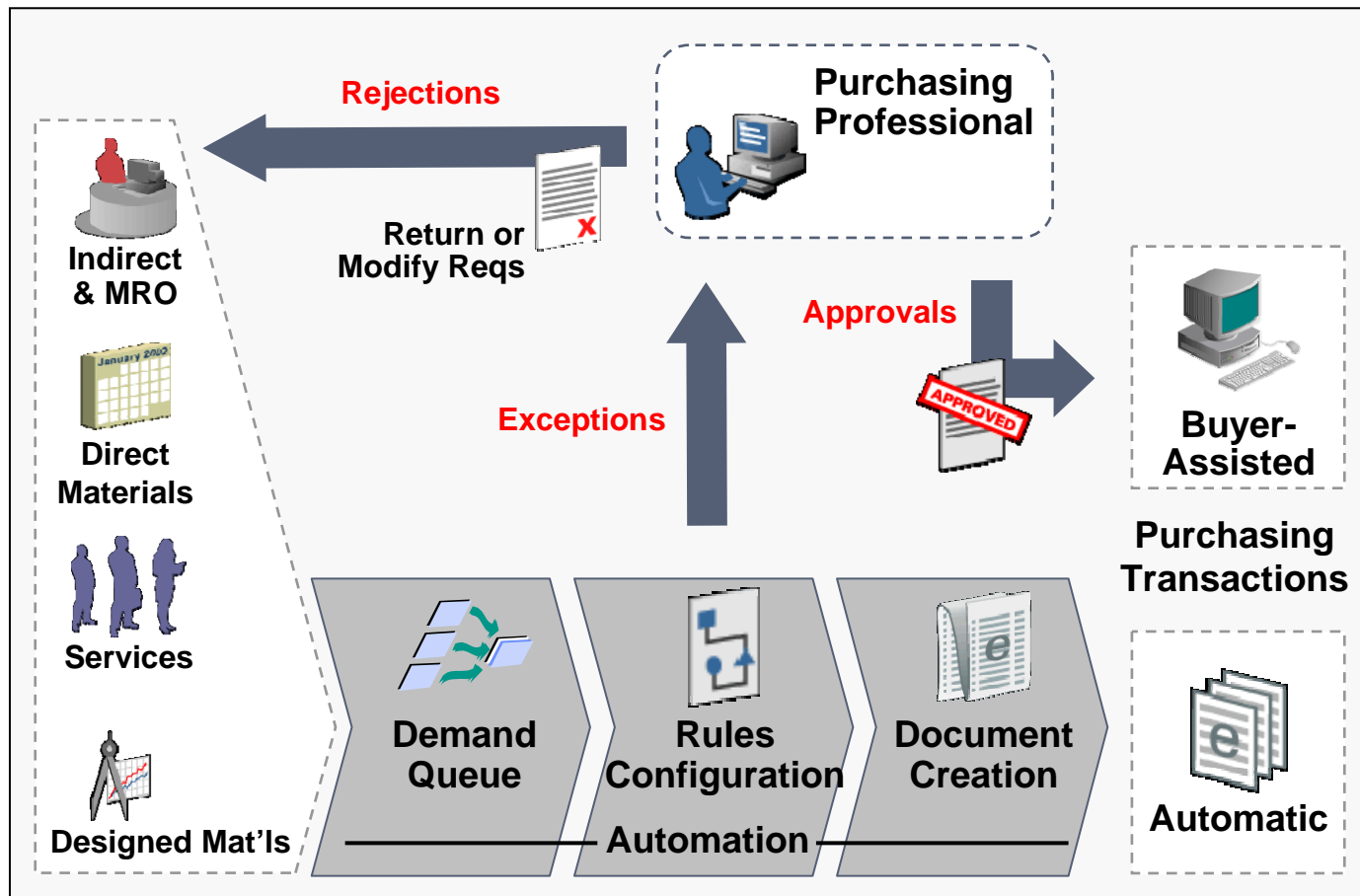
Automate Lower-Value Activities

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Enforce Policy Compliance

Identify and Rectify Policy Violations



- Configurable workflow & automation of routine transactions
- Automatic bubble-up of exceptions
- Single point for defining and enforcing purchasing policy

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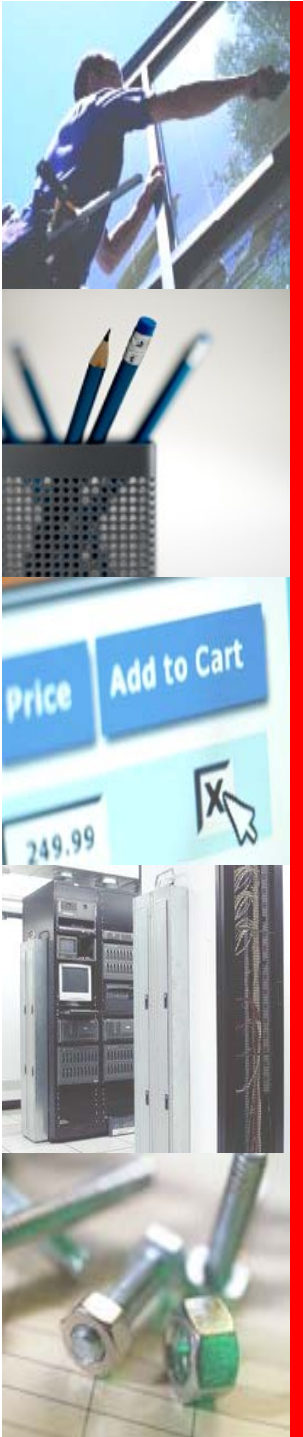
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Advanced Procurement R12

