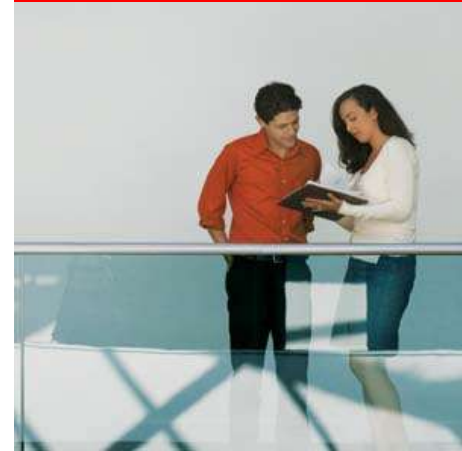# ORACLE® **Applications Strategy**

Raul Siles

Master Principal Sales Consultant

Our **Mission**

Making our software a source of continual competitive advantage for our customers
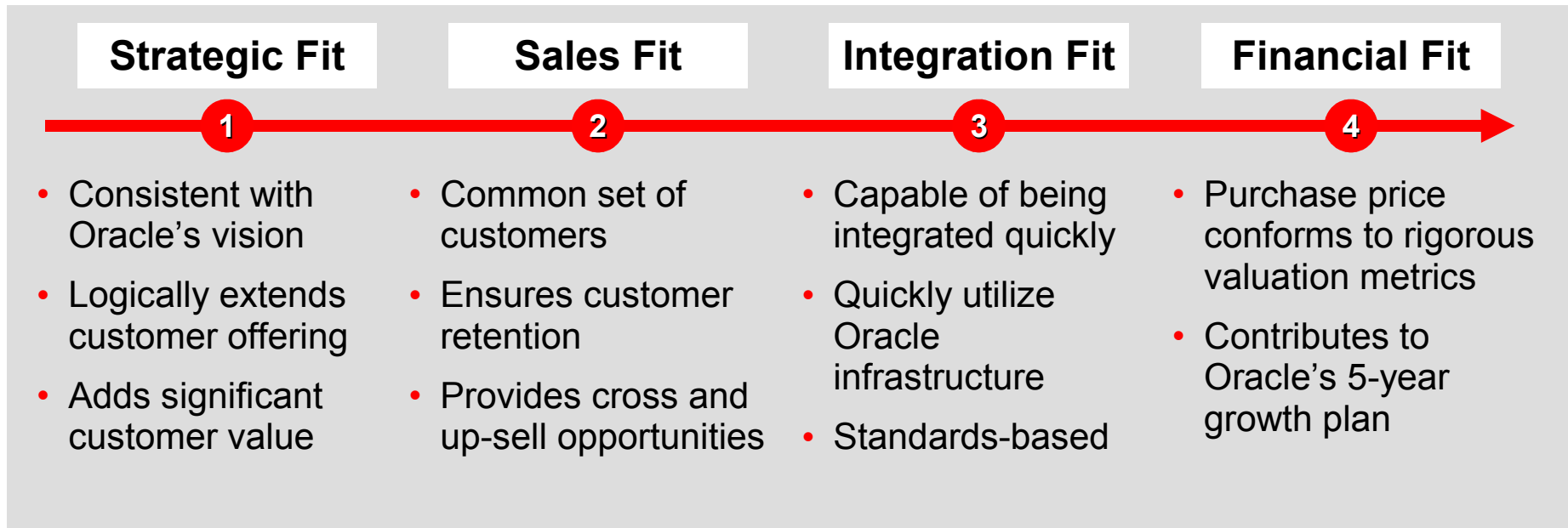- Better Information
- Better Results

Oracle's Approach to Business Applications

- ➤ **Deliver Deep INDUSTRY Solutions**

- ➤ **Offer Applications CHOICE**

- ➤ **Provide NEXT GENERATION Applications**

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Oracle's Approach to Acquisitions

Strengthening Our Customer Offering

Strategic Fit	Sales Fit	Integration Fit	Financial Fit
1	**2**	**3**	**4**
• Consistent with Oracle's vision	• Common set of customers	• Capable of being integrated quickly	• Purchase price conforms to rigorous valuation metrics
• Logically extends customer offering	• Ensures customer retention	• Quickly utilize Oracle infrastructure	• Contributes to Oracle's 5-year growth plan
• Adds significant customer value	• Provides cross and up-sell opportunities	• Standards-based	

Acquisitions plus internal development enable
Oracle's best-in-class enterprise applications

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A Few Applications Acquisitions…

SIEBEL	PeopleSoft®	JD EDWARDS	TELEPHONY @work
Numetrix	Demantra	G LOG	PORTAL
i-flex	Retek	360 Commerce®	ProfitLogic / TempoSoft

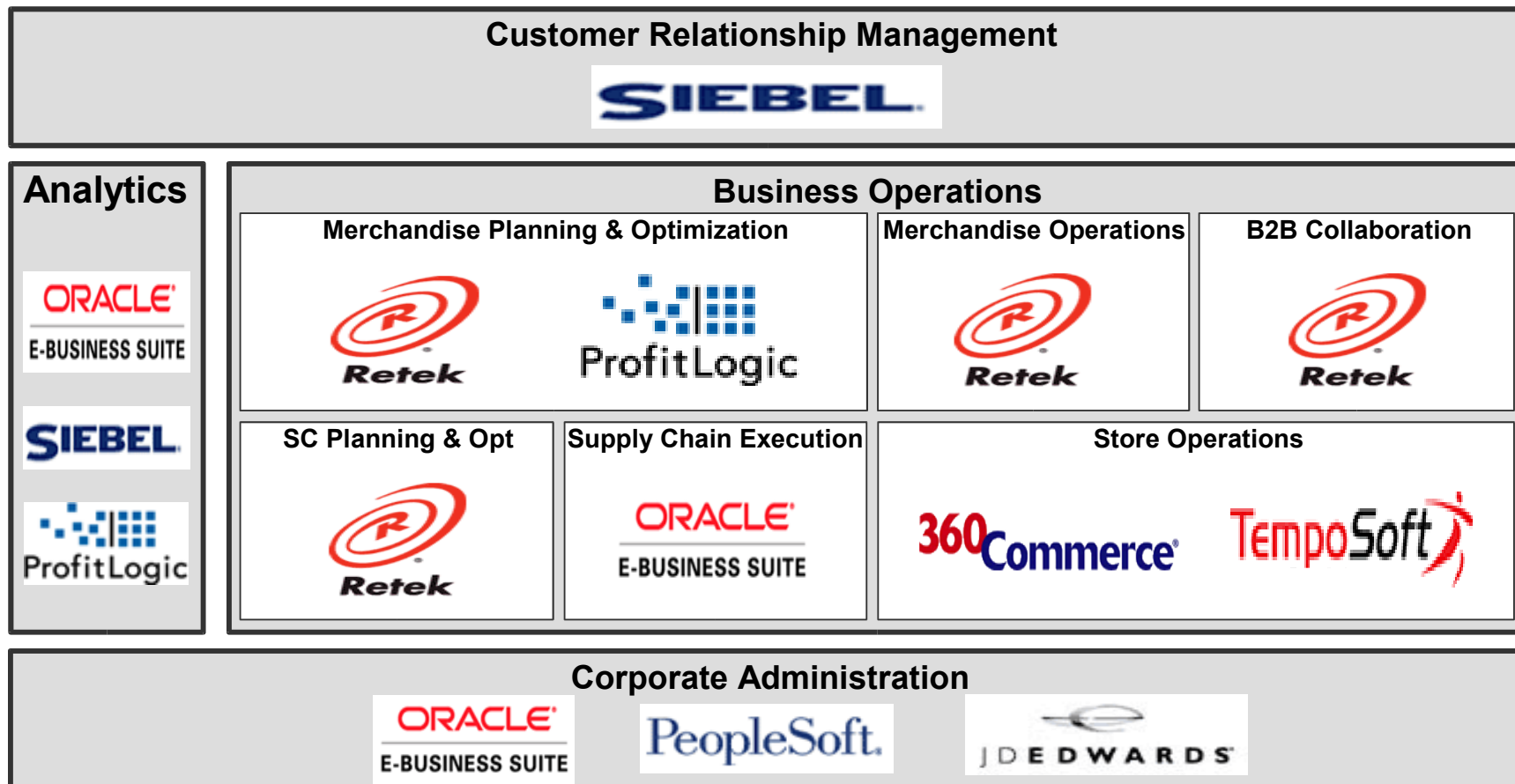**All acquisitions were #1 in their domain:**
CRM, HCM, Mid-Market, Planning, Logistics, Billing, Banking, Retail

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CONFIDENTIAL: All capabilities and dates are for planning purposes only and may not be used in any contract

