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

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**Abstract:**

Oracle's eBusiness Suite applications have long been recognized as powerful tools by the Latin American business community, as evidenced by the number of customers and the growing perspectives. The business climate presents excellent opportunities and significant challenges. Implementing Oracle apps in the region is not an easy task, but the real challenge is managing the implementation project and partnering with experienced partners. This presentation provides insight into how Latin American companies face this challenge.

**Presentation Objectives:**

- Provide an Overview of Latin America.
- Provide insight on how Latin American companies face the implementation challenges.
- Introduce and promote the Latin America Oracle Users Group (LatinOAUG)

  

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## A Portrait of Latin America

Doing business is becoming easier in most Latin American countries, according to a new report by the World Bank and the International Finance Corporation (IFC).

In general, the business climate in Latin America can be summarized as one that presents both excellent opportunities and significant challenges. Latin America can be very rewarding, but the region's economic volatility hints at some of the challenges that must be overcome.

Latin America is entering the sixth year of its longest growth period in decades. Foreign investments and cash reserves are at historic highs, and governments are making inroads on reducing poverty and unemployment. The high price of commodities -- oil, natural gas, soybeans, copper and sugar -- has driven this boom.

Latin America and the Caribbean grew by 5.6 % in 2007, according to the Economic Commission for Latin America and the Caribbean (ECLAC). This is the second time in 25 years that the region will see 5 consecutive years of growth. The year 2008 will see regional GDP growth of about 4.9%, within the context of a moderate slowdown of the world economy, according to ECLAC projections.

ECLAC states that, for 2008, Latin America and the Caribbean could register a 4.9% growth rate. Should this forecast be borne out, it would signify the region's sixth consecutive year of growth, for a cumulative per capita GDP increase of 24%, or 3.5% per annum.

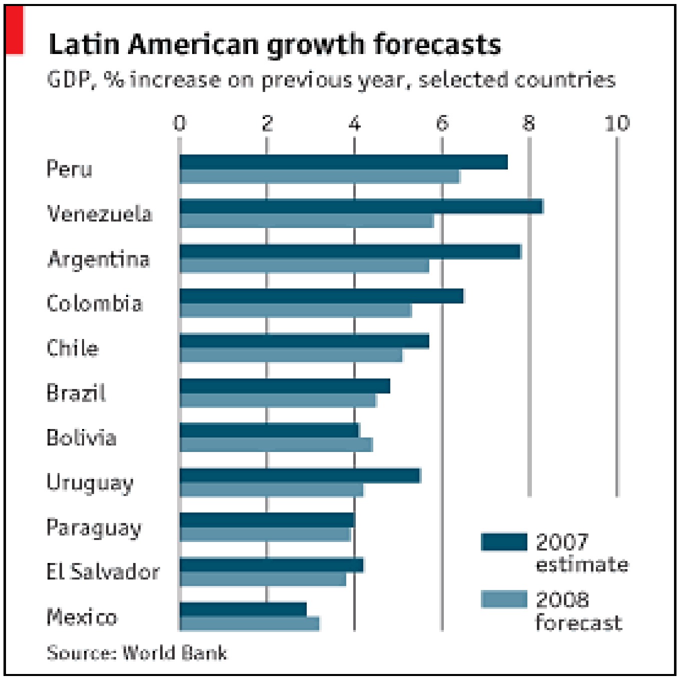
According to ECLAC, many of the trends characterizing the region's current stage of economic growth stayed on course during 2007, including its current account surplus (albeit at a lower level), renewed improvements in terms of trade (also at a lower rate), sustained positive primary results for fiscal accounts, decreased unemployment; increased international reserves and reduced external debt as a percentage of GDP. Meanwhile, dynamism in investment continued and private consumption grew considerably.

