Designing Oracle Projects for Both Project Managers & Executive Management

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Too often Oracle Projects is designed around the requirements dictated by project managers with little consideration given to the requirements of executive management. In this presentation we will look at ways to incorporate both sets of requirements into your Oracle Projects design without sacrificing critical needs of either group.

The primary role for project managers is to be responsible for executing the project with the allotted budget, timeframe and resources. To do that, they need a detailed work breakdown structure that will allow them to monitor each of these critical factors at a manageable level. Project managers must complete deliverables by the specified deadlines, and manage and resolve issues that arise during execution. Because these requirements are typically given first consideration during the design phase of an Oracle Projects implementation, and most users are familiar with the functionality that support these requirements, I will not go into the details of how to implement Oracle Projects to meet these requirements. Information regarding each of the above-mentioned requirements can be found in one of the following user or implementation guides available through Oracle at http://download-west.oracle.com/docs/cd/B25516_03/current/html/docset.html.

- Oracle Projects Implementation Guide
- Oracle Projects Fundamentals User Guide
- Oracle Project Costing User Guide
- Oracle Project Billing User Guide

Oracle has provided very straight-forward, out-of-the-box functionality to support the project manager's requirements; but what about executive management's requirements? What Oracle Projects functionality is going to provide them with the information they need to manage the business? Executive managers are typically looking at information across projects that will help them make better decisions for the business as a whole. The level of detail required by the project manager is much more granular than what is required by executive management. Some of the questions that executive managers are trying to answer are the following:

- What types of projects are most profitable?
- What types of projects or services consume most of our resources?
- Which department's projects are consistently within budget?
- Which department's projects are consistently over budget?
- What's the average price of resources or services within a given ERP product?
- How do our resource hours break down between employees and contractors?

In this presentation we will look at Oracle Projects' design considerations that will allow executive management to answer these types of questions.

In determining if it's feasible to use a particular attribute to capture information needed for executive management analytics, there are two key considerations. First you need to determine the level required to properly analyze the data. For the most part it will either be at a project level, a task level or a transaction level. Once you determine the level required, you want to select an attribute that allows you to have a pre-defined list of values in order to maintain data integrity. If the attribute is a free-form entry field, it would not be a good option for use in analytics since users could enter multiple variations of the same data.

To address the design considerations for executive management, let's break the design attributes into three categories: project attributes, task attributes, and transaction attributes. First, we will address project attributes. Although there are many project attributes, there are three primary ones that are very helpful in addressing the needs of executive management. They are Project Type, Project Class Category and Project Organization. For purposes of this paper, we will use a national ERP consulting services company to demonstrate how each of these attributes may be used.

We have defined four Project Types for our sample company, they are:

- Implementations
- Upgrades
- Support
- Other

When a project is initially identified, it will be designated as one of these project types. When actually creating the project in Oracle Projects, we must use a Project Template that uses the appropriate Project Type. Having this type of designation on the project will allow executive management to perform comparisons such as profit margin by project type. They may discover that their average profit margin is much higher on upgrades than implementations. This information may cause them to change the type of engagements they pursue in the future, or cause them to take a closer look at their pricing model for implementations to see if it should be adjusted.

In our sample company, they provide consulting services for multiple ERP systems. They need to be able to track their projects by system for various executive-level reports. To do this, we have created a Project Class Category to identify the ERP system that relates to each project. The Class Category is called "ERP System", and a pre-defined list of values or Class Codes has been created that contains only the ERP systems the company works with. In this example, we have defined the following:

- Oracle EBS
- PeopleSoft
- JD Edwards

Through the Project Quick Entry setup, we have required that one of these is selected each time a new project is created. This Project Class Category will allow us to perform on-line queries and build reports that cross projects for a given ERP system. For example, it would be very easy to build a report showing total project revenue for 2007 for Oracle EBS projects. Using a tool like Discoverer, we could represent this information aggregately and allow drilldown into the individual projects that represent the aggregate number. Additional Project Class Categories can be defined as necessary to classify your projects for other purposes.

