

Easy Flow-Based Reporting—Procure to Pay, Order to Cash etc.

Andy Donovan
Noetix Corporation

All Oracle Applications customers implement the Applications in a flow-based fashion such as Procure to Pay, Order to Cash etc., so it certainly makes sense that we should be able to report in the same way.

This paper will explain how to report from any step within your business process quickly and easily using Oracle's BI applications. It will also demonstrate how to use one report in order to analyze data across the **entire flow** process such as...*what Requisition became what PO and PO line, became what AP Inv, got paid by which AP check, and hit the GL where?*

Objectives of this paper

- *Enable easy flow-based reporting for non-technical users*
- *Give end users access to Oracle Applications data*
- *Make report building easy and completely end-user driven*

What is Flow-Based Reporting?

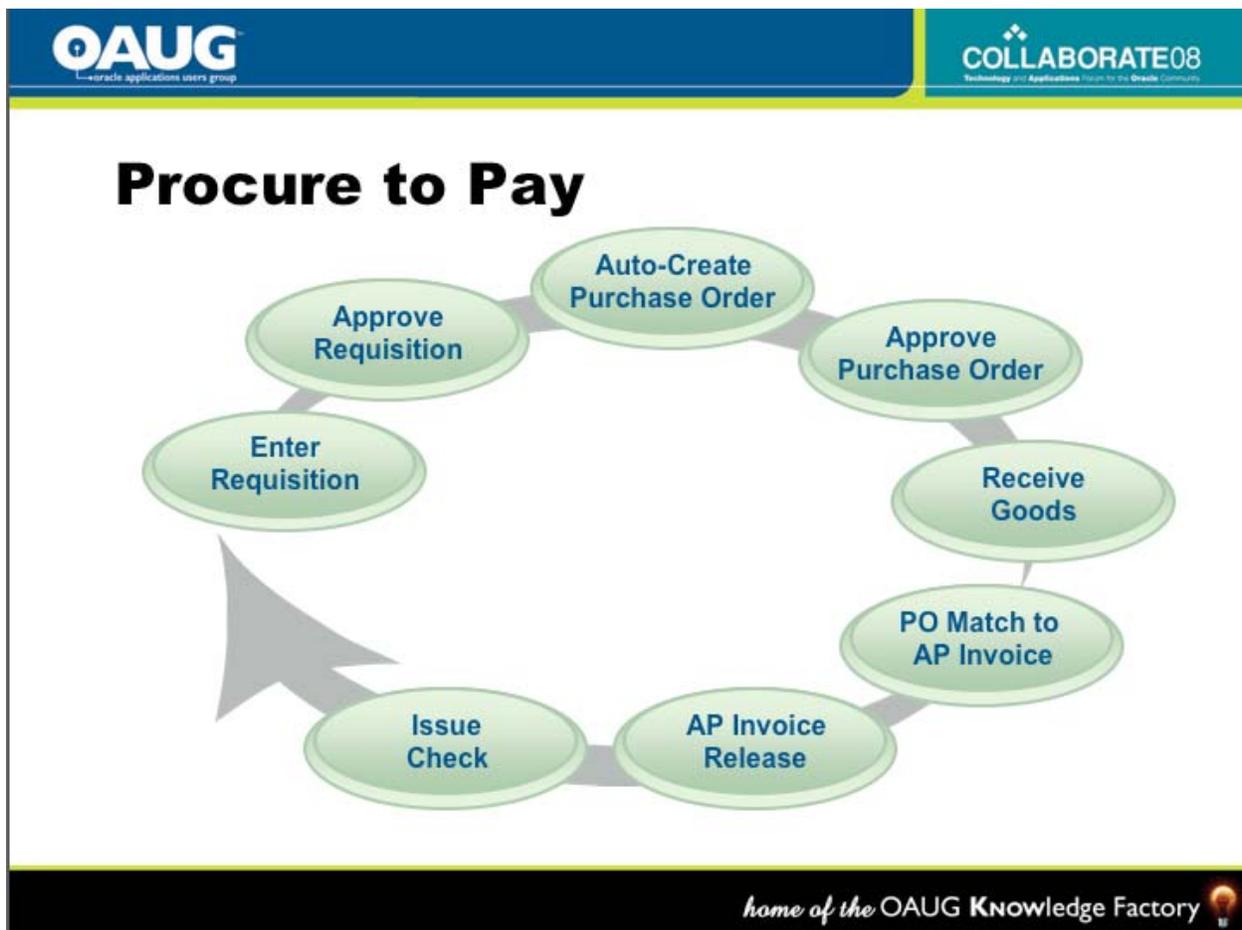
Most organizations use flows to automate their business processes, which are then the responsibility of someone in operations to oversee. Operations manages the flows on a transactional basis using Oracle Applications to record transactions.