A Case Study: Retail
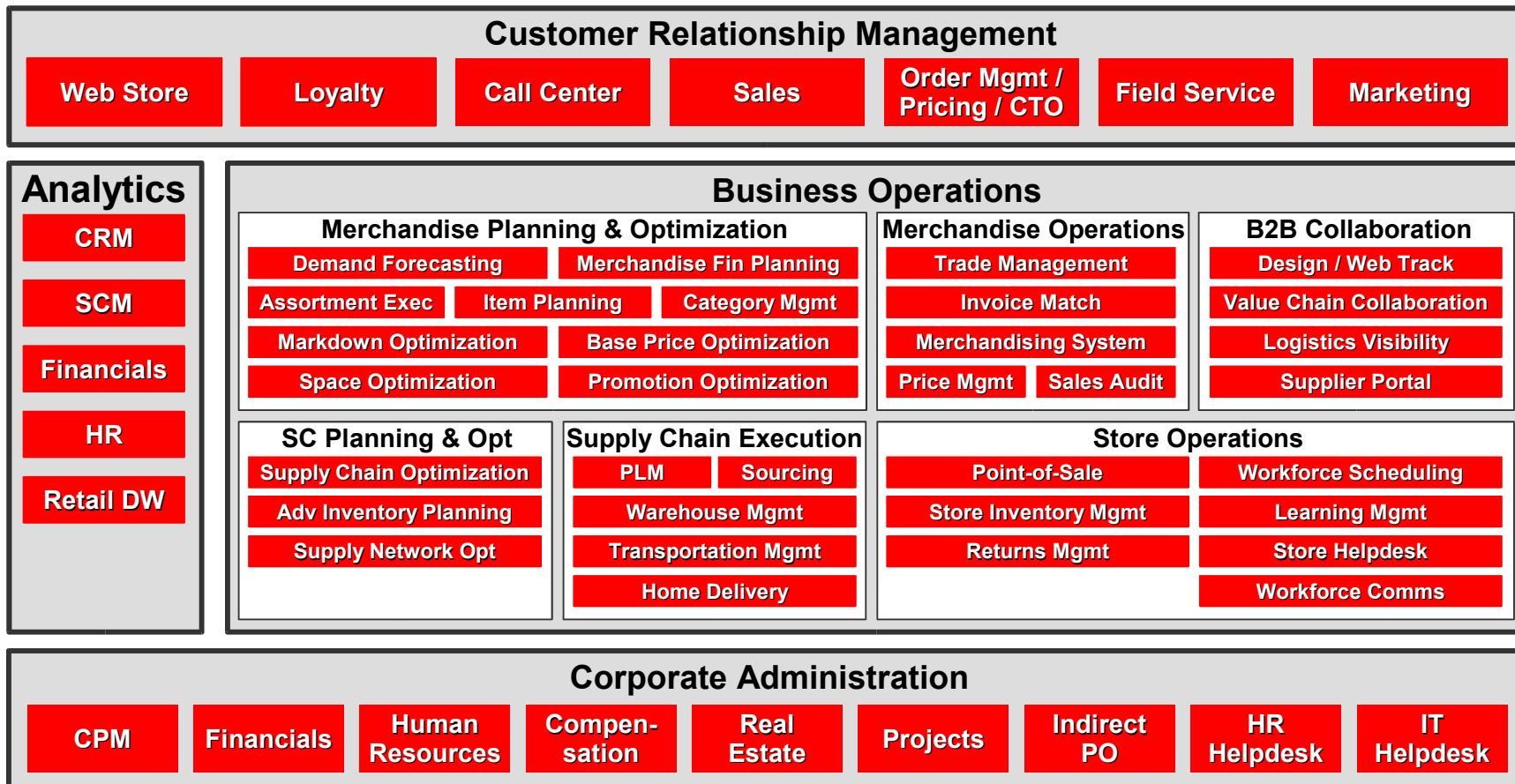*Strategic Acquisitions Provide Best in Class Coverage*

A Case Study: **Retail**
Comprehensive Solution Footprint

Customer Relationship Management

Web Store	Loyalty	Call Center	Sales	Order Mgmt / Pricing / CTO	Field Service	Marketing

Analytics

- CRM
- SCM
- Financials
- HR
- Retail DW

Business Operations

Merchandise Planning & Optimization

Demand Forecasting	Merchandise Fin Planning
Assortment Exec / Item Planning	Category Mgmt
Markdown Optimization	Base Price Optimization
Space Optimization	Promotion Optimization

Merchandise Operations

- Trade Management
- Invoice Match
- Merchandising System
- Price Mgmt / Sales Audit

B2B Collaboration

- Design / Web Track
- Value Chain Collaboration
- Logistics Visibility
- Supplier Portal

SC Planning & Opt

- Supply Chain Optimization
- Adv Inventory Planning
- Supply Network Opt

Supply Chain Execution

- PLM / Sourcing
- Warehouse Mgmt
- Transportation Mgmt
- Home Delivery

Store Operations

Point-of-Sale	Workforce Scheduling
Store Inventory Mgmt	Learning Mgmt
Returns Mgmt	Store Helpdesk
	Workforce Comms

Corporate Administration

CPM	Financials	Human Resources	Compen-sation	Real Estate	Projects	Indirect PO	HR Helpdesk	IT Helpdesk

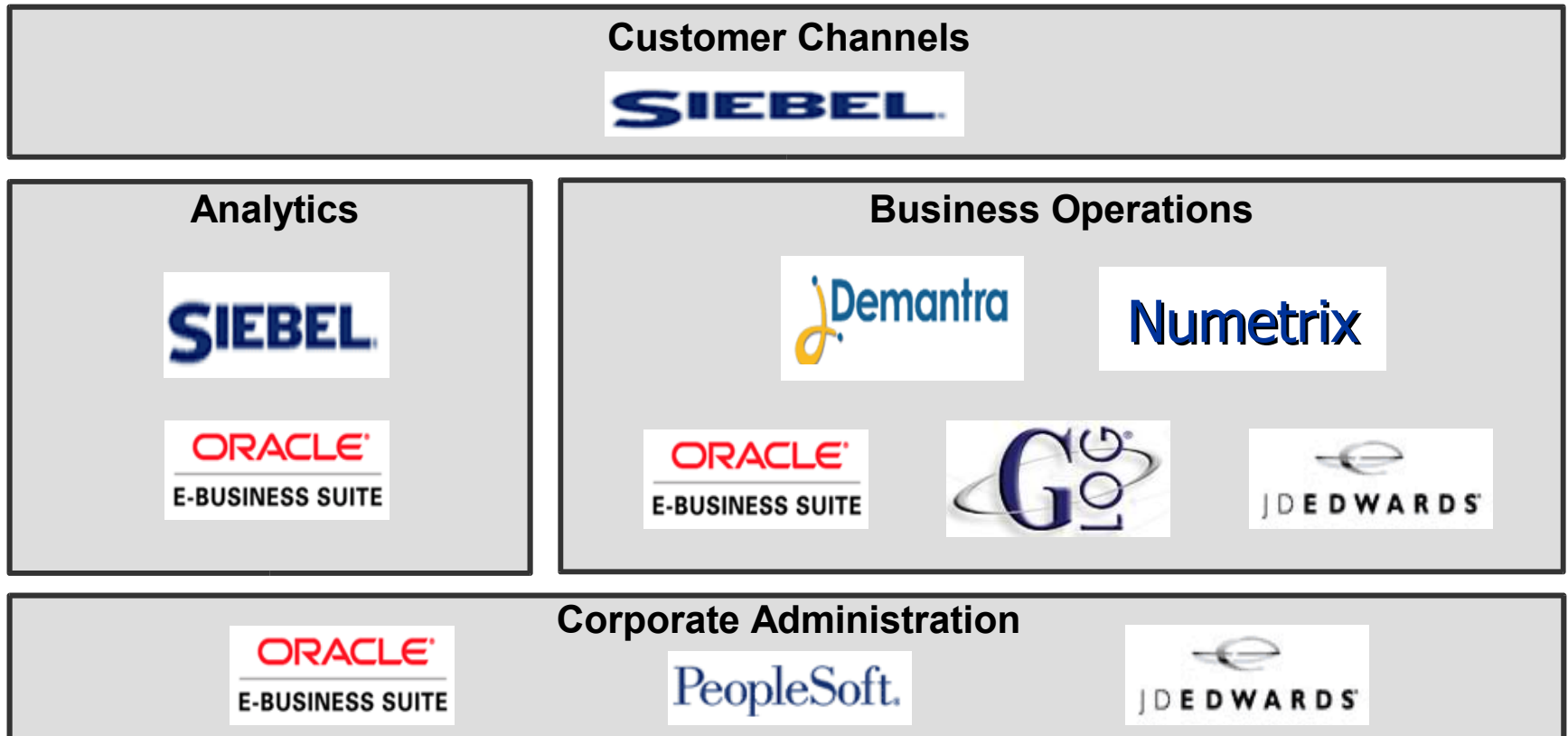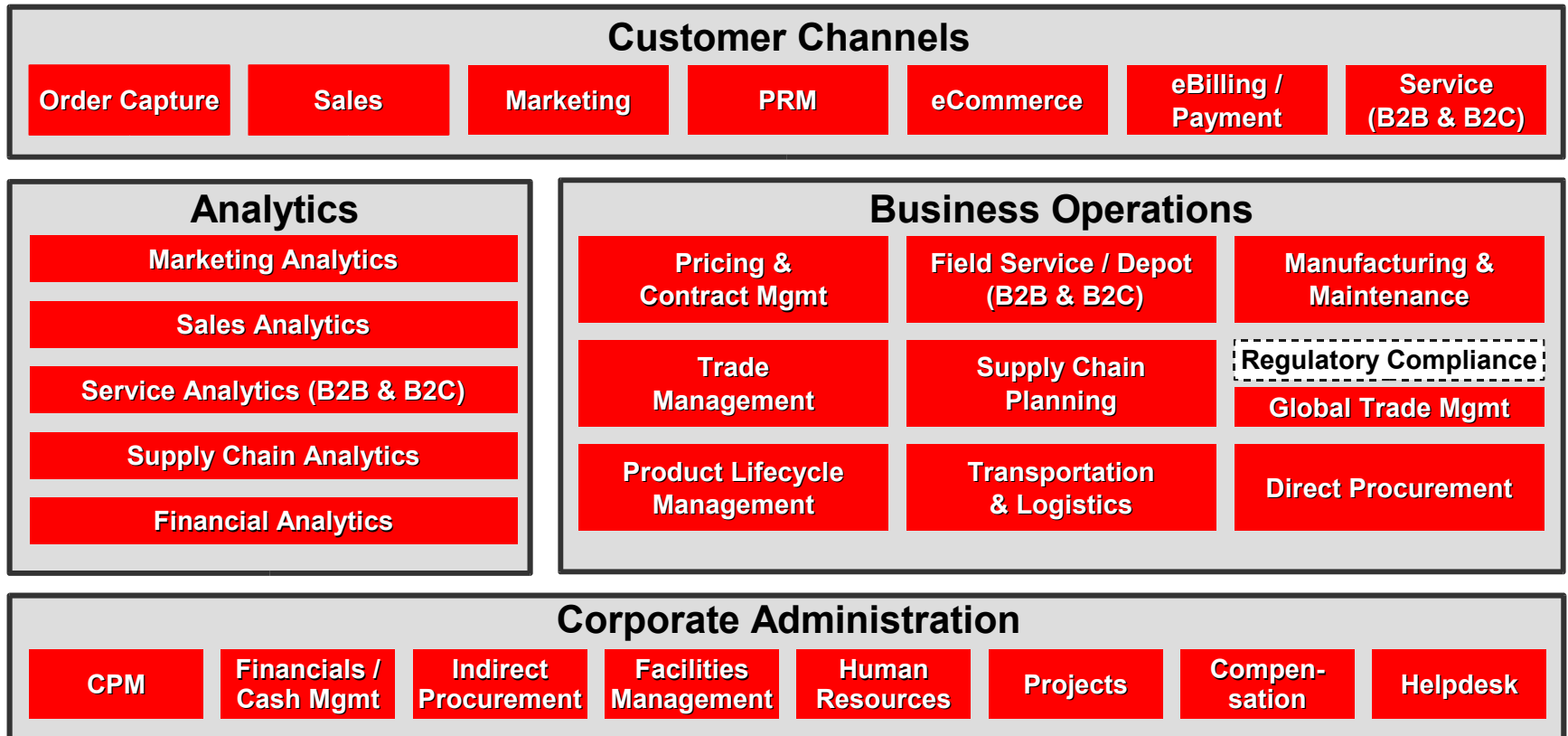**ORACLE**