**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 [a/] | 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 |
| **Sub-total Latin America** | **4.6** | **5.5** | **5.6** | **4.9** |
| **Caribbean** | **4.7** | **6.9** | **3.9** | **4.9** |
| **Latin America and the Caribbean** | **4.6** | **5.6** | **5.6** | **4.9** |

**Source:** ECLAC, on the basis of official figures.
[a/] 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.




Taken as a whole, these factors place Latin America and the Caribbean in a much stronger position to face increased external volatility.
This growth -estimated at 5.6% for the region as a whole- has been driven primarily by domestic demand, with particularly sharp increases being noted in private consumption and gross capital formation.

In summary, the lesser pace of developed country growth makes moderate world economic slowdown possible, with limited but divergent impacts on emerging economies. For Latin America and the Caribbean, it is forecasted that the relative strength of the region's economies warrants cautious optimism.

But the current situation is not free of risks. In addition to the likely slowdown of the US economy, Latin America exhibits warning signs of its own, including persistent decreases in the real exchange rate, growing inflation in several countries and an overall increase in public expenditure.

In addition to these short-term risks, the region is not doing enough to improve competitiveness at the systemic level, and cites the specific need to increase investment (especially infrastructure for energy and transport), encourage innovation and foster greater human resource capabilities, primarily by improving the quality of education.

Oracle:

Oracle's database and E-Business applications have long been recognized as powerful tools by the Latin American business community, as evidenced by the more than 15,000 customers the company services in the region. Although Oracle does have a strong presence in the region, Latin America is a complex region that presents businesses with several challenges, the most prominent of those being language and legal requirements. Implementing Oracle applications is not an easy task because businesses must comply with many specific legal and financial requirements such as inflation adjustments, exchange rate management, tax calculation, and the production of customized packing slips and other transactional documents. This white paper presentation provides insight into how Latin American companies can successfully meet the challenges of rolling out Oracle in the region.

## A Survey of the Latin American Oracle Market

Oracle has operated in the region for more than 15 years and 15,000 clients have chosen to use Oracle as a means of improving the efficiency and profitability of their businesses. Oracle's commercial strategy for Latin America is based on 2 pillars: total regional coverage through its business partners and Oracle on Demand.
Latin America is a relatively small region that represents less than the 8% of Oracle's global sales. However, Latin America is one of the fastest growing regions, having duplicated its contribution to the total income in the last 6 years.

In fiscal year 2007, more than 1,100 clients in the region had chosen Oracle to improve their business efficiency and profitability. Oracle Latin America had a 30% growth in total income. The applications licenses experienced a 33% growth, while the technology licenses grew a 15% and the middleware licenses expanded by 28%. Moreover, more than 6,000 commercial operations were carried out by Oracle that same year. As a result, Oracle is consolidating its position in this sector international applications market.

Latin America is the region that experienced the strongest growth globally in the last quarter of fiscal year 2007. It is a powerful market that is growing significantly. 60% of Oracle businesses are developed through a strong network of 1,772 partners in the region.

The favorable economic conditions of the region and the relative stability of the economy contributed to this performance. According to the Oracle representatives for the region, Oracle is not expecting its business to be affected by the tendency in some of its countries to turn away from free-market economic policies that were adopted in the 1990's.

Oracle offers services and solutions especially designed for the small and medium businesses (SMB). Companies in this segment generally use pre-packed technology and application solutions that are easy to install and use. Today, 65% of Oracle clients in the region belong to this sector.

It is important to note that the concept of a "SMB" in Latin America differs significantly from what it is considered a small or medium business in the United States, as economies of scale, market size and headcount figures are very distinct. Although headcount is not the only factor to consider when classifying companies into the SMB segment, a company with over 500 employees sometimes is considered a "big" company in Latin America. A small/medium company typically has between 1 to 80 employees.
Sometimes companies in the region have a small number of employees but high revenue/billing. For example, Argentine companies can be classified as SMB or "PYME" by its acronym in Spanish if their billing is less than 13 USD million in the manufacturing area, less than 27 USD million in the retail market, less than USD 3 million in agro-business, or less than USD 7 million in the service sector. In Venezuela, a company with billing of less than USD 3 million is considered is part of the SMB category. In Mexico, a SMB company can employ 499 people and still be considered as "PYME." 94% of the companies in Mexico belong to the SMB sector. In Puerto Rico, the SMB market is comprised by companies with revenues of less than USD 5 million.