The Procurement Professional's Release

- ① **Unified Workcenter For All Procurement Responsibilities**
- ② **Improved Support for Complex Goods & Services**
- ③ **Expanded Supplier Management & Enablement**

Professional Buyer's Work Center

Enable Command & Control for the Procurement Professional



- View exceptions across multiple applications and operating units
- Create, implement, and execute agreements
- Analyze performance of procurement & suppliers

Single Access Point for All Responsibilities

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Professional Buyer's Work Center

Enable Command & Control for the Procurement Professional

ORACLE Purchasing

Requisitions | Orders | Agreements | Deliverables | Negotiations | Suppliers

Demand Workbench | Summary

Demand Workbench
* Indicates required field

Views

View: My Requisitions (dropdown menu open)

- Select Late Requisitions
- Select My Requisitions
- Select My Requisitions for Goods
- Select My Requisitions for Services
- Select Requisitions Requiring an RFQ
- Select Requisitions with a New Supplier
- Select Requisitions with a Suggested Supplier
- Select Unassigned Requisitions
- Select Urgent Requisitions
- Select Vision Operations

Job	Qty	Unit	Price	Curr	Need-By
Y02403_Item13607	1	Each	10	USD	12-Apr-2
em007	10	Each	25	USD	11-Apr-2
ICXGBY02409_Item14754	1	Each	10	USD	12-Apr-2
ATH_Item006	10	Each	25	USD	11-Apr-2
99 Projects Inventory Item	10	Each	10	USD	13-Apr-2
ICXGBY02409_Item13606	1	Each	10	USD	12-Apr-2
99 Projects Expense Item	10	Each	10	USD	13-Apr-2
ATH_Item005	10	Each	25	USD	10-Apr-2
SSItem1	10	Each	10	USD	12-Apr-2
SSItem1	10	Each	10	USD	12-Apr-2

Select Requests: Add To Document Builder | Return Lines | Reassign | Cancel Split | Save Split

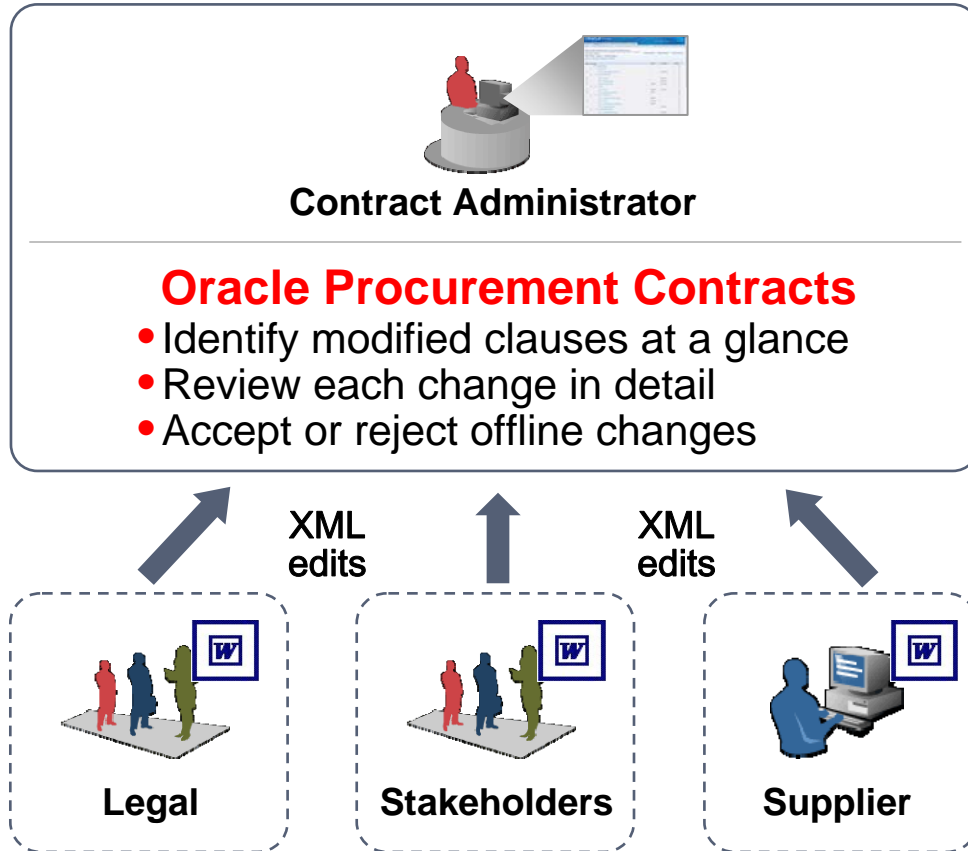
- Intuitive UI and streamlined workflows
- Status at-a-glance
- Multi-Org Access Control for shared services
- Extensive options for personalization

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Two-way MS Word Synchronization

Automatically Import Redline Changes for Superior Compliance



- Streamline internal collaboration and supplier negotiation by allowing key stakeholders to be involved in the contract review process
- Improve contracting efficiency while reducing effort
- Minimize errors and risk from manual updates

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Two-way MS Word Synchronization

Automatically Import Redline Changes for Superior Compliance

The screenshot displays the Oracle Purchasing interface for reviewing an uploaded contract. The page title is "Update Facilities Maintenance Order 5395: Review Uploaded Contract". It includes navigation tabs for Requisitions, Orders, Agreements, Deliverables, Negotiations, and Suppliers. A breadcrumb trail shows the path: Orders > Update Facilities Maintenance Order > Update Facilities Maintenance Order 5395: Contract Terms >. The main content area shows a list of contract clauses with columns for "Select Focus", "Title", "Action", "Messages", and "Delete".