CONFIDENTIAL: All capabilities and dates are for planning purposes only and may not be used in any contract

A Case Study: **Retail**

Some Customer Achievements

Mark's Work Wearhouse — cut POS operating costs by 30%

Edinburgh Woollen Mill — cut POS training time by 80% and training costs by 50%

new look — reduced distribution center personnel turnover by 71%

BEST BUY — reduced new hire processing time by 50%

MEIJER — reduced call center costs by $850K

MORRISONS — cut HR administration time by 40% (formerly Safeway UK)

COMPUSA — improved first time call resolution rate by 15%

HSN.com — increased average order size by 50%

A Few More Customers

SEARS Good life. Great price.	macy's	THE HOME DEPOT
JCPenney	NORDSTROM	LOWE'S Let's Build Something Together
Walgreens	bloomingdale's	Office DEPOT What you need. What you need to know.
RadioShack	Abercrombie & Fitch	True Value Help Is Just Around The Corner
circuit city Just what I needed.	ANN TAYLOR	TOYS R US

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A Case Study: **Industrial Manufacturing**
Strategic Acquisitions Provide Best in Class Coverage

Customer Channels

SIEBEL.

Analytics

SIEBEL.

ORACLE E-BUSINESS SUITE

Business Operations

Demantra

Numetrix

ORACLE E-BUSINESS SUITE

G LOG

JD EDWARDS

Corporate Administration

ORACLE E-BUSINESS SUITE

PeopleSoft.

JD EDWARDS

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A Case Study: Industrial Manufacturing
Comprehensive Solution Footprint

Customer Channels

Order Capture	Sales	Marketing	PRM	eCommerce	eBilling / Payment	Service (B2B & B2C)

Analytics

- Marketing Analytics
- Sales Analytics
- Service Analytics (B2B & B2C)
- Supply Chain Analytics
- Financial Analytics

Business Operations

Pricing & Contract Mgmt	Field Service / Depot (B2B & B2C)	Manufacturing & Maintenance
Trade Management	Supply Chain Planning	Regulatory Compliance
		Global Trade Mgmt
Product Lifecycle Management	Transportation & Logistics	Direct Procurement

Corporate Administration

CPM	Financials / Cash Mgmt	Indirect Procurement	Facilities Management	Human Resources	Projects	Compen-sation	Helpdesk

ORACLE

A Case Study: **Industrial Manufacturing**

Customer Achievements

POSCO — cut new product development time by 63%

HITACHI — reduced inventory cost by $26M

ROYAL APPLIANCE MFG. CO. — increased inventory location accuracy to 98%

GALGON INDUSTRIES INC. — reduced WIP order volume by over 30%

AMETEK — reduced procurement costs by 14%

Pella — compressed PO processing time by 86%

KVÆRNER — reduced order processing time by 83%

IR — increased revenues by $6.2 million from cross-selling

SKF — grew service revenue by 25% and opportunities by 20%

A Few More Customers

Pitney Bowes	3M	顺特电气 SUNTEN
Carrier — A United Technologies Company	SD Sealing Devices, Inc.	YORK
SIEMENS	FMC Technologies	OTIS
GE Power Systems	ThyssenKrupp	Rockwell Automation
DANAHER	tyco	Honeywell
LEESON	GE Industrial Systems	EMERSON

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Offer Applications CHOICE

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Protect the Value of Your Current IT Investment

$ **Siebel CRM**

$ **PeopleSoft Enterprise**

$ **JD Edwards EnterpriseOne**
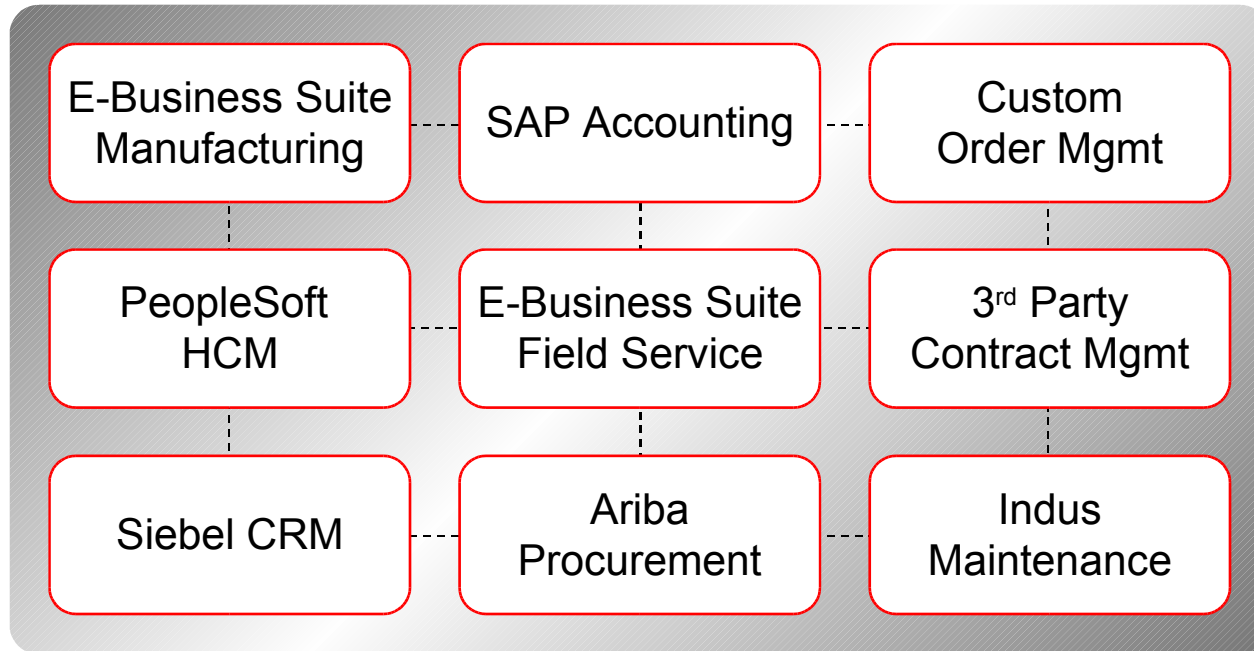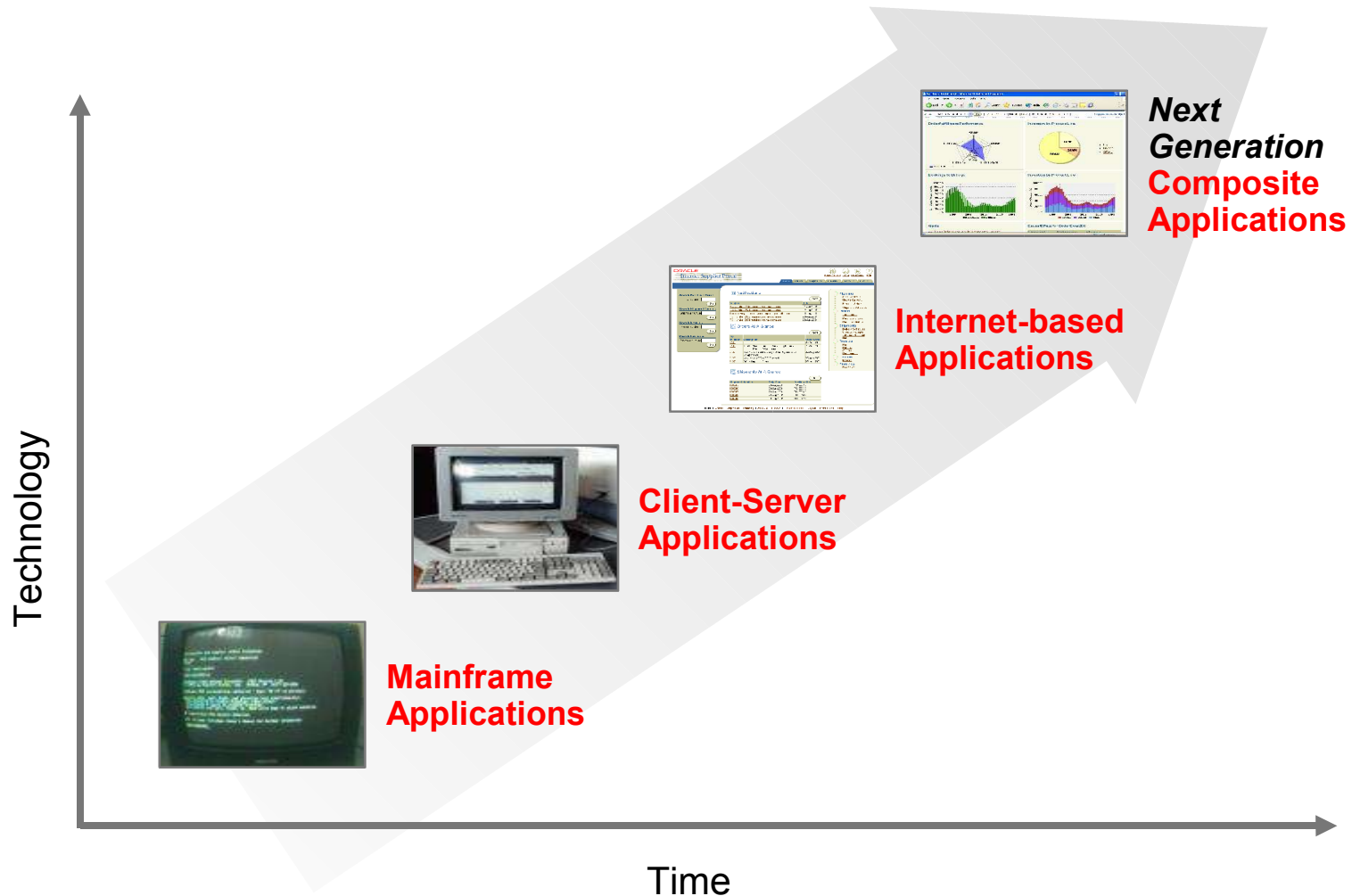
$ **JD Edwards World**