The principal industries that Oracle serves in Latin America are: the telecommunications sector, the finance and banking sectors, the public sector, the manufacturing sector, and the hydrocarbon production sector. In addition, Oracle also does a lot of work with educational institutions and the public sector.

Oracle Latin America dominates the Latin American market of RDBMS (Relational Data Base Management System) with a 53% market share; it is also a market leader in the Applications space, with a market share of 17% (IDC 2006). Moreover, Oracle is number one in the region in the CRM (Customer Relationship Management), and in the Human Resources sector.

During fiscal year 2007, Oracle continued to strengthen its presence in the region. Oracle’s database-related income grew by 13%, while at the same time its Real Applications Cluster (RAC) revenue increased by 22%.

Oracle Latin America has grown 20% annually for the past five years, and it managed to grow by twice that rate during the last half of 2007.

Latin America is one of the world’s most promising broadband markets, growing at an annual rate of around 75% in 2007. The network infrastructure has improved in the entire region. Internet connections run on robust telecommunication networks, providing access to an increasing number of end-users and businesses. A digital divide still exists, but it is narrowing as governments and private companies in Latin America develop and implement a number of initiatives that promote the Internet usage. Telecenters offering Internet access and VoIP telephony have mushroomed throughout the region.

Within the next decade, Brazil and Mexico's combined population will exceed that of the United States. Latin America has five cities — Mexico City, São Paulo, Buenos Aires, Rio de Janeiro and Lima — with over eight million people. And this shift is generating a whole new array of business opportunities.

## Latin America's main challenges

In general, the business climate in Latin America can be characterized as one that presents both excellent opportunities and significant challenges. Doing business in Latin America can be very rewarding, but the region's historic economic volatility hints at some of the challenges that must be overcome. Oracle can provide Latin American companies with powerful business tools, but there are some critical issues that must be addressed if Oracle is to be implemented successfully.
The Latin American region has undergone profound economic transformations in recent decades. This transformation is still underway, as in Latin America "the only constant is change;" and this has an important impact on regulatory reforms, market transformation, financial systems and information technology.

These factors have shaped business strategy as they impact all players in the Latin American region, and no country is exempt. What varies is the level of intensity from country to country, and how the firms operating in the Latin American markets need to adapt to each unique economic environment. Fortunately, Oracle E-Business Suite provides a proven localized solution.

This section discusses the business factors that are common to all countries such as: cultural differences, language considerations, achieving business process standardization, and currency and statutory related issues. Recommendations on how companies operating in Latin American markets can benefit by implementing the Oracle E-Business Suite are also provided.

## Cultural Differences

Latin America is a product of many influences that fall under three main categories of study:

- Mix of Native, European & African cultures
- Uncertain Economic & Political environment
- Organization and People culture

Regarding the ethnicity, the population of Latin America is made up by a diverse mixture of ethnic groups. The specific composition of mixture varies from country to country; some have populations that have an ancestry that is predominantly mixed, some have a high percentage of people of Amerindian, some are dominated by descendants of European origin, and some populations are primarily of African origin. Most or all Latin American countries have Asian minorities.

The dominant ethnic groups in Latin America are made up of:
1. The indigenous culture of the people that inhabited the continents prior to the arrival of the Europeans.
2. The European culture brought under three main versions: The Spanish, the Portuguese and the French.
3. African culture.

The cultural differences are also defined by an uncertain political and economic environment. The region has a history of economic and political unrest, and this has led to a business mentality that generally emphasizes short-term projections and short-term planning.