The recording of transactions leads to summary and detailed reporting requirements from executives, business process owners, and operations. Visibility of the entire flow is essential for assessing the current overall state of the business, including performance of a specific segment of the business down to an individual transaction.

This entire process leads inexorably to the conclusion that it is critical for organizations to report across any and all flows they have in their organization.

Typical Business Flows

- Recruit to Retire
- Problem to Resolution
- Order to Cash
- Procure to Pay
- Plan to Produce
- Build to Retire
- Reconcile to Report
- Consolidate to Report



Why use Flow-Based Reporting?

Companies typically install new ERP systems such as Oracle E-Business Suite and PeopleSoft Enterprise Human Resources by business process. This makes sense as organizations tend to run their businesses in a similar way and introduce a new ERP system in order to automate or improve an existing process.

Once the enterprise system has been implemented and a business process has been automated, visibility is required for the business flow owner to enable its management. The management of that process becomes essential and reporting across it vital due to many factors including:

- introduction of complex data movement
- accounting reconciliations
- Sarbanes-Oxley and auditors
- 360° view of the business flow
- data integrity

Each business flow has many individual steps within it. Take for example Procure to Pay. The flow needs functionality from Oracle Purchasing, Inventory, Human Resources, Accounts Payable, and General Ledger.


Oracle Applications Users Group


Technology and Applications Forum for the Oracle Community

Procure to Pay – Oracle functionality

Purchasing	Inventory	Accounts Payable
Requisition	Item Master	Supplier
Requisition Line	Inventory Org	Supplier Site
PO Header	On-hand Quantity	Payment Terms
PO Line		Bank Details
PO Shipments		Price Lists
PO Distributions		

home of the **OAUG Knowledge Factory** 

A transaction will flow through these Oracle Applications based on your business rules, but you will still have to record each step of this process and report accordingly. Can you imagine trying to build a report across the entire flow with all the usual reporting issues mentioned previously?

When to use Flow-Based Reporting?

Once a transaction has entered a business flow and has been recorded, it needs to be reported against in real-time. There will inevitably be someone who will ask the tough questions regarding its progress, status, etc. and rely on certain factors including:

- complexity of operations
- number of Oracle applications in place
- number of third-party and legacy systems
- size of company
- position/role in company

Going from the complexity of your operations through the number of Oracle Applications you have within that business flow will then drive when you will need to report. If you rarely raise a Purchase Order, Flow-Based Reporting may not be applicable as you are now managing the exception. However, should every purchase in an organization require a Purchase Order, then the need for Flow-Based Reporting is greatly increased as there will be a volume of transactions moving through the process. If you are using third-party applications as part of the flow, you may not get the best use of Flow-Based Reporting as the transactions will be stored outside of the Oracle Applications, bringing with it inherent problems.

Who uses Flow-Based Reporting?

In most cases, anyone who is part the business flow should use Flow-Based Reporting. Certain factors, such as a person's role in an organization and the size of that organization, will drive what responsibilities they have and when they will need to report across a business process.

These factors can include:

Your role in an organization:

- executives
- CFO
- controllers
- analysts
- Line of Business managers

The size of an organization:

- small
- medium
- large

The combination of organization role and size will lead to reporting frequency:

- never
- rarely
- monthly
- weekly
- daily

Small Organization

	Never	Rarely	Monthly	Weekly	Daily
Executives			X		
CFO			X	X	
Controllers				X	
Analysts					X
LOB Managers					X

home of the OAUG Knowledge Factory 

Medium Organization

	Never	Rarely	Monthly	Weekly	Daily
Executives		X			
CFO		X	X		
Controllers			X		
Analysts				X	
LOB Managers				X	

home of the OAUG Knowledge Factory 

Large Organization

	Never	Rarely	Monthly	Weekly	Daily
Executives	X				
CFO	X	X			
Controllers		X			
Analysts			X		
LOB Managers			X		

As you can see, the larger your organization and the higher your position in it, the less often you need to report. More strategic roles have a reduced need for detailed reporting where as more tactical and operational roles have increased needs for the same reporting.

Challenges for the “Who” in an organization

Access to information

In order to enable someone to report across a business flow, you need to consider inherent challenges such as:

- underlying data complexity
- multiple functional areas
- multiple modules covered
- lack of technical personnel and in-house skills

Oracle has tens of thousands of tables within the E-Business Suite. To build a report for a single module against them it takes someone with significant technical skills to interpret the base tables, convert the table and field names into terminology a business user can understand, and then make that available to the end user community in an application that allows them to create a report easily. If a report was built against multiple modules then the level of underlying data complexity is increased exponentially. All of these skills need to be developed or contracted out to an external company with the relevant skills, which certainly brings with it additional associated costs.