$ **Oracle E-Business Suite**

- You Have A Significant Investment In Your IT Systems

- Which Can Be Protected with Lifetime Support
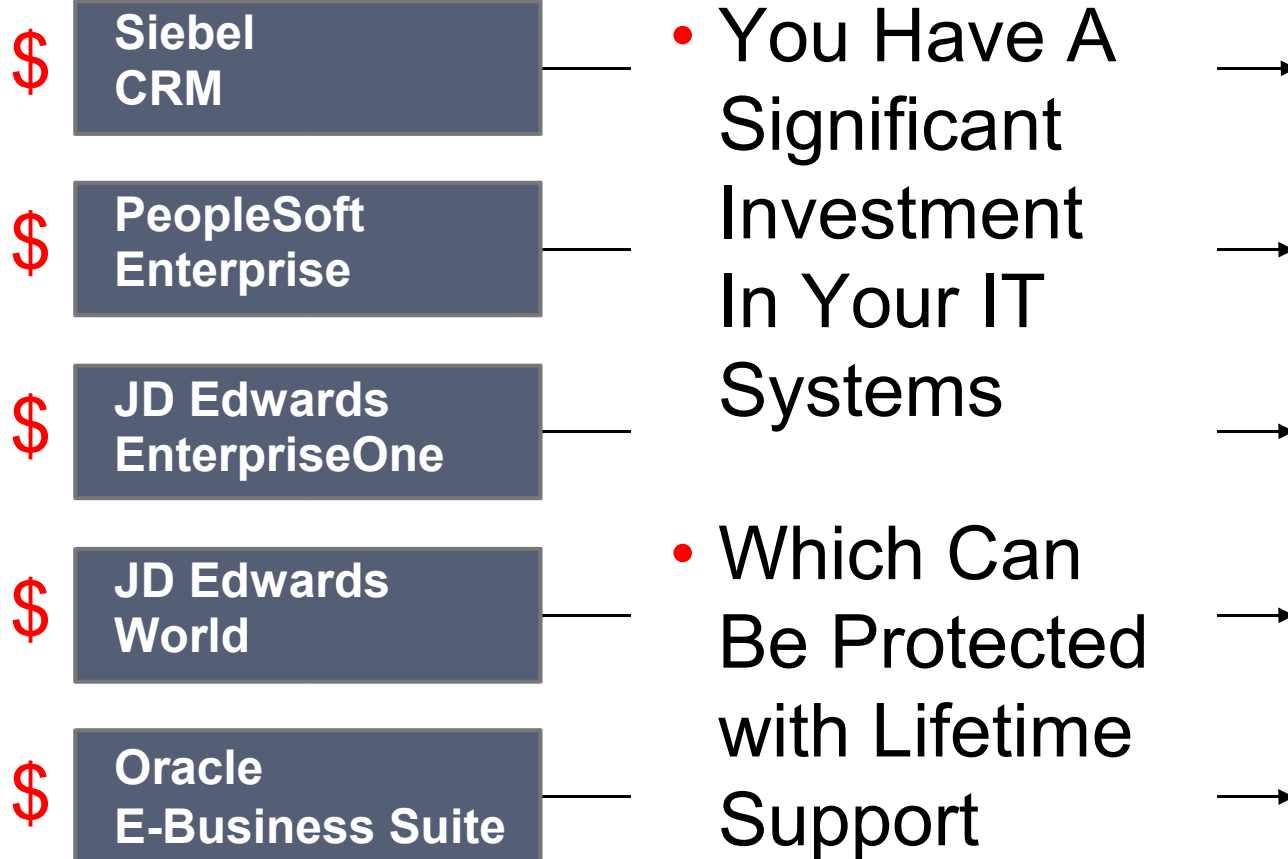
Oracle Lifetime Support
Your IT Investment Can Be Supported Indefinitely

Premier

Extended

Sustaining

1 2 3 4 5 6 7 8 9 10

Year of Support
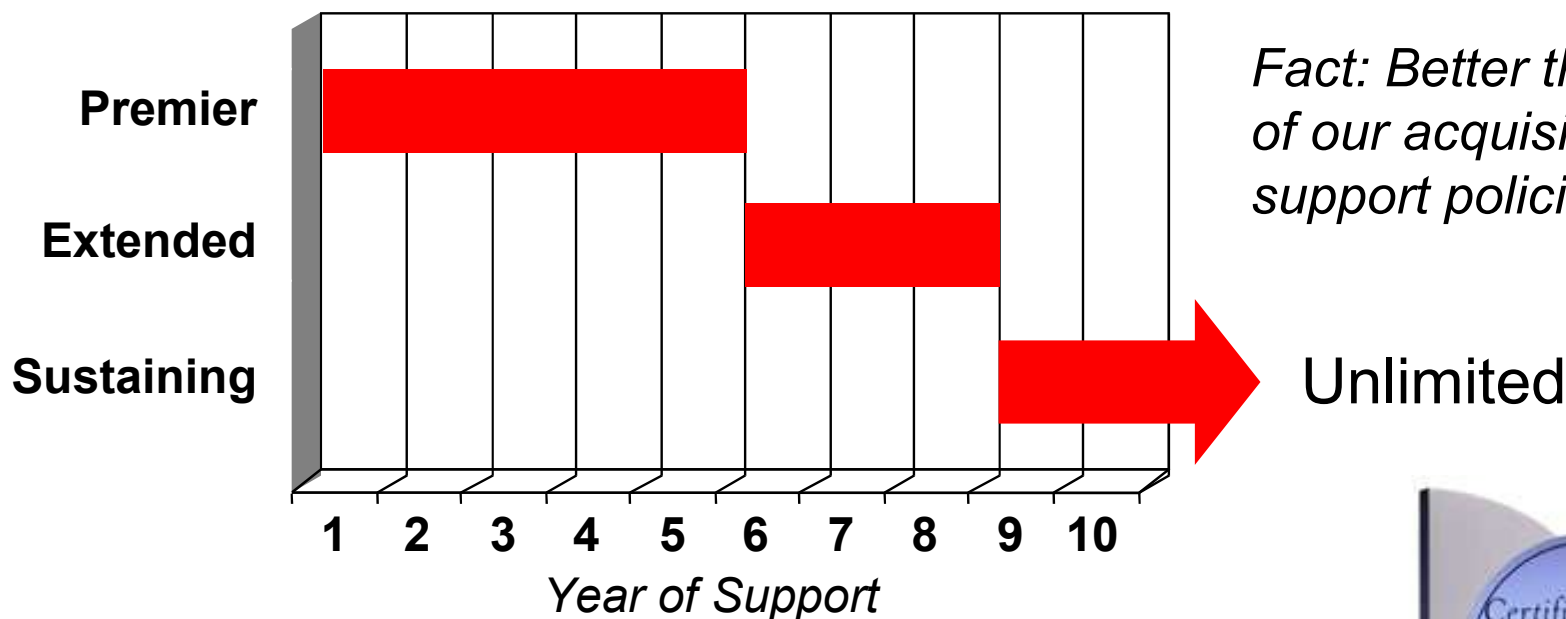
Fact: Better than any of our acquisitions' support policies

Unlimited

Oracle is the first and only Software Provider to Achieve J.D. Power & Associates Certification for Technology Service and Support

Certified
Technology Service & Support
J.D. POWER
AND ASSOCIATES
2006

Extend Value Through Customer Driven Innovation

Siebel CRM	*Version 7.8*	*Version 8.0*
PeopleSoft Enterprise	*Version 9.0*	*Version 9.1*
JD Edwards EnterpriseOne	*Version 8.12*	*Version 9.0*
JD Edwards World	*Version A7.3 & A8.1*	*Version A9.1*
Oracle E-Business Suite	*Version 11i.10*	*Version 12*
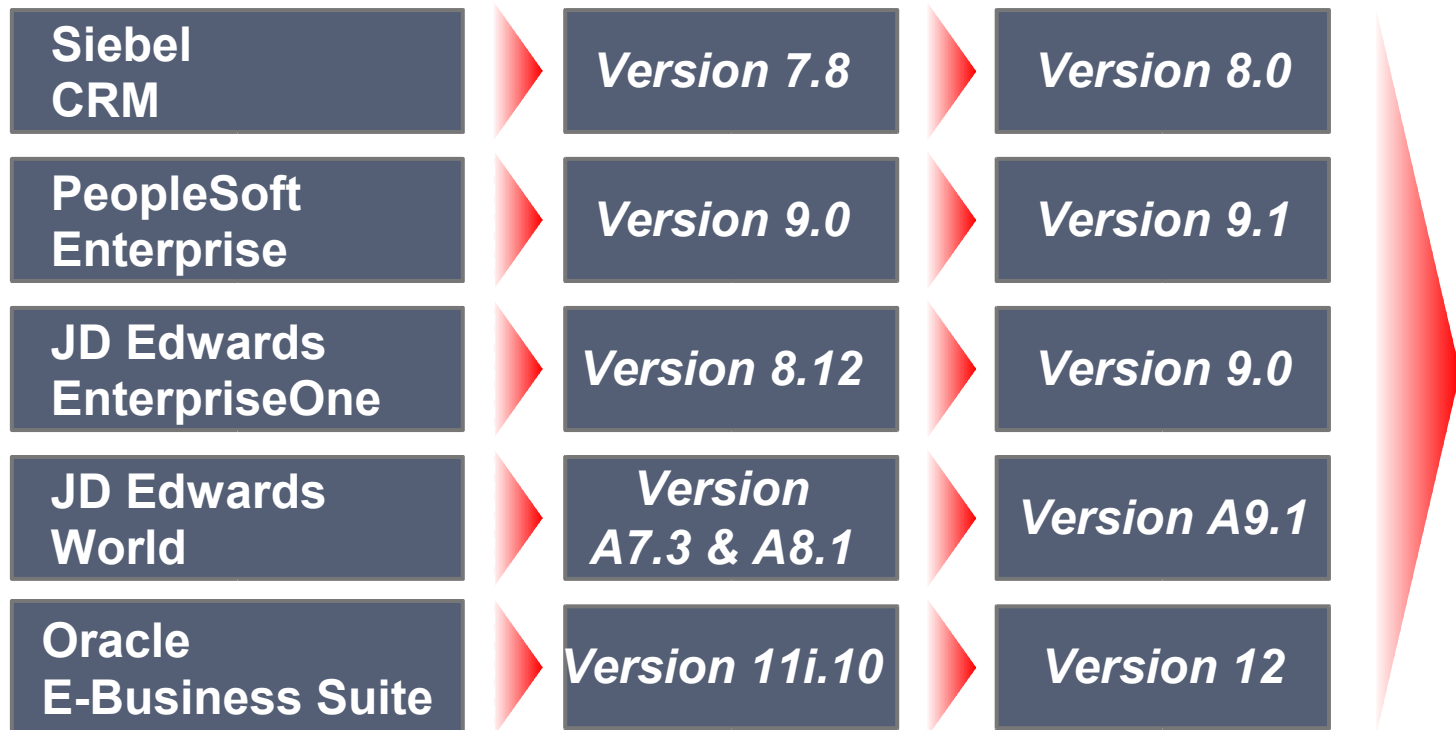
In the past 24 months, new versions of most apps product lines have been released...