The organization and its people also need to be analyzed when defining a "typical" culture for the region. Latin America is no different from any other region; an organization's culture is defined by the people who make up that organization. Accordingly, there is going to be a fair amount of variation in defining a "business culture" for the entire region. Nonetheless, some general observations about Latin American business culture can be made: the preference for individual over team work, people can be reluctant to share information, judicial security is inconsistent, and there is an occasional resistance to the incorporation of technology for the sake of improving productivity.

Many companies enthusiastically adopt new business tools, but they do not realize that they also need to change the organization itself, the way it works, and its mentality.

Frequently, and this is not only true for Latin America, implementing Oracle Applications means changing the way companies and/or people see or understand the business. Successfully performing a rollout means that there must be a synergy between the company carrying out the rollout and the subsidiaries that are part of it.

Despite having cultural similarities, the region cannot be considered a single market. Mexicans are different from Brazilians. Argentines are different from Chileans. Venezuelans are different from Colombians. By providing a common shared vision of the solution being implemented, the rollout can help a company standardize business processes and unify business criteria, surpassing any local differences.

Along these lines, one of the keys to a successful implementation is to clearly define the project scope, efficiently schedule and budget the necessary resources, and provide the organization with a comprehensive change management plan. An effective rollout plan:

- Provides accurate estimates on project length, cost, and scope
- Proactively identifies and resolves problems and risks
- Enables better communication between all key stakeholders
- Develops the organization’s knowledge base
- Maintains the focus necessary to accomplish the organization’s business objectives

**Language Considerations**

Latin America is comprised of 21 independent countries and several dependent territories, 561,200,000 people, and many different languages and dialects. However, despite the diversity of races, ethnicities and cultures, Spanish is the predominant language in the majority of the countries. Portuguese is spoken primarily in Brazil, where it is the official language. French is also spoken in smaller countries, in the Caribbean, and in French Guiana. Dutch is the official language in various Caribbean islands and in Suriname on the continent. Despite their geographic location, these Dutch speaking territories are generally not considered part of Latin America.

**Green** = Spanish

**Orange** = Portuguese

**Blue** = French

**Grey** = English

Implementing Oracle applications in the region means not only installing different languages in the application, but also being able communicate with the people in charge of executing the project. The language issue needs to be taken into consideration when rolling out the Oracle E-Business Suite, by configuring the application to use the country's local dialect. For example, the "Español Latinoamericano" language in Oracle Applications is different from the "Español" from Spain.

English is widely understood in business circles. However, when coordinating a Latin American country rollout, it is important to be able to communicate with local consultants and key end-users in their local language. Dealing with bilingual and experienced consultants can not only save time and greatly improve communication, but it also fosters project effectiveness because it helps ensure that language barriers do not prevent business requirements from being properly implemented.

### Business Process Standarization

As previously mentioned, Latin America has an economic environment that simultaneously offers unparalleled opportunities and uncertainty. The decision to enter the market needs to be aligned with strategic business objectives. Many corporations that succeed in doing business in the region do so by adopting specific market-based strategies.

A fully local business strategy, one that specifically customizes its business practices to each Latin American nation, is too costly. Economies of scale and other business benefits emerge from grouping market corridors in the region (Andean, Southern Cone, Mexican-Central American, the Caribbean, and Brazil) and deploying best practices based on the company's proven business processes.

The standardization of business processes is a business imperative that allows uniform information systems within companies/subsidiaries, produces a healthy return on invested capital, improves supply chain efficiency and performance, boosts quality, facilitates good communication, and enables comparative performance measures.
In addition to these benefits, business process standardization makes Latin America a much closer region.

The best practices included in Oracle Applications ensure that everyone speaks the same "Business Language," improving the accountability of the firm's subsidiary.