Our sample company provides consulting services nationally; however, they have different departments for each region, East, West and Midwest. Each department has been defined as a Project/Task Owning Organization. Our company needs to be able to produce budget, cost and revenue reports by region for the regional directors and other executive managers. This becomes a relatively simple task when a region or department is selected as the project organization. Additionally, we can produce more in-depth analytics that evaluate projects by ERP system and project type within regions due to the project type and project class category that were discussed previously.

We have discussed three different project-level data elements that help us with our executive management reporting. These data elements are delivered with Oracle Projects; however, if there are additional project-level data elements that you need to track, you can leverage the user-defined project attributes. These are typically used to capture project-level data elements that may be specific to your industry. The user-defined project attributes can be used for executive-level analytics in much the same way as the previously discussed delivered data elements.

Sometimes the required analytics cannot be produced by only looking at project-level data elements, and we need to go down to a lower level. Oracle Projects also provides task level and transaction level data elements that can be used for cross-project, cross-task or cross-transactional reporting. At a task level, we have Service Type and Work Type available to us. Both of these data elements default a value based on a higher-level definition. For example, Service Type defaults from the value specified on the project type, however, it can be overridden at a task level. These fields are often used to categorize the type of work or service that is being performed on a particular task. We have defined the following Service Types for our sample company.

- Custom Development
- Functional ERP Consulting
- Project Management
- Change Management
- Training

For work types, we have created values that relate to the four major project phases:

- Discover
- Design
- Develop
- Deploy

Each task in the project's work breakdown structure will be designated as belonging to one of these project phases; therefore, we can do some trend analysis across projects on task-level information within each phase.

Additionally, Oracle Projects provides transaction level data elements that can also allow us to perform executive management analytics. There are two that we will talk about in this presentation, Expenditure Categories and Expenditure Types. This is by no means an exhaustive list of the transaction level data elements, but these are typically the most common, particularly when analyzing project costs.

Expenditure Categories and Expenditure Types are core to the design of any Oracle Projects implementation. These are critical data elements for both project managers and executive management, and the intent is to use the same list of Expenditure Categories and Expenditure Types across all common project types. Project Managers will often break down their project or task level budgets by Expenditure Category or Expenditure Type to allow them to manage their costs at a more granular level. The way Oracle Projects is delivered, Expenditure Types belong to Expenditure Categories. There is a many-to-one relationship between Expenditure Types and Expenditure Categories. In our sample company, we have defined Expenditure Categories and Expenditure Types in the following manner.

- Expenditure Category – Labor
  - Expenditure Type – Employees
  - Expenditure Type – Contractors

- Expenditure Category – Expenses
  - Expenditure Type – Airfare
  - Expenditure Type – Lodging
  - Expenditure Type – Ground Transportation
  - Expenditure Type - Meals

You can define as many Expenditure Categories and Expenditure Types as you need for your company. This example is very simple, but some organizations may actually have hundreds of Expenditure Categories and thousands of Expenditure Types. Oracle Projects does not put a limit on this. By defining our Expenditure Categories and Expenditure Types in the above manner, the project managers can budget and/or monitor costs at any of these levels, and executive managers can analyze budgets and/or costs across projects at any of these levels. As I stated before, project managers are typically interested

in managing their budget and costs within their specific project for labor, for example, but executive management may want to perform analytics such as the percentage of labor costs attributed to contractors across all projects. Again, this is the type of information that will help executive management make better business decisions for the company as a whole.

Although the examples in this presentation are fairly simple, hopefully it will give both implementers and customers some ideas on ways to incorporate both project management and executive management requirements into their Oracle Projects design. Their requirements do not need to be, nor should they be mutually exclusive, and with the proper time spent up front in the Discovery and Design phases of your implementation, you can easily incorporate both.