

Extending the Value of Your Oracle E-Business Suite 11i.10 Investment

*An Oracle White Paper
June, 2006*

NOTE

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EXECUTIVE OVERVIEW

Businesses today have spent an enormous amount of money on their technology investments. We understand and appreciate this. Here at Oracle, the most important decisions that we make as a company are grounded on extensive discussions with our customers who participate in advisory boards, user groups, and who have direct contact with Oracle executives. The feedback that we receive from these discussions becomes the bedrock of our strategy. Oracle's mission today is simple and clear. We want to Protect, Extend and Evolve your technology investments.

INTRODUCTION

Not surprisingly, we continue to hear variations on a familiar theme - maximize the business impact of IT investments at lower investment levels with a quicker payback period. Customers want incremental IT investments that provide a short-term ROI, and a long lifecycle with many returns.

Therefore, our corporate principles are to Protect, Extend, and Evolve the value of your Oracle software investment.

- **Protect:** Allow you to continue to derive value from your existing investments.
- **Extend:** Enable you to invest in increments with quick payback and continued long-term returns.
- **Evolve:** Ensure that your short-term investments, which occur in steps and stages, are aligned to the vision and the long-term goals of your journey to the next generation.

These themes have a temporal sequence - the "Protect" theme is focused on your existing IT investments, while the "Extend" theme is focused on investment opportunities that deliver business value today, and the

"Evolve" theme ensures that investments are aligned toward a future vision, convergence point, or destination.

This paper provides an outline of our guiding principles; benefits of *Oracle E-Business Suite 11i.10* & key application technology release enhancements; and the future where we place Oracle E-Business Suite 11i.10 within the broader context of its evolution.

PROTECT THE VALUE OF EXISTING INVESTMENTS

Customers are approaching IT investments with heightened financial scrutiny and are carefully assessing their alignment with long-term goals. This attitude of risk-mitigation is being applied when evaluating new investments and when judging existing ones. The message is clear - customers want their investment preserved.

Oracle plays an important role in helping you meet your investment objectives. By providing *Lifetime Support* as an option, we have removed any vendor-imposed restrictions to the lifespan of your investments. Simple, predictable, flexible, and the most comprehensive support policy available, the Oracle Lifetime Support Policy helps drive your business success. Oracle's industry-leading support policy covers your entire technology environment, from database to middleware to applications—an industry first, only from Oracle.

With Oracle Support, you know up front and with certainty how long your Oracle products are supported. The Lifetime Support Policy provides access to technical experts for as long as you license your Oracle products and consists of three support stages: **Premier Support**, **Extended Support**, and **Sustaining Support**.

Premier Support provides you with maintenance and support of your Oracle Database, Oracle Fusion Middleware, and Oracle Applications for five years from their general availability date. Extended Support lets you stay competitive, with the freedom to upgrade on your timetable. It provides you with an extra three years of support for specific Oracle releases for an additional fee. Sustaining Support puts you in control of your upgrade strategy. With Sustaining Support, you will receive technical support, including access to our online support tools, knowledgebases, and technical support experts.

Protection of your investment also requires a smooth road ahead to the next generation application. We realize that the “upgradeability” is