The Oracle E-Business Suite in Latin America allows businesses to take advantage of these benefits because it gives the firm the ability to follow sound business policies while complying with local statutory requirements. Geographical barriers are surpassed when the system is implemented, providing access and visibility to key business processes and performance indicators. The rollout of the application enables high levels of governance and control, required for every company doing business abroad. Moreover, the Oracle E-Business Suite integrates every business unit under the same enterprise platform.

Many firms in the region have successfully used Oracle to attain their global corporate strategic goals. More information on these successful implementations can be found on page 14.

Firms that are new to the region can jumpstart an implementation by engaging with partners that have experience in Latin American projects, provide bilingual consultants, offer program management resources to deploy the system, and can help account for each country's specific requirements. The following section details a number of localization issues businesses are likely to encounter, in one form or another, when doing business in Latin America.

### Currency and Statutory related Issues

Businesses implementing Oracle in Latin America must comply with specific legal and financial requirements related to currency, such as inflation adjustments, devaluations, translations along with other financial and transactional topics:

Inflation Adjustments

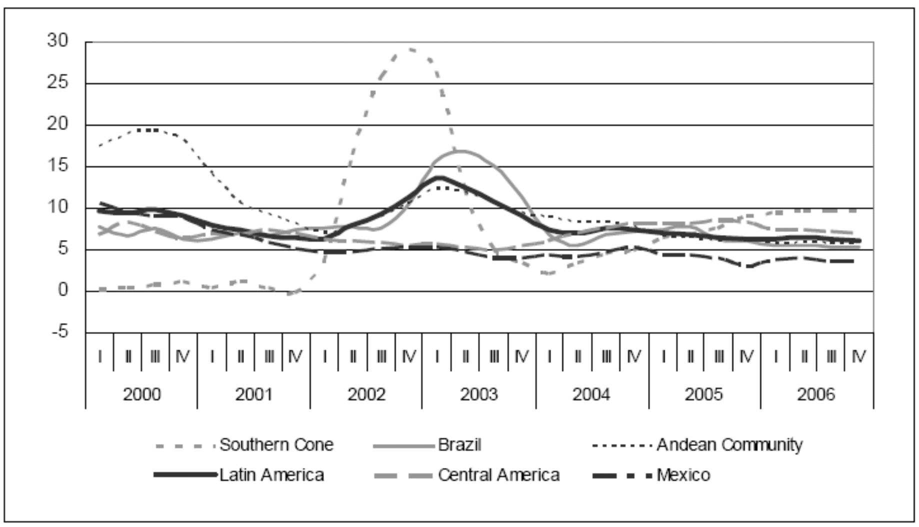
The average inflation rate for Latin America and the Caribbean in 2007 was 5.93%, halting the downward trend in the region over previous years and bringing it to a fairly stable 6% or so.

The graphic below reflects the regional and sub regional inflation situation, with the Southern Cone experiencing rising inflation since 2004 when the rate was around 3%, with a rise to more than 9% at the end of 2006. This is influenced mainly by Argentina because both Chile and Uruguay have moderate inflation rates. In Argentina, there is inflationary pressure from strong growth in demand and the restructuring of the profit mark-ups, giving rise to supply constraints.

In contrast, the trend in the Andean Community has been one of steadily falling inflation since 2003, when rates were 12%, dropping to an annual inflation rate of under 6% in 2006. This is explained in part by the successful adoption of inflation targets by several countries in the sub region, although in Venezuela uncertainty persists regarding the future trend of inflation, which continues to be in double digits. In Central America, the inflation rate was 8% in 2006, slightly lower than the previous year, but domestic prices continue to be affected by the cost of oil.

**INFLATION IN LATIN AMERICA, BRAZIL, THE SOUTHERN CONE, CENTRAL AMERICA, THE ANDEAN COMMUNITY AND MEXICO 2000-2006**

*(Annual percentage change)*




**Source**: Economic Projections Centre, ECLAC, 2006.

Despite the many positive elements of the current phase of economic growth, the report notes, changes are underway that, while they do not affect 2008 growth, do challenge economic policy. These include increased public spending, lesser dynamism for exports of goods and a reversal of the declining inflation rates of the past several years. This is taking place within the context of greater international financial volatility, as evidenced by the rise in the region's levels of country risk.