…plus, new versions of all product lines are on the horizon

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Applications Unlimited

Stay on the Applications Product Line of Your Choice

Siebel CRM

PeopleSoft Enterprise

JD Edwards EnterpriseOne

JD Edwards World

Oracle E-Business Suite

- Continued Product Releases

- Customer Driven Product Roadmaps

- No Forced Upgrades

- Dedicated Development Teams

Tailored for Your Industry, Processes, and Geography

Applications Roadmap
Delivering On Oracle's Commitment to Applications CHOICE
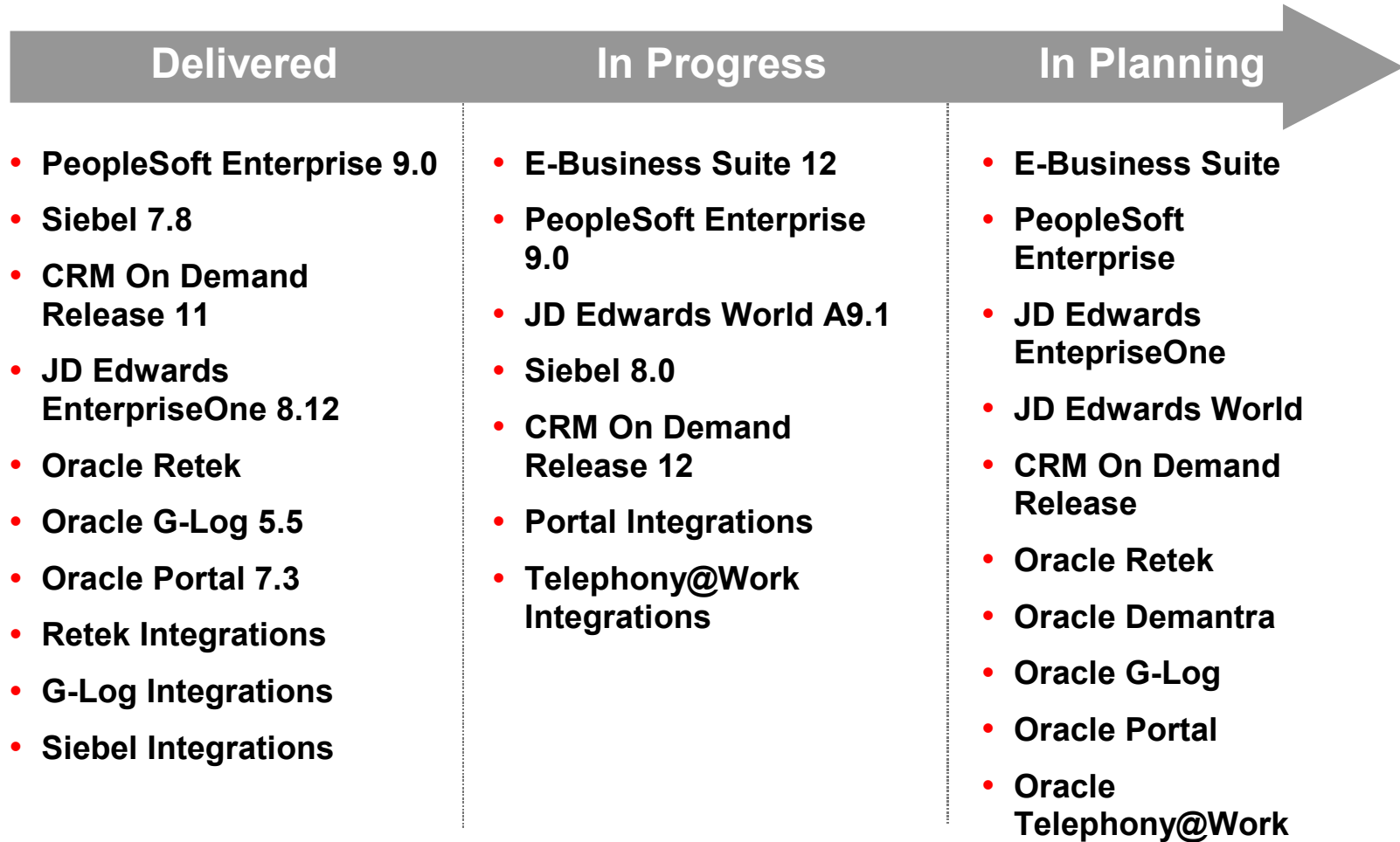
Delivered	In Progress	In Planning
• **PeopleSoft Enterprise 9.0**	• **E-Business Suite 12**	• **E-Business Suite**
• **Siebel 7.8**	• **PeopleSoft Enterprise 9.0**	• **PeopleSoft Enterprise**
• **CRM On Demand Release 11**	• **JD Edwards World A9.1**	• **JD Edwards EntepriseOne**
• **JD Edwards EnterpriseOne 8.12**	• **Siebel 8.0**	• **JD Edwards World**
• **Oracle Retek**	• **CRM On Demand Release 12**	• **CRM On Demand Release**
• **Oracle G-Log 5.5**	• **Portal Integrations**	• **Oracle Retek**
• **Oracle Portal 7.3**	• **Telephony@Work Integrations**	• **Oracle Demantra**
• **Retek Integrations**		• **Oracle G-Log**
• **G-Log Integrations**		• **Oracle Portal**
• **Siebel Integrations**		• **Oracle Telephony@Work**

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Fact 1: IT Environments are Heterogeneous

E-Business Suite Manufacturing	SAP Accounting	Custom Order Mgmt
PeopleSoft HCM	E-Business Suite Field Service	3rd Party Contract Mgmt
Siebel CRM	Ariba Procurement	Indus Maintenance

- IT Environments include applications components from a variety of vendors

- Integration of disparate systems can be complex and resource intensive

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Fact 2: Technology Continues to Evolve

Technology (vertical axis)

Time (horizontal axis)

Next Generation **Composite Applications**

Internet-based Applications

Client-Server Applications

Mainframe Applications

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Next Generation…FUSION Architecture

New technology allows for breakthrough increases in user and organizational productivity at significantly lower cost

SOA → Enables composite applications that provide organizations more flexibility in business process

Web 2.0 → Continuous improvement and constant change; collaboration, desktop tools become part of enterprise application workflow

Middleware → Open flexible architecture orchestrates business process

Standards → Shared toolset for developers, customers and partners provides sustainable extensibility

Composite Applications Will Simplify the Integration Challenges Inherent with heterogeneous environments

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Next Generation…FUSION Applications

- Created In Parallel with Existing Product Lines

- Includes "Best of" Functionality From All Apps Product Line

| Siebel CRM |
| PeopleSoft Enterprise |
| JD Edwards EnterpriseOne |
| JD Edwards World |
| Oracle E-Business Suite |

Best Practices

Oracle Fusion Applications
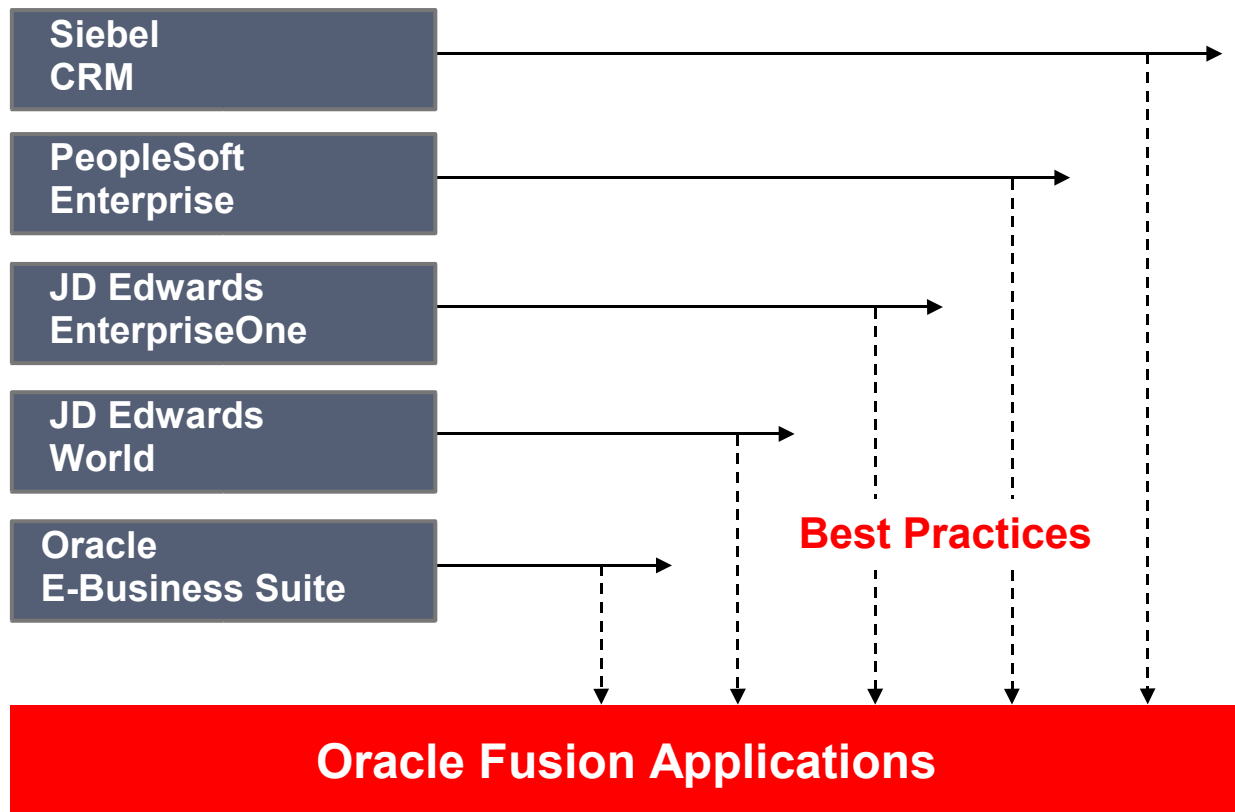
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Procurement Transformation
It's still THE message!