Multiple “front ends”

Organizations can have many BI strategies and reporting packages in place:

- Oracle (Disco, OBI EE), SAP (BOBJ), IBM (Cognos)
- data warehouse, ODS, “near real time” data
- Microsoft “just give me the data in Excel”

In some organizations there are multiple solutions for reporting, perhaps using Cognos, Oracle Discoverer, and a data warehouse. This can lead to problems when reporting:

- inconsistent numbers in reports from different front ends
- timing issues in a data warehouse
- no commonality of terminology

Solutions for the “Who” in an organization

Access to information

The complexity of the underlying data structures needs to be hidden from the report writer or end user and needs to be automated and upgradable in order to be fully successful. To hide this complexity, organizations can create a reporting layer between the database and the reporting application in use, such as an End User Layer in Oracle Discoverer, universes in Business Objects, and packages and models in Cognos.

Once this reporting layer has been created, the reporting solution will now:

- simplify data structures
- simplify terminology
- allow cross modular reporting
- automate build of reporting “layer”

Simplifying the access to data will enable end users to get comfortable with their ability to build a report without relying on IT/IS for assistance.

Multiple “front ends”

Organizations have many different solutions for reporting in place. To alleviate the problems mentioned above you will need to:

- create a common reporting layer
- make the front end suit the user
- make available portals, dashboarding, balanced scorecarding
- provide reporting templates, standard reporting and ad hoc reporting

Take the reporting layer that has been automatically created to hide the complex database structure and then make it available within the solutions already in place. By making sure the same reporting layer is being utilized wherever a report is being generated, you can ensure that numbers are consistent, terminology is similar, and end users have confidence in the results. By doing this, you open up different reporting styles, whether Dashboards, Balanced Scorecards etc., and give the ability and type of reporting to the right people, at the right time, and for the right reason.

Summary

What is it?.....reporting

Why use it?.....information

When to use it?.....the right time

Who should use it?.....the right people

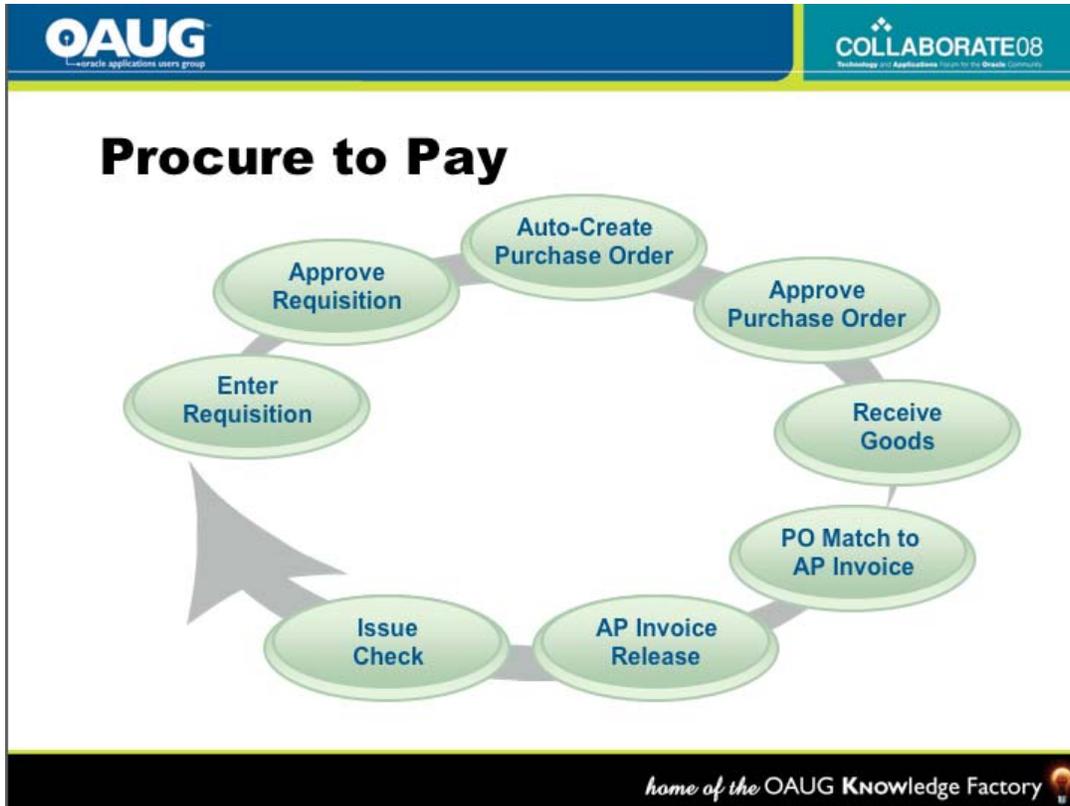
As we have seen, Flow-Based Reporting is all about reporting—to be used to get information out of a complicated data structure easily and quickly for the people who need it, when they need it. Simply put:

Reporting and information at the right time for the right people!