In conclusion, it can be said that the impact of inflation on businesses can vary significantly from year to year, and this needs to be translated into specific functionalities in the system for each country, according to each country's statutory/legal requirements.

## Devaluations

Devaluation, in economic terms, refers to an official act of reducing the rate at which one currency is exchanged for another in international currency markets.

Devaluation is a reduction in the value of a currency with respect to other monetary units. In common modern usage, it specifically implies an official lowering of the value of a country's currency within a fixed exchange rate system, by which the monetary authority formally sets a new fixed rate with respect to a foreign reference currency. In contrast, (currency) depreciation is most often used for the unofficial decrease in the exchange rate in a floating exchange rate system. The opposite of devaluation is called revaluation.

In Latin America, the local currencies are usually devalued in respect to the dollar.

Depreciation and devaluation are sometimes used interchangeably, but they always refer to values in terms of other currencies. Inflation on the other hand, refers to the value of the currency in goods and services (related to its purchasing power).

Under a fixed exchange rate system, devaluation and revaluation are official changes in the value of a country's currency relative to other currencies. Under a floating exchange rate system, market forces generate changes in the value of the currency, known as currency depreciation or appreciation.

Devaluations generally happen when the local government wants to match the real market currency trading to the "official" price of currency. Devaluation implies that the local currency has a lower value than it previously had.
If the government devalues its currency, the overall cash flow and assets of the local subsidiary in that country need to be adjusted, as the relation to the U.S. dollar has changed.

If a devaluation scenario arises, Oracle E-Business Suite offers a convenient way to reflect the company’s financial data in a constant currency, eliminating the effects of exchange rate fluctuations. This provides a more accurate calculation of the company’s financial performance numbers.

Companies running Oracle can use a constant currency when calculating their yearly performance measures, in order to more accurately reflect their performance.

For example, consider a multinational company doing business in Latin America that sells primarily abroad and sets its prices according to U.S. dollars. If sales increase 10% in dollar terms, but the dollar fell 5% against the local currency during the year, only a 5% increase in sales will be reported in the accounts, unless a constant currency is applied in the calculation. In other words, the use of constant currencies allows companies to show performance unaffected by currency fluctuations.

## Translations to Foreign Currencies

Foreign currency translation is the process of restating foreign currency accounts of subsidiaries into the reporting currency of the parent company in order to prepare consolidated financial statements.

Before this can be done, the financial statements of the foreign subsidiary must be recast using U.S. generally accepted accounting principles (GAAP). Next, the foreign accounts must be remeasured (translated) from the foreign currency into U.S. dollars.

Under the temporal rate method, the objective is to measure each subsidiary transaction as though the transaction had been made by the parent. Monetary items (e.g. cash, receivables, inventories carried at market, payables, and long-term debt) are remeasured using the current exchange rate. Other items (e.g. prepaid expenses, inventories carried at cost, fixed assets, and stock) are remeasured using historical exchange rates.

The Oracle E-Business suite provides a flexible option that meets the needs of businesses in Latin America. As many corporations have manufacturing operations that are outsourced to Latin America, relying on Oracle provides a competitive advantage as the solution integrates seamlessly with the global enterprise system by providing real-time information that details the subsidiary's sales in a constant currency.

Businesses will also need to take into account the effect that currency fluctuations will have on their tax liabilities. Obviously, the impact that exchange rate fluctuations have tax obligations is going to vary from country to country.

### Other Statutory Requirements

Latin America faces many other specific statutory requirements that are sometimes shared by many countries of the region but, in some other cases, they are unique to one or two countries. These statutory regulations are often subject to change.