Strategic Procurement
- Value Creation
- Collaborative Procurement
- Supply Optimization
- All Categories, All Processes

Cost Procurement
- Touchless Buying
- Policy Enforcement
- Contract Negotiation
- Spend Management

Tactical Buying
- Create Manual Orders
- Answer Supplier Queries
- Help Requesters
- Manage Content

Strategic Value — High / Low

Maturity — Low / High

The Future Of Purchasing & Supply

Regional & global sourcing strategies will become a critically important source of competitive advantage

New Skills Needed to Operate In Globally Complex and Uncertain World

Program Manager

Sourcing Mngr

Number of Key Suppliers Fall

CPO

Buyer

v.2

v.7

Suppliers

Senior Management's Expectations For Purchasing Grow

Performance Metrics Better Aligned With Company Objectives

APPROVED

Requirements for increased global and regional capabilities

Technology key to globalization and sourcing strategies enterprise wide.

IT

Sales

More flexibility & external customer focus required to maximize supplier contributions

Procurement Circa 1995
Focus On Transaction Processing Automation
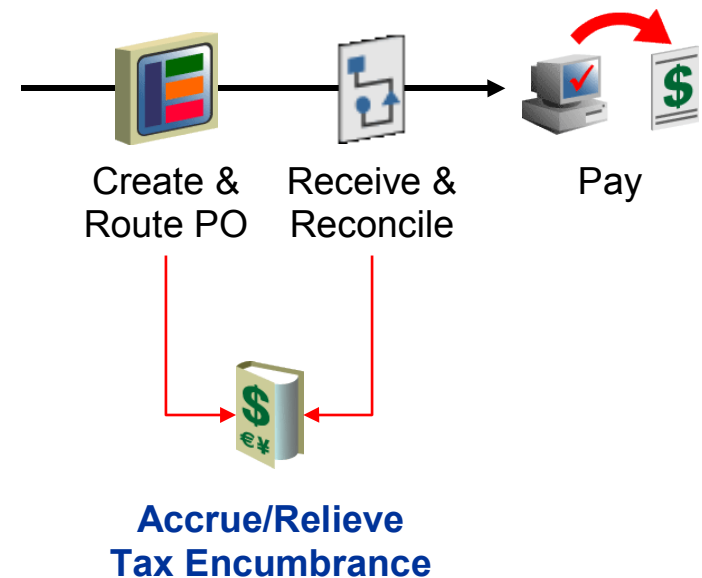
Create &
Route PO

Receive &
Reconcile

Pay

**Accrue/Relieve
Tax Encumbrance**

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Procurement Suites 2006
Improving All Aspects Of Supply Management
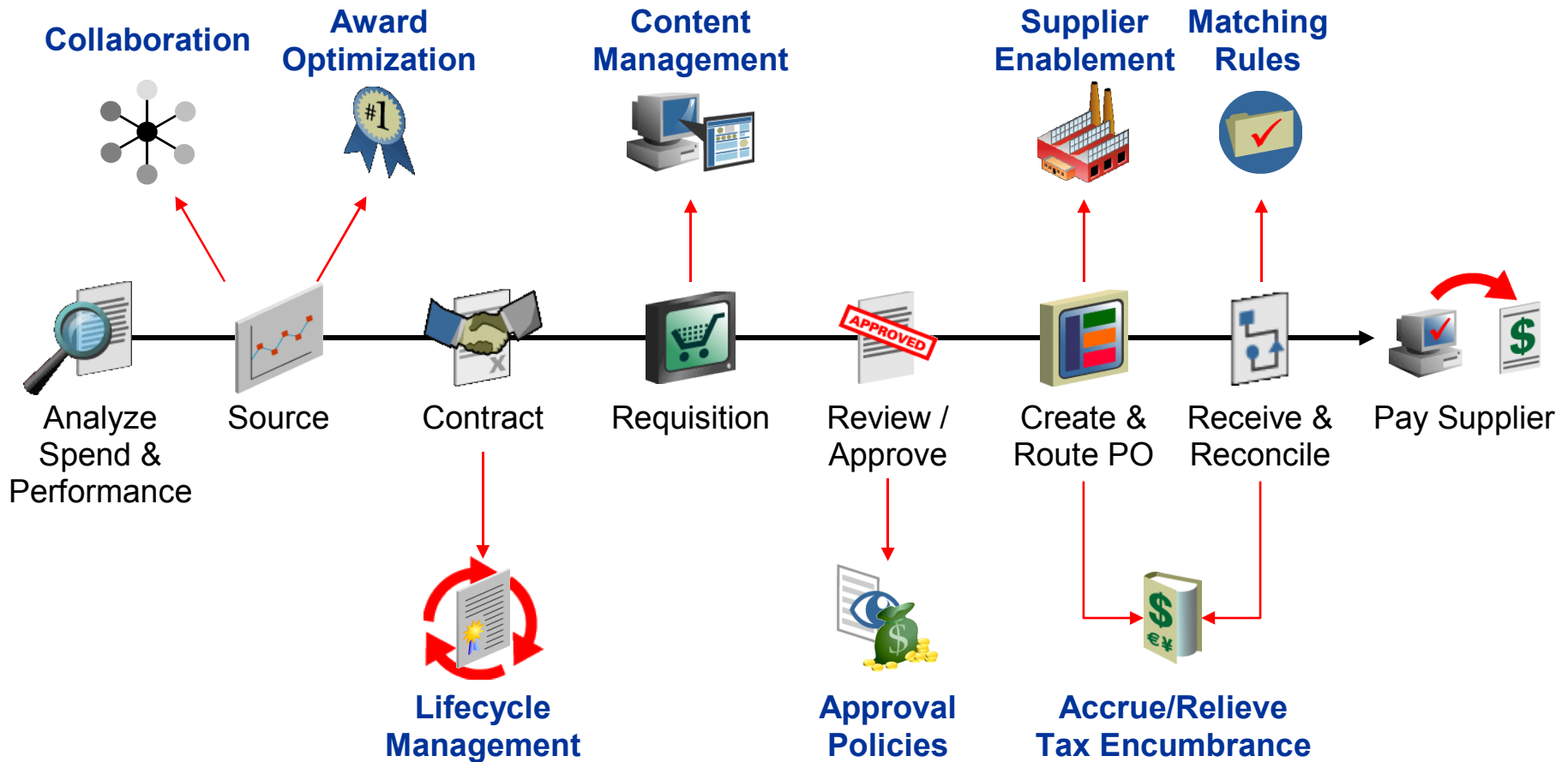
Collaboration   **Award Optimization**   **Content Management**   **Supplier Enablement**   **Matching Rules**

Analyze Spend & Performance — Source — Contract — Requisition — Review / Approve — Create & Route PO — Receive & Reconcile — Pay Supplier

Lifecycle Management   **Approval Policies**   **Accrue/Relieve Tax Encumbrance**

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A Decade Of Procurement Innovation
What's Wrong With This Picture?

Employees & Business Managers	Suppliers & IT Departments	Accounts Payable	Sourcing Managers & Budget Holders	HR & IT	Data Analysts & Category Managers	Legal and Contracts Managers	Data Analysts & Project Managers

eProcurement **Supplier Enablement** **eInvoicing** **Sourcing** **Services Procurement** **Analytics** **Contract Management** **Spend Data Management**

1995　　　　　　　**2000**　　　　　　　**2005**
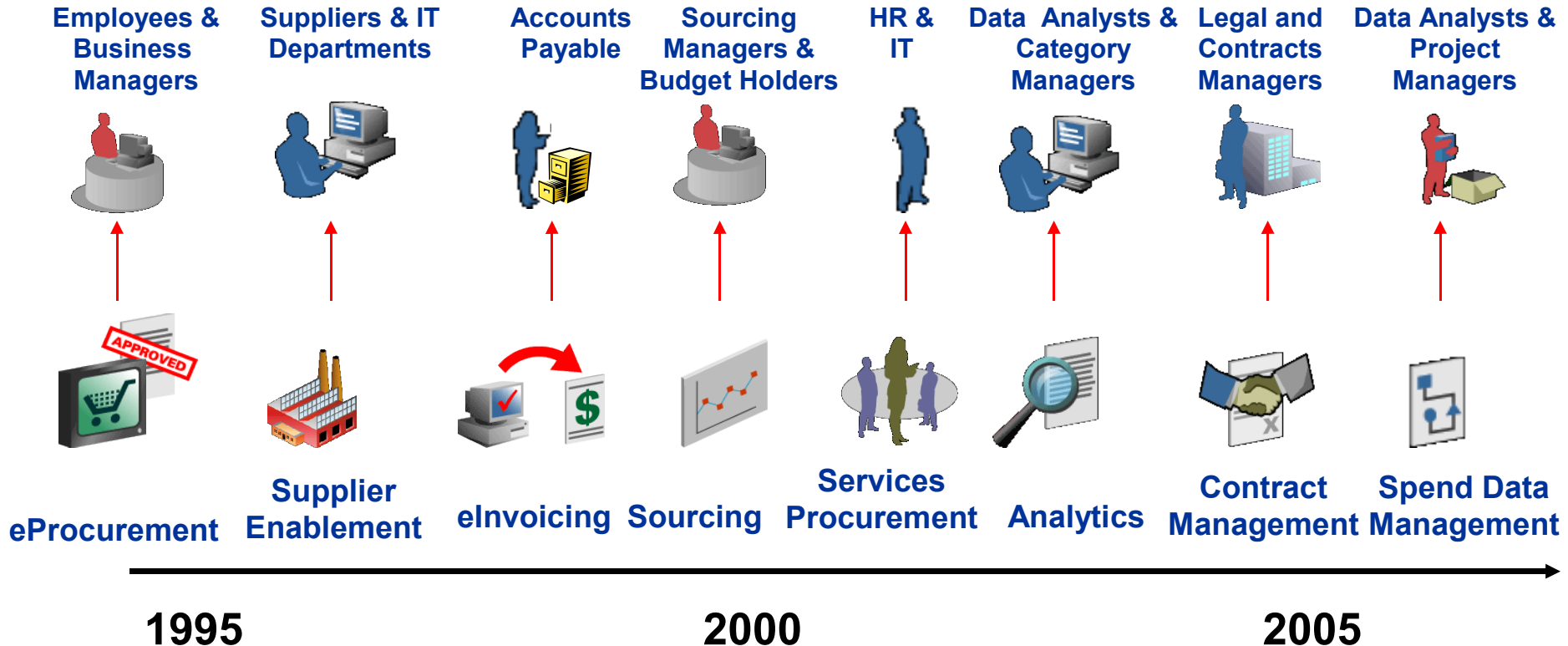
Niche Vendors Drove Innovation "At The Edges", Neglecting the Needs Of Procurement Professionals- especially with respect to managing their daily work-loads.