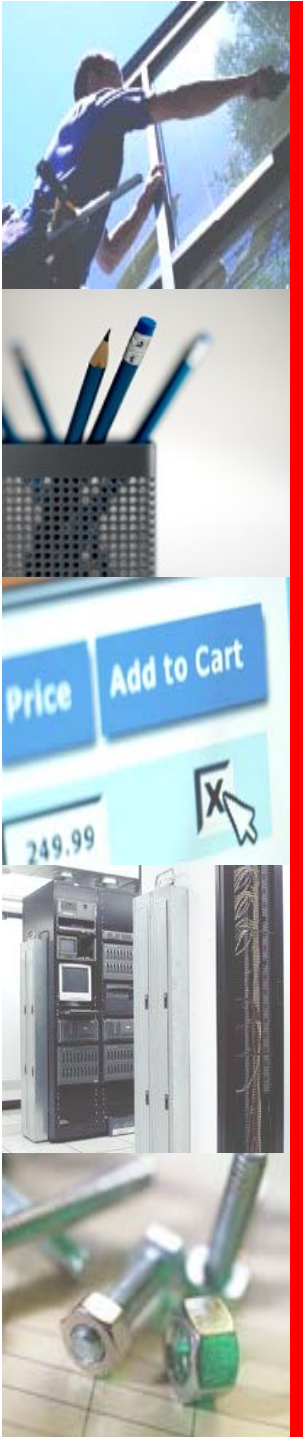
Callouts on the screenshot:

- Accept or Reject offline changes**: Points to the "Accept Changes" and "Reject Changes" buttons.
- Review each change in detail**: Points to the "Review Changes" button.
- Identify modified clauses at a glance**: Points to the "Action" column in the table.

Select Focus	Title	Action	Messages	Delete
<input type="checkbox"/>	Contract Terms			
<input type="checkbox"/>	1. Introduction			
<input type="checkbox"/>	1.1. Facilities Master Agreement		Warnings:10	
<input type="checkbox"/>	2. Services & Payment			
<input type="checkbox"/>	2.1. Invoices			
<input type="checkbox"/>	2.2. Monies Retained			
<input type="checkbox"/>	2.3. Payment Terms	Updated		
<input type="checkbox"/>	3. Access			
<input type="checkbox"/>	3.1. Access	Updated	Warnings:1	
<input type="checkbox"/>	3.2. Inspection of Premises	Added		
<input type="checkbox"/>	4. Term & Termination			
<input type="checkbox"/>	4.2. Termination & Final Payment	Deleted		
<input type="checkbox"/>	4.1. Term	Updated		
<input type="checkbox"/>	4.4. Termination & Provider Notice	Deleted		
<input type="checkbox"/>	4.3. Termination Notice		Warnings:1	

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Complex Requisition Approvals

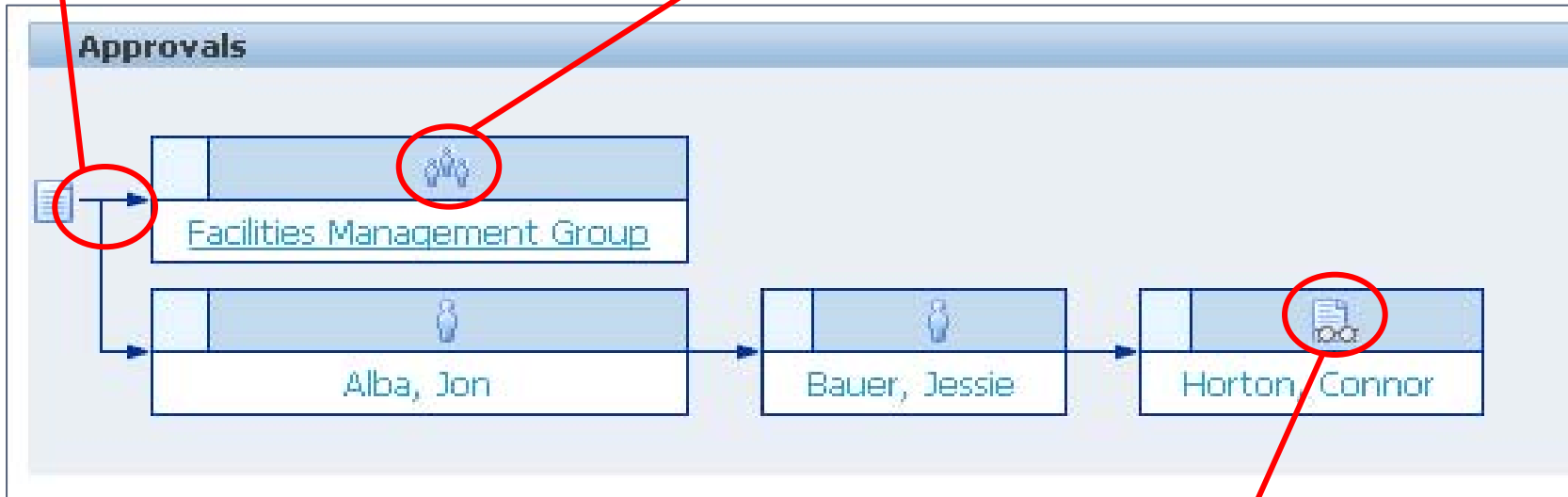
Graphically View Approval Chain and Requisition Status