The main statutory requirements that are common to the region:

- Tax Calculations
- Legal Documents Generation
- Import Regulations

Oracle covers all these requirements through globalizations and localizations, allowing companies to both fully comply with local statutory legislation and meet internal corporate auditing requirements.

**Benefits of implementing Oracle Applications in Latin America**

Companies that globally implement Oracle applications can benefit from standardizing best practices throughout the enterprise. This strategic decision will allow everyone to effectively "speak the same business language" across different subsidiaries, which the Oracle E-Business Suite integrates together on a single platform.

Relying on the Oracle E-Business Suite provides business value by expanding the market opportunities in Latin America, embedding best practices into the subsidiary's business processes, providing fast adaptability to change, and improving overall corporate visibility.

The challenges described here can be surpassed by partnering with experienced consultants with proven jump start methodologies. In fact, a successful rollout will not only allow a company to surmount these challenges, it will allow them to turn each challenge into an asset as the Oracle solution brings an answer to the language, business processes standardization and statutory needs. The real challenge then becomes managing the implementation project, as the Oracle E-Business Suite is a world-class platform that meets the business needs of the region.

After successfully implementing Oracle Applications, a common business language will help the company overcome any local language differences; the use of standardized business processes and best practices will provide decision makers with real-time access to important data; and the statutory and currency related issues will now be auditable, visible and accountable.

This becomes possible as the Oracle suite is both global and localized for Latin America:

- Globalization: Is a core Oracle functionality that is supported by Oracle Corporation for all the countries in the region
- Localization: Is a new Oracle functionality that is supported by each Country

For example, tax handling is a global feature being used by many countries in the region, while Brazil has many country specific localizations.

Business savvy executives know that the sometimes proven business models from other markets i.e. the United States, do not necessarily work in Latin America, and the "think global, act local" philosophy is a must. This flexibility allows the enterprise to better meet the needs of its customers and suppliers and to adapt the value chain accordingly.

Fortunately, the Oracle E-Business Suite provides the flexibility needed to make an implementation in Latin America a true success.

Planning and making strategic business decisions in advance will deliver more effectiveness to the whole process. These business decisions define a clear roadmap for the rollout, saving time and money.

## Conclusion

Doing business is becoming easier in most Latin American countries, according to a new report by the World Bank and the International Finance Corporation (IFC).

Latin America will register the greatest IT investment of the world in 2008. The IT investment will reach 48.6 million dollars in 2008, showing a 12,6 % growth related to 2007, and being one of the fastest growing rates in the world.

Latin America is entering the sixth year of its longest growth period in decades. Foreign investments and cash reserves are at historic highs, and governments are making inroads on reducing poverty and unemployment. The high price of commodities -- oil, natural gas, soybeans, copper and sugar -- has driven this boom.

With proximity to the U.S., well-educated workforces, cost-competitiveness and improving economic stability, Latin America is a promising region for implementing Oracle Applications. The market still presents important challenges to businesses, but those challenges are more than offset by the potential rewards.

Business strategy is influenced by factors such as market dynamics, economic reforms, global financial requirements, and new technology. By adopting a world-class enterprise solution, newcomers to the region can penetrate markets quickly and effectively achieving the first movers' advantages. Business-savvy strategy shapers know that defining the right time to enter in the region is key. Once the window of opportunity is identified, the strategist can rely on a robust solution that is localized to the regional business needs that enable it to jumpstart its introduction in the Latin American market.

Implementing Oracle Applications in Latin America provides the opportunity to achieve greater levels of business process standardization, as the Oracle E-Business suite provides flexible globalizations and localizations for each country. Understanding thoroughly the dynamics and drivers of the regional economy is important for a successful implementation.