In conclusion, depending on your business process and business flow, with the right reporting layer shielding the complexity of the database and allowing for cross modular and cross functional reports to be easily built, reporting for flows such as Procure to Pay can be made easier. It truly is possible for one report to contain requisition information, PO details, AP invoice and AP check, and General Ledger details.

SAMPLE FLOWS

Procure to Pay (Purchasing and AP)
Order to Cash (OM and AR)
Recruit to Retire (HR)
Problem to Resolution (CRM Suite)
Plan to Produce (OPM)
Build to Retire (PA and FA)
Reconcile to Report (Sub ledgers and GL)
Consolidate to Report (Multiple GL's)

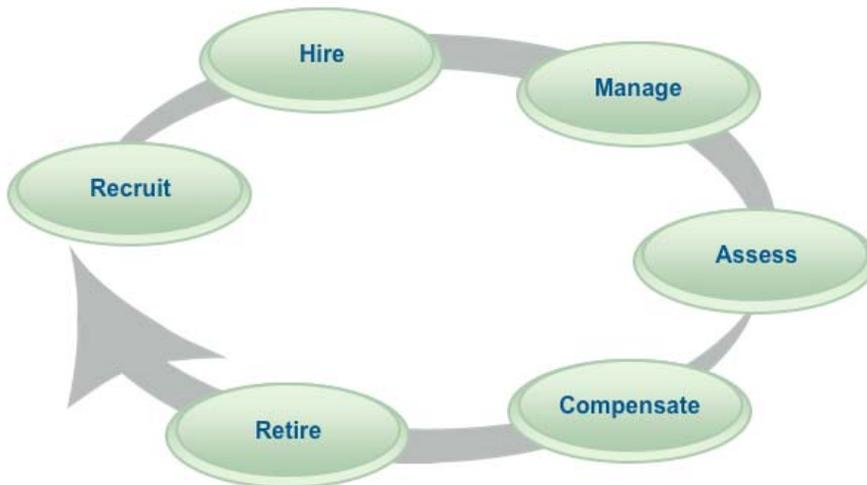


Order to Cash



home of the OAUG Knowledge Factory 

Recruit to Retire



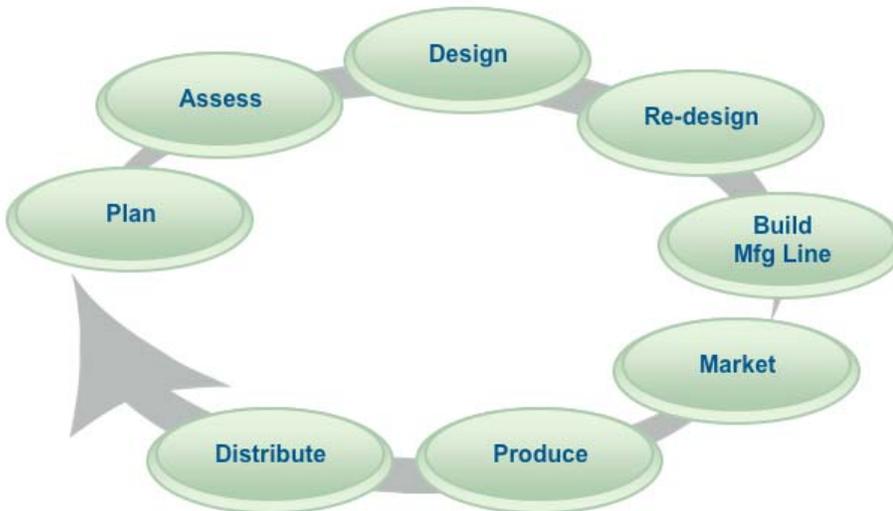
home of the OAUG Knowledge Factory 

Problem to Resolution



home of the OAUG Knowledge Factory

Plan to Produce



home of the OAUG Knowledge Factory

Build to Retire



home of the OAUG Knowledge Factory

Reconcile to Report



home of the OAUG Knowledge Factory

Consolidate to Report