Parallel Approvals

- Notify multiple approvers of a requisition simultaneously
- Reduce approval cycle time

Position Hierarchy Support

- Define approval routing structures that remain stable, even if individuals / organizational structures change
- Minimize workflow maintenance



Support for Viewers

- Keep people informed of business purchases & decisions without requiring a response
- Maintain key stakeholder engagement & oversight

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Team Scoring of Requirements

Technical Team



- John = 90
- Mary = 85
- Sue = 80

Technical Capabilities (40% weight)

Commercial Team



- Sue = 75
- Doug = 80
- Tina = 85

Price (40% weight)

Quality Control Team



- Alan = 90
- Mark = 80

Past Performance (20% weight)

Quote ABC

Technical Capabilities = 34

Price = 32

Past Performance = 17

TOTAL SCORE : 83

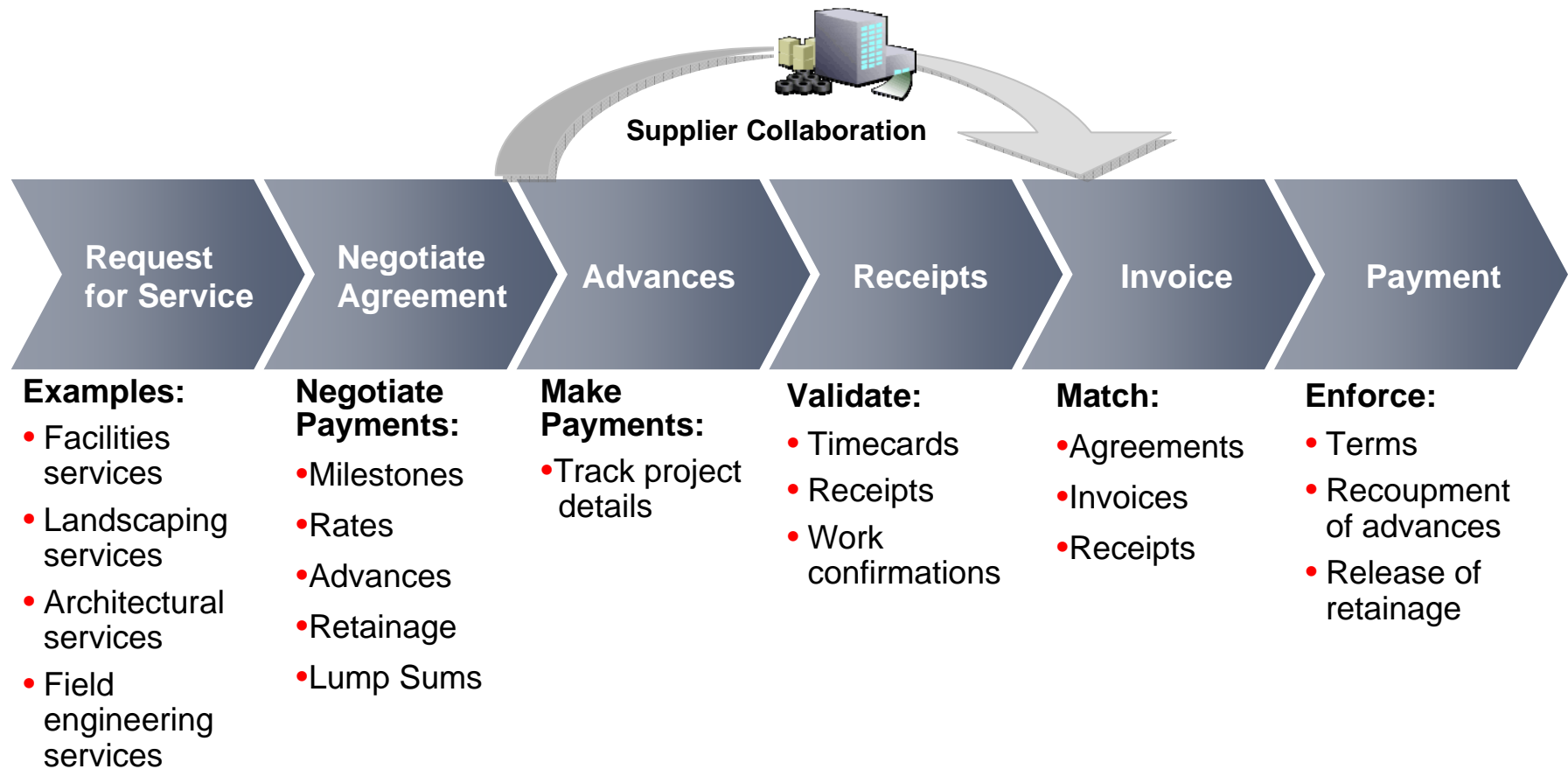
- Each team member scores the assigned section
- Oracle Sourcing calculates average of individual score sheets to determine section score
- Sum of team scores determines overall response score (as input to optimization)

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Procurement for Complex Services

Source to Settle Support for Complex Payments



Drive Consistent Execution of Negotiated Terms and Conditions in All Spend Categories

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Procurement for Complex Services

Define Progress Payment Schedule

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Home Logout Preferences Diagnostics

Requisitions Orders Agreements Deliverables Negotiations Suppliers

Summary

Orders: Summary >

Update Facilities Renovation Contract 8815

* Indicates required field

Cancel Actions Add Contract Terms Go Save Approval Options Submit

+ Search

Header Lines Pay Items Distributions

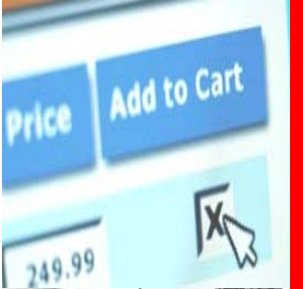
Operating Unit Vision Operations Status Incomplete Total 1,000,000.00 USD

Line	Pay Item	Type	Description	Qty	Unit	Value (%)	Price	Amount	Need-By Date	Actions
1	10	Lump Sum	Resurface Entire I				200000		31-Dec-200	
1	20	Lump Sum	Road Work				500000		31-Mar-200	
1	30	Rate	Landscape Design	250	Hour		1000	250,000.00	30-Apr-200	
1	40	Milestone	Final Painting of F			5	50000		31-May-200	

- Flexible Progress Payments - Rate, Lumpsum & Milestone Pay Items
- Pay Item Owner
- Project Details, Attachments

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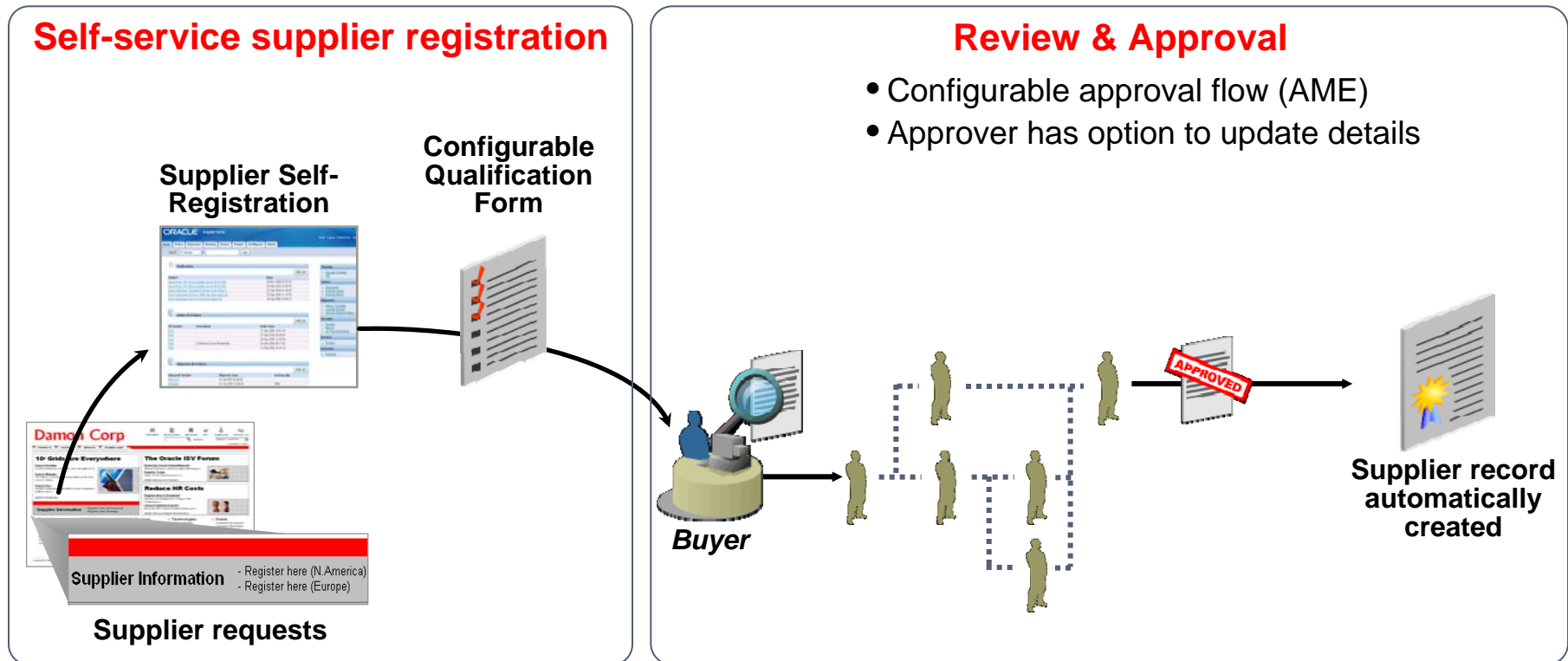
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Supplier Registration

Reduce Overhead with Self-Service Registration



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Supplier Management User-Interface

Streamlined supplier profile management

ORACLE Purchasing

Home Logout Help Preferences Diagnostic

Requisitions Orders Agreements Deliverables Negotiations **Suppliers** Requests Negotiations

Suppliers **Create supplier**

Search or drill down to supplier details **Create Supplier**

Search

At least one search criteria is required. Including part of supplier's name or number will improve the search performance. Fields are case insensitive.

Supplier Name Tax Registration Number

Supplier Number DUNS Number

Tax Payer ID

[Show More Options](#)

<u>Supplier Name</u>	<u>Supplier Number</u>	<u>Parent Supplier Name</u>	<u>Taxpayer ID</u>	<u>Tax Registration Number</u>	<u>DUNS Number</u>	<u>Update</u>
Office Solutions	2000133					
Office Supplies, Inc.	1008					

To Do List for requests

To Do List

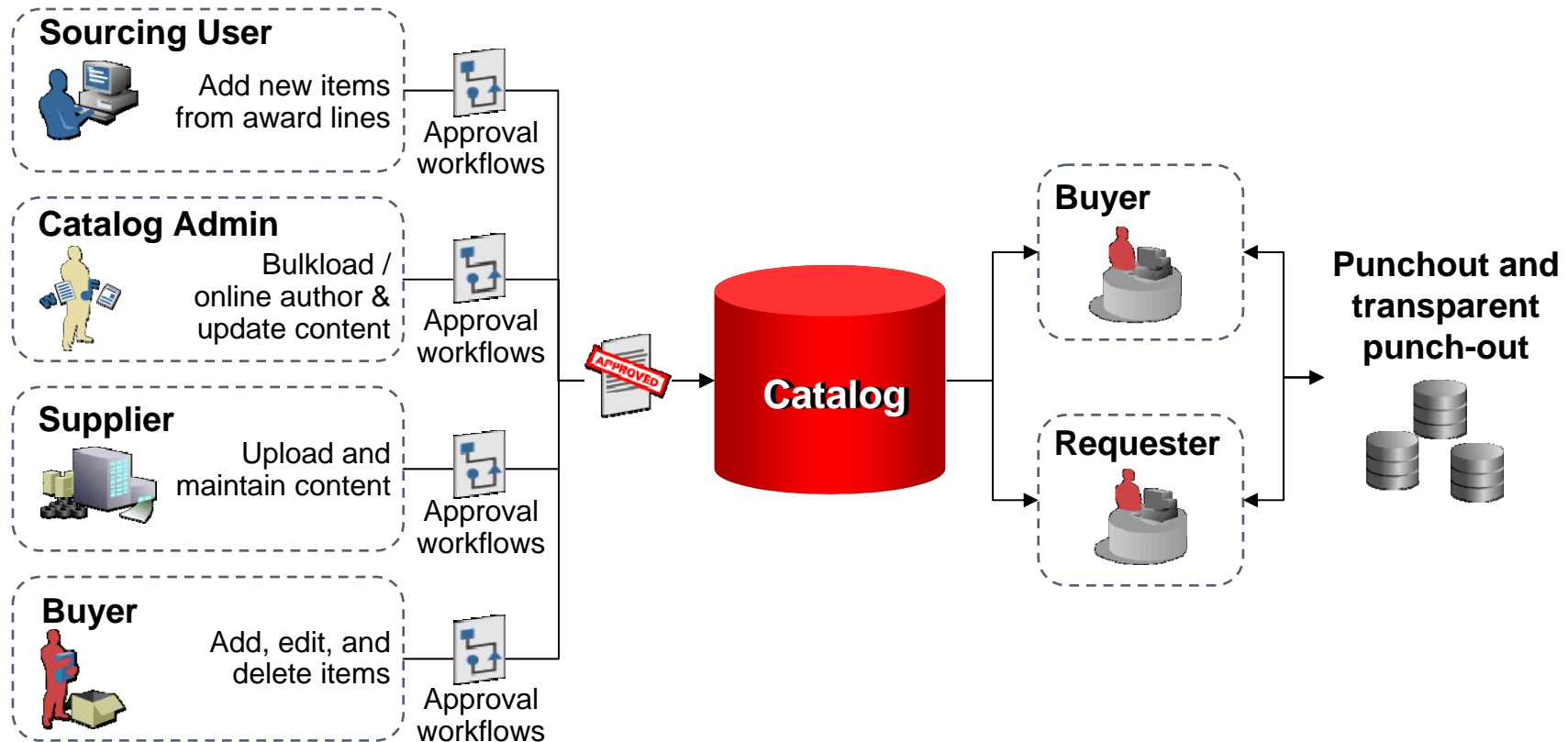
- [New Supplier Requests\(12\)](#)
- [Prospective Supplier Registrations\(19\)](#)
- [Supplier Address Requests \(17\)](#)
- [Supplier Contact Requests \(29\)](#)
- [Supplier Business Classification Requests \(4\)](#)
- [Supplier Product and Services Requests \(24\)](#)
- [Supplier Bank Account Requests\(3/3\)](#)

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Unified Catalog Architecture

Establish a Single Authoring, Ordering, & Maintenance Environment



Reduce Maintenance Efforts and Drive Spend Visibility

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Content Security

Provide the Right Content to the Right People

Partition content into zones

Suppliers	A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	B	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	C	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		X	Y	Z
		Categories		

Content Zone 1

Suppliers	A	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	B	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	C	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		X	Y	Z
		Categories		

Content Zone 2

Combine zones to create stores



Catalog



Promotional Items



Industrial MRO

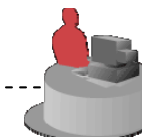
Grant access by operating unit or responsibility