Effective planning is fundamental for a successful Oracle Applications rollout, including mapping the business requirements for the local environment, dealing with language issues and meeting statutory requirements.
Fortunately, Oracle provides an answer for Latin America's business needs, and the Oracle E-Business Suite is a powerful platform that enables the information flow to the global enterprise systems. Thousands of companies run Oracle in Latin America, taking advantage of the flexible integration it provides. Latin American roll-outs should be carefully planned, taking business decisions in advance and relying on experienced partners.

The real challenge is then managing the implementation project so that all localization issues are proactively addressed. After successfully implementing Oracle apps, the different challenges become assets and the company speaks the same "business language."

Enormous business potential exists in Latin America. With enough insight and the correct approach to the Latin American market, businesses can capitalize on the numerous opportunities that can be found in the region.

## Appendix

### Successful implementations in the region

The following companies are LatinOAUG members that successfully implemented Oracle:

**Sherwin-Williams Automotive**

Sherwin Williams Automotive, a US-based manufacturer of automotive refurbishing products, decided to deploy the Oracle E-Business Suite to better integrate its global operations. To complete the Mexican phase of this rollout, the company needed a partner with strong functional expertise and the ability to configure a localized instance of the E-Business Suite. During the rollout Sherwin Williams Mexico was able to upgrade its accounting capabilities and enhance its purchase order, pricing, and inventory data. The company also deployed a customized Oracle business intelligence solution and implemented Oracle Real Application Clusters at the database level. This successful implementation of the Oracle E-Business Suite allows Sherwin Williams Automotive to issue custom-designed invoices, checks, debit, and credit memos, and the company can also access financial data more easily.

**Couer D'Alene Mines**

Couer d'Alene Mines (CDM), the world's largest silver and low-cost gold producer, owns two mines in the US, two expanding mines in Chile and Argentina, and advanced development projects in both Bolivia and Alaska. While the company's US-based operations used Oracle Financials, its subsidiaries in Argentina and Bolivia, lacked a standardized, systematic means to efficiently produce financial reports, manage cash flow data, and issue automated purchasing. Couer d' Alene decided to bring these subsidiaries onto its global Oracle Financials instance, but the company needed assistance making the configurations necessary to comply with local regulations. Working in conjunction with an experienced partner, the company upgraded its Argentine and Bolivian offices from legacy systems and Excel spreadsheets to Oracle Financials and Oracle ERP. This upgrade has standardized Couer d' Alene's cash flow data and automated its purchasing processes. More importantly, these subsidiaries can now prepare month-end closing and local tax reporting documents much more quickly. Likewise, these subsidiaries now rapidly produce and transmit financial reports, which bolsters Couer d' Alene's global integration and productivity.

**Grupo Industrial Saltillo**

Grupo Industrial Saltillo (GIS) is a leading Mexican manufacturer of building materials, metals and automotive parts, and house ware products. GIS works with 11,000 suppliers and operates 18 subsidiary branches. GIS had been conducting transactions with these suppliers via two portals that had been developed in Java XML. These portals did not provide the purchase order tracking capability that the company needed, and GIS was unsatisfied with amount of time and material resources that were needed to process purchase orders. Because it was already using Oracle Applications, GIS sought an Oracle solution to this problem. While the company considered implementing iSupplier, IT Convergence was able to provide a more cost-effective solution that used Oracle Portal. GIS's portal solution allows it to send purchase orders to individual suppliers via e-mail, saving both time and money.

**Nufarm**

Nufarm Limited, a leading global agro-chemical company, manufactures products that help farmers protect their crops. Nufarm's subsidiaries in Chile and Argentina lacked centralized systems that tracked sales and inventory information. Nufarm decided to implement Oracle Applications to provide the business process standardization that would allow it to expand its business in South America. The company needed to implement an Oracle instance that not only allowed it to meet local requirements, but also one that featured tailored extensions that were specific to the agricultural industry. Nufarm also needed help configuring its systems so that they could be hosted with Oracle-On-Demand. Their newly standardized system both provides key data to management and allows the sales team access to standardized accounting and purchasing techniques.