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Professional Buyer's Work Center

Command and control for the procurement professional

- Multi-Org Access

- Reduced pop-ups and duplicate screens

- Re-designed and streamlined entire workflows

- Reduced the number of steps to complete key tasks

- Improved overall look & feel and visual style

- Increased personalization capabilities

Unified Supplier Catalog
A Single Catalog for all Procurement Uses

PBWC
Buyer

iP Admin
Catalog Admin

iSP
Supplier

Sourcing
Sourcing Professional

Award

Bulkload / Online author

Approve

Unified Catalog

PO
Buyer

iP

Requester

External Supplier Sites
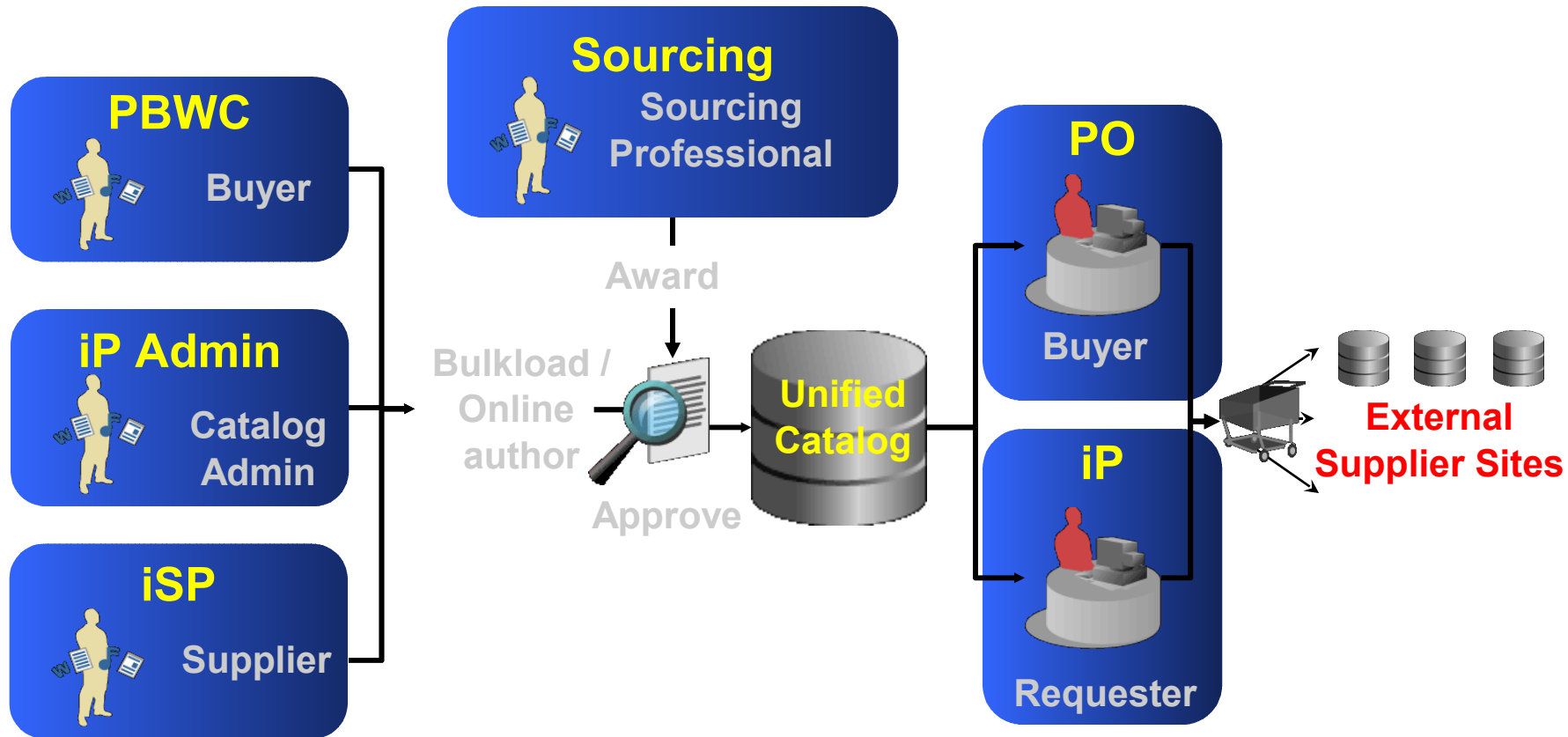
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Microsoft Word Synchronization

Maintain structured contracts with Word

| Create Contract | Apply Template | Download in .rtf or MS Word .xml format | Modify Offline | Upload as attachment or synchronize |

ORACLE Purchasing

Requisitions | **Orders** | **Agreements** | **Deliverables** | **Negotiations** | **Suppliers**

Orders > Update Facilities Maintenance Order > Update Facilities Maintenance Order 5395: Contract Terms > Update Facilities Maintenance Order 5395: Upload Cont
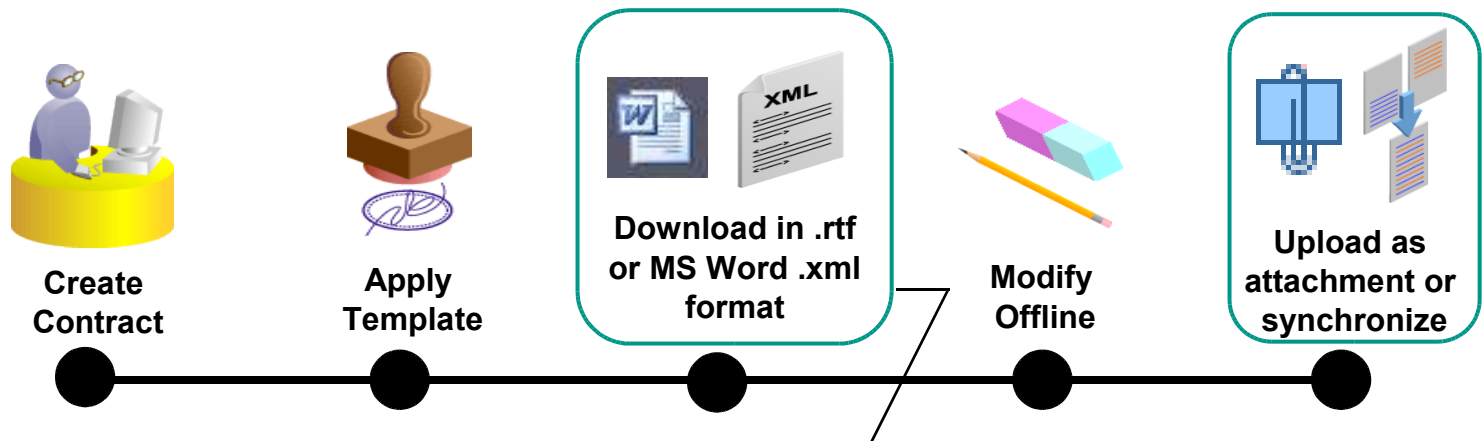
Update Facilities Maintenance Order 5395: Review Uploaded Contract

The following changes were found in the uploaded contract. Accept or Reject the changes to resume clause authoring.

[View Messages]   [Reject Changes]   [Accept Changes]

Select Clauses: [Merge] | [Review Changes]

Select All | Select None | Expand All | Collapse All

Select	Focus	Title		Action	Messages	Delete
		⊟ 🖹 Contract Terms				🗑
☐	⊕	⊟ 1. Introduction				🗑
☐		📄 1.1. Facilities Master Agreement			Warnings:10	🗑
☐	⊕	⊟ 2. Services & Payment				🗑
☐		📄 2.1. Invoices			Warnings:1	🗑
☐		📄 2.2. Monies Retained			Warnings:1	🗑
☐		📄 2.3. Payment Terms		Updated	Warnings:1	🗑
☐	⊕	⊟ 3. Access				🗑
☐		📄 3.1. Access		Updated	Warnings:1	🗑
☐		📄 3.2. Inspection of Premises		Added		🗑
☐	⊕	⊟ 4. Term & Termination				🗑
☐		📄 4.2. Termination & Final Payment		Deleted		🗑
☐		📄 4.1. Term		Updated		🗑
☐		📄 4.4. Termination & Provider Action		Deleted		🗑
☐		📄 4.3. Termination Notice			Warnings:1	🗑
☐	⊕	⊟ 5. Confidential Information				🗑
☐		📄 5.1. Confidential Informat			Warnings:1	🗑

Review offline changes and either accept or reject them

'Review Changes' enables you to review each change in detail

Added, Updated and Deleted clauses are clearly marked

What's New in Approvals?