Marketing Executive



Professional buyer



Maintenance

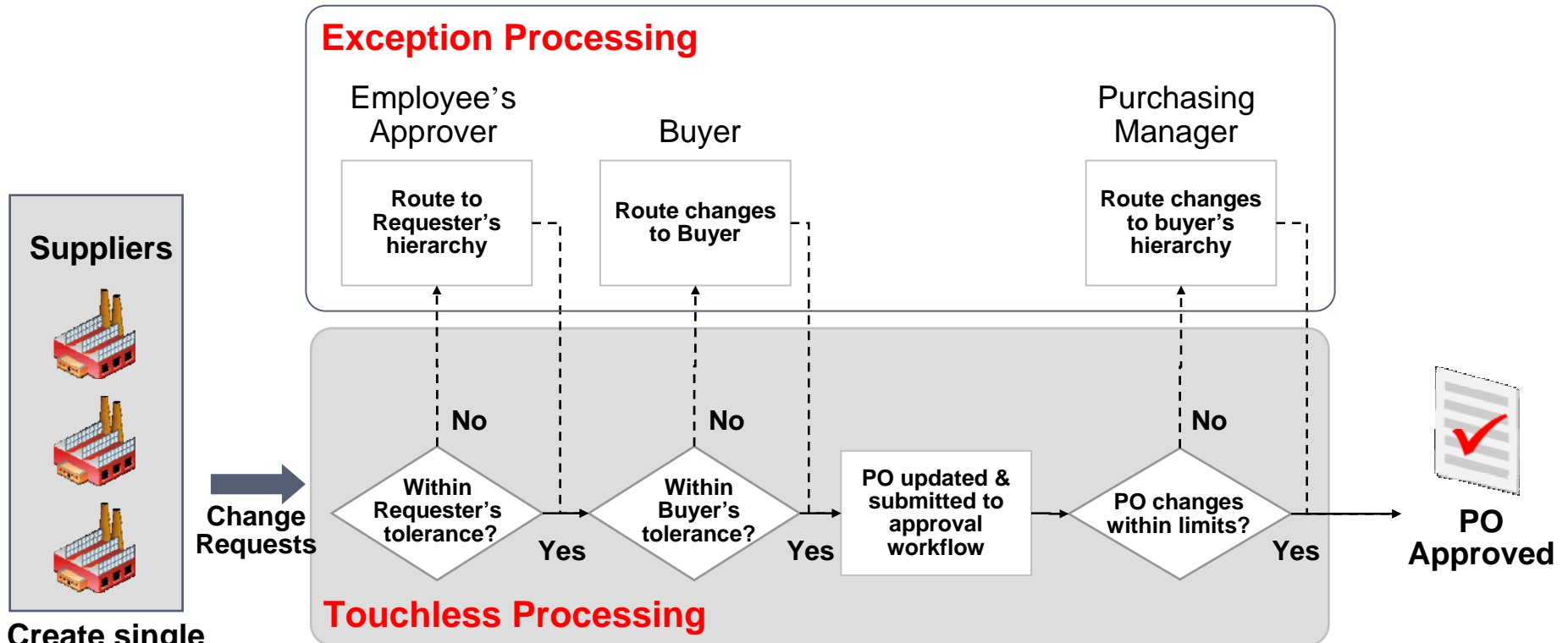
- Improve control over what end users can see & user buying experience
- Execute organizational unit-specific procurement strategies
- Reduce risks associated with sensitive categories

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Supplier Change Orders

New capabilities for process automation



Create single change request across multiple POs

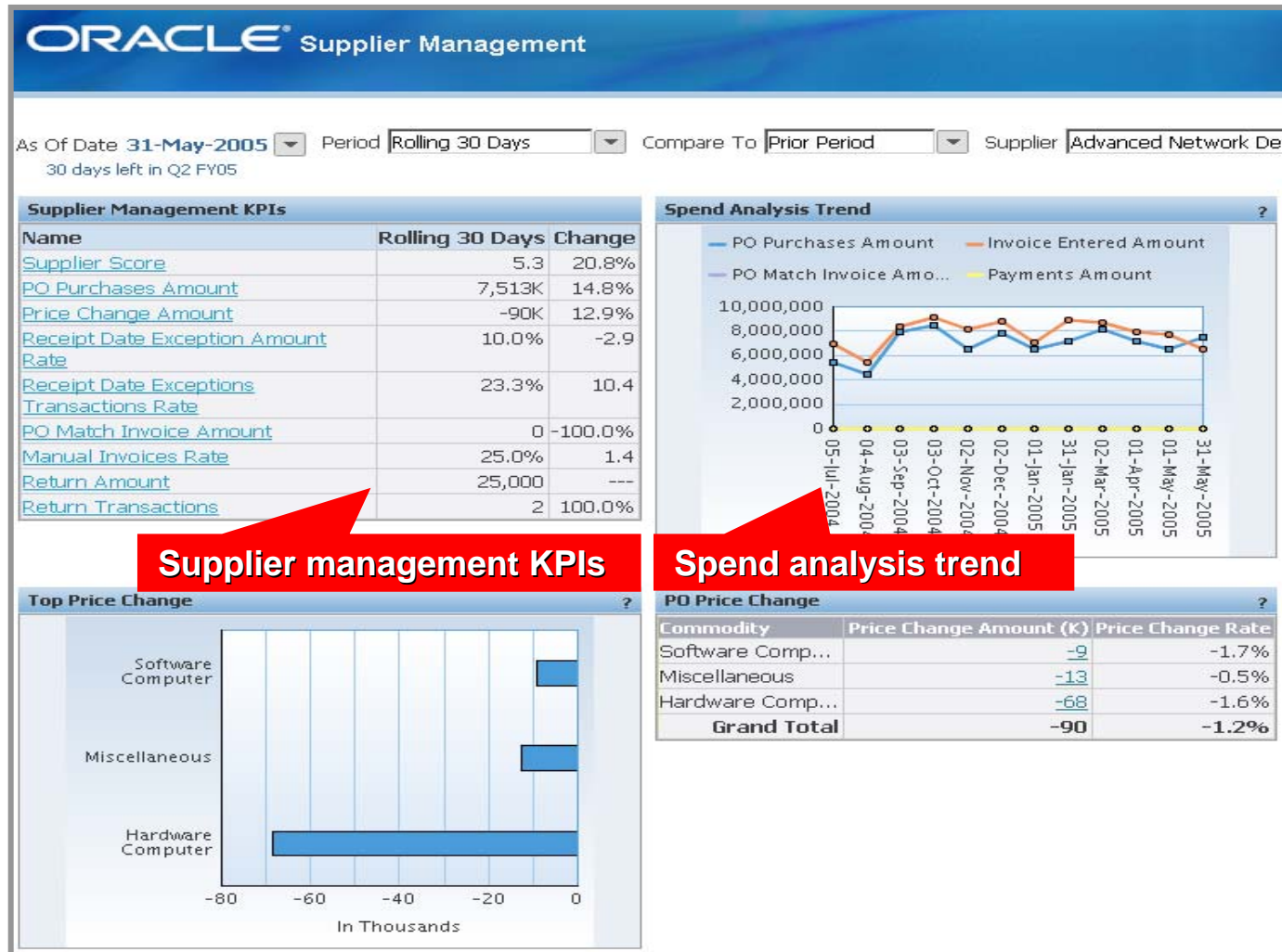
Eliminate Processing of Trivial Change Requests

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Self-Service Supplier Performance Mgmt

Drive Improvements with Instant Access to Information



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Evolution of Oracle Advanced Procurement

Base Differentiators...

- Self-service enterprise requisitioning from suppliers or internal stock
- Integrated asset and production planning
- Supplier Self-Service
- Flexible invoice matching including match to receipt
- Automatic invoice and debit memo generation
- Project- and budgetary-based purchasing
- Multi-attribute scoring for reverse auctions and RFQs
- Packaged spend, supplier , and commodity intelligence
- Advanced pricing capabilities
- Transparent Punchout
- Global Agreements

New in 11i.10...

- Services procurement – contingent labor & bus services, negotiation through payment
- Procurement contracts – global T&Cs standards, negotiation, doc & change mgmt, compliance
- Formula-based pricing & tiered discounts (Advanced Pricing)
- Retroactive pricing including automated invoice adjustments
- Negotiate with subjective scoring and what-if analyses
- Automatic bid scoring and award (Sourcing Optimization)
- Shared services procurement
- Requisition “SmartForms”
- LPN & lot/serial receiving
- Supplier managed banking
- XML publisher for .pdf printing

New in R12...

- Professional Buyer’s Workcenter
- 2-way MS Word integration
- Unified catalog architecture
- Shared services support
- Requestor directed procurement
- Prospective supplier registration using iSurvey
- Supplier catalog authoring
- Tolerance based order change auto-approval
- Supplier scorecarding
- Prospective supplier registration
- Advanced pricing integration
- Team scoring of sourcing requirements
- Parallel approvals
- Position hierarchy approvals
- Complex work procurement
- eTax integration



What's Next

Potential Future Enhancements

- Sourcing Enhancements
 - Two Part RFP Support
 - Spreadsheet Enhancements
 - PDF Report Export
 - Award Optimization Enhancements
 - Countdown Clock
- Agreement Enhancements
- Mass Update and Mass Close
- And more...

Oracle Advanced Procurement

Integrated packaged spend analysis, online sourcing, and embedded pricing enforcement

Reduce Spend on Goods and Services

Full procure-to-pay automation with employee self-service and structured supplier communications


Streamline Procurement Processes

Budget-based procurement, exception-based enforcement and total spending visibility

Enforce Policy Compliance

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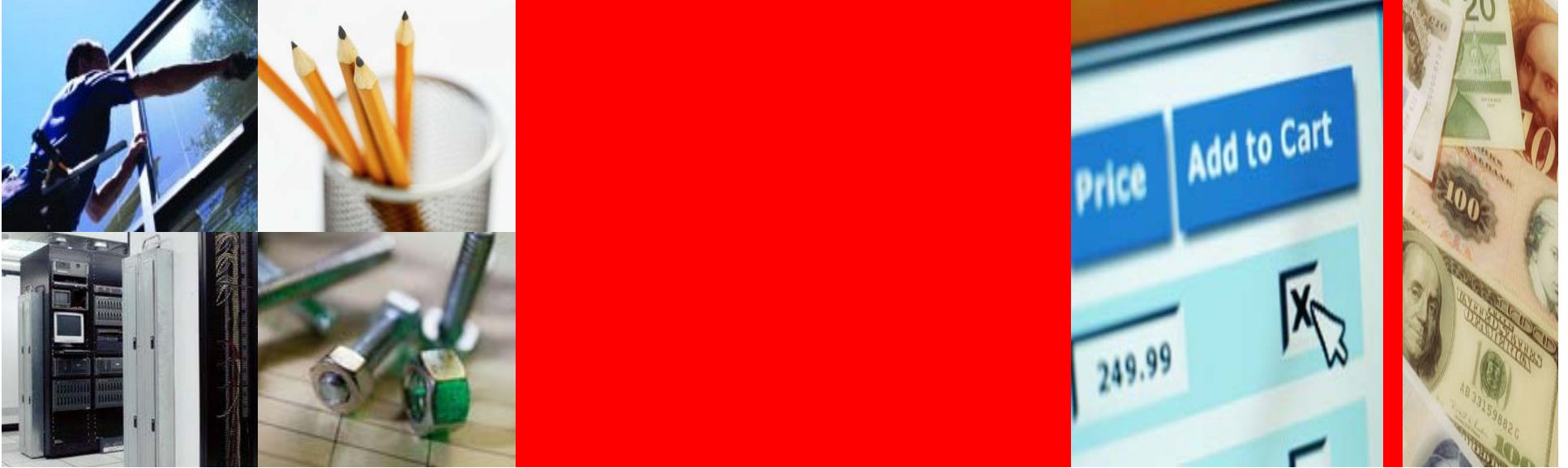


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