- Parallel Approvals
  - Several approvers can be simultaneously notified for a given requisition, thus speeding up the requisition approval process
- Support for Viewers
  - Allows flexibility in keeping a person/role informed of business purchases and decisions, without requiring a response
- Position Hierarchy Support
  - Allows customers to define approval routing structures that remain stable even if individual employees leave their organization or transfer within it
- Graphical Approval Path UI Display
  - Provides preparers and approvers a simple and intuitive graphical view of the approval chain and requisition status for a given requisition

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Advanced Approvals Enhancements

Approval History for Requisition 18255

Sequence	Approver	Organization Name	Action	Action Date	Notes
1	Loh, Mavis	Vision Corporation	Submitted	24-Mar-2006 18:47:07	
2	Alba, Jon	Vision Corporation	Approved	24-Mar-2006 18:47:30	
3	Baker, Catherine (Facilities Management Group)	Vision Corporation	Pending		
4	Bauer, Jessie	Vision Corporation	Pending		
5	Stock, Ms. Pat (Facilities Management Group)	Vision Corporation	Pending		

☒ **The Approval Graphical View shows the following:**

– Jon Alba has approved the requisition as indicated by the green checkmark icon

– The requisition is currently pending approvals from the Facilities Management Group and Jessie Bauer as indicated by the clock icon

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Procurement for Complex Services

Req to Pay Support for Complex Payments

| Request for Service | → | Source | → | Author Contract | → | Advance Payment | → | Track Progress | → | Process Payment |

- Requests for Services can originate from multiple sources
  - Facilities Manager
  - Project Manager
  - Field Engineer
  - Architect

Procurement for Complex Services

Capture Progress Payment Schedule

- Flexible Progress Payments - Rate, Lump Sum & Milestone Pay Items
- Pay Item Owner

  Project Details, Attachments

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 988

Technical Capabilities = 34

Price = 32

Past Performance = 17

TOTAL SCORE FOR QUOTE:
83

- Each Team Member scores each response

- Each Team Member scores the assigned Section

- Oracle Sourcing calculates _average_ of individual score sheets to determine Section score

- <u>Sum</u> of Team scores determines overall response score (as input to Optimization)

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Supplier Request Process
Reduce Overhead with Self-Service Registration

Supplier Self-Service Registration
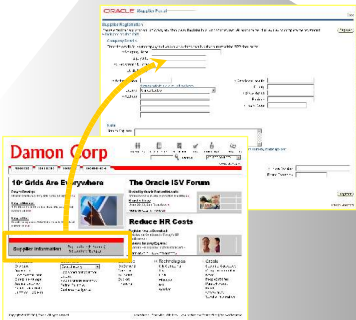
Review & Approval
- **Configurable approval flow (AME)**
- **Approver has option to update details**

Supplier Requests

Buyer

APPROVED

Supplier

Configurable Registration Form
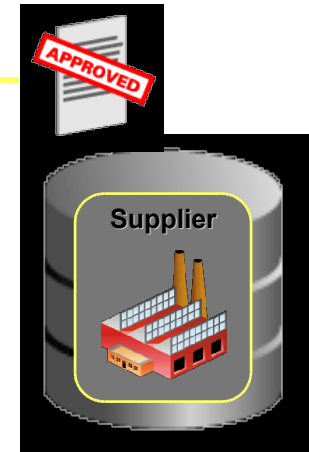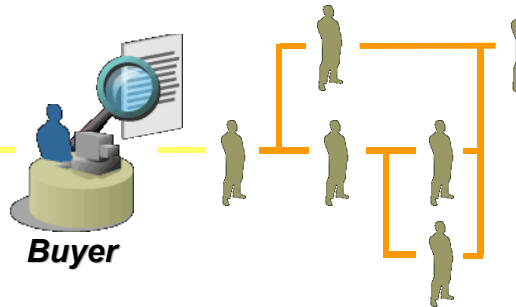
Upon approval, supplier record automatically created
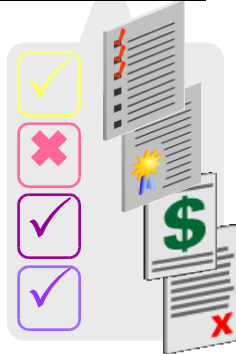
Supplier Catalog Management

- Suppliers can upload and create on-line catalogs

- Supplier edits blanket agreement to add items

Supplier Change Orders
New capabilities for process automation

Supplier can create single change request across multiple POs
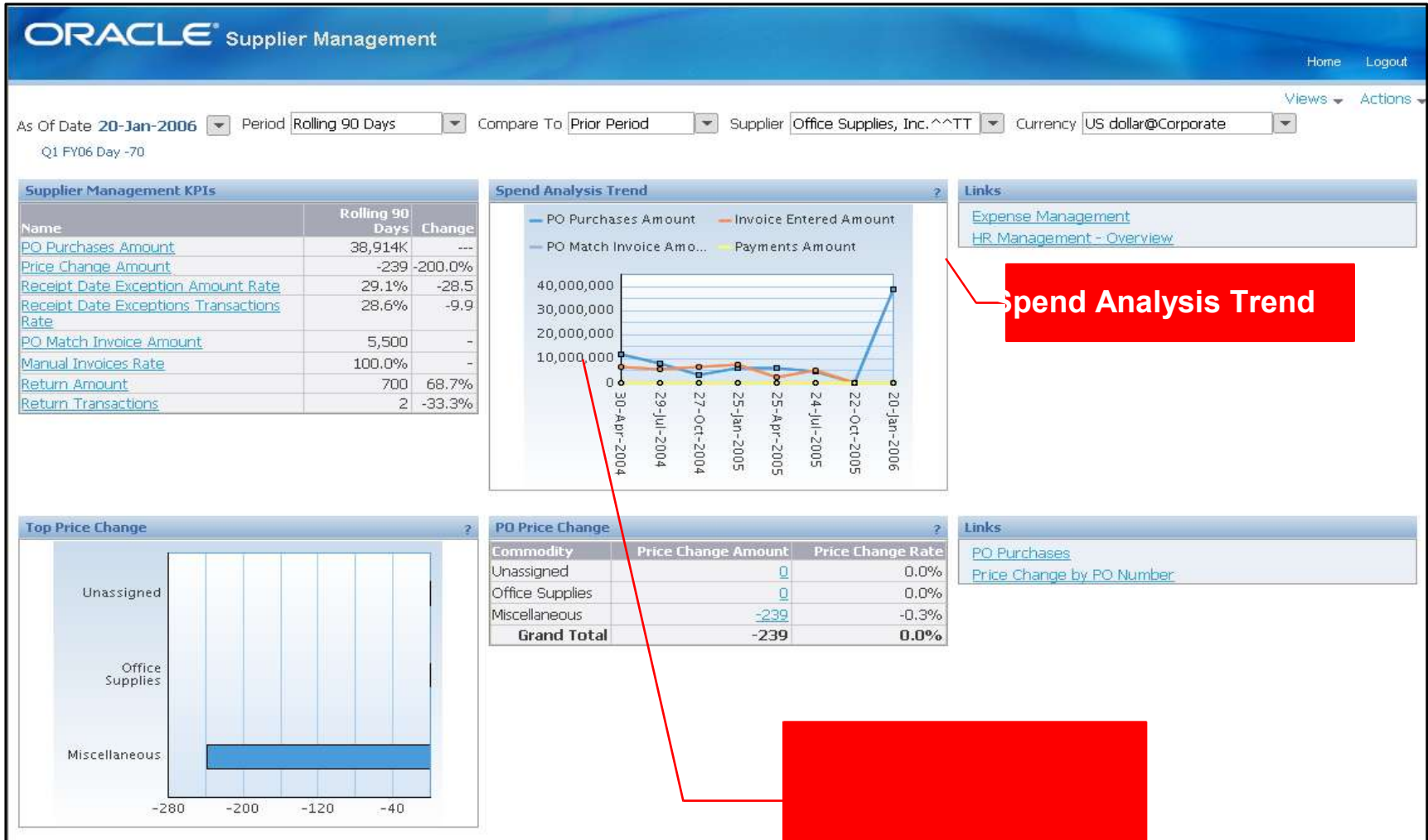
± %,x APPROVED
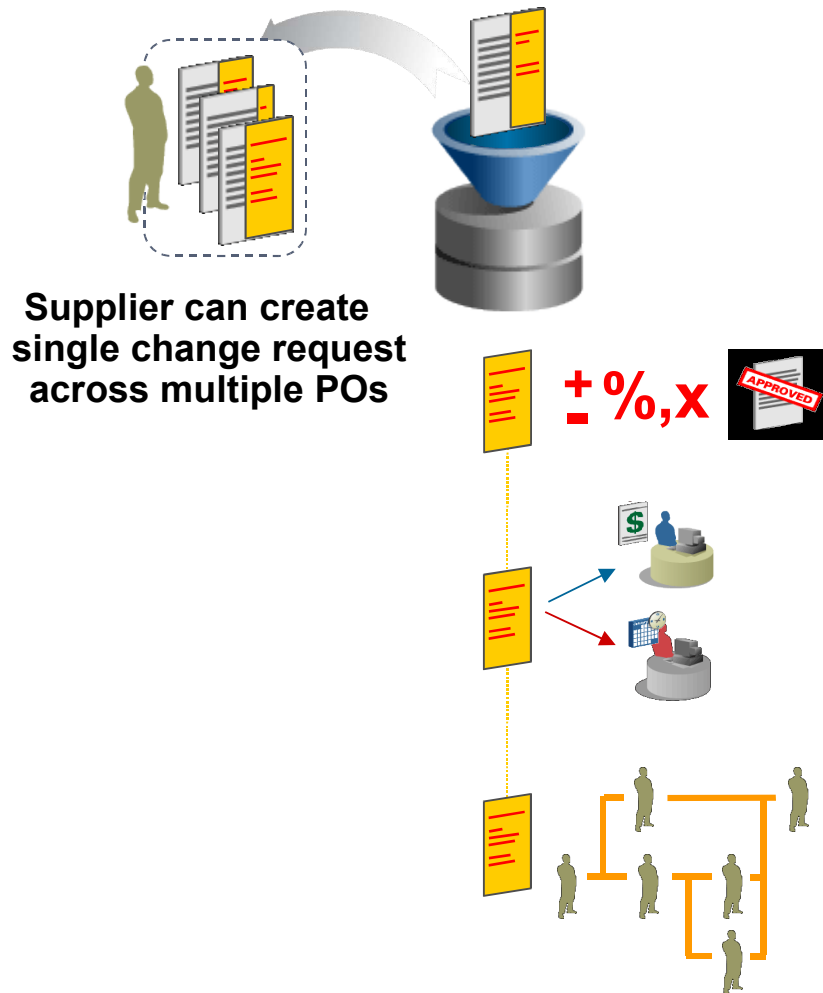
System assess changes…

- **Tolerances for auto-approval**
  - Percentage
  - Absolute

- **Determine if requester should review**
  - Quantity, Promise Date, Price

- **Route up approval hierarchy**
  - Based on user authorization limits

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Supplier Scorecard

Self-service supplier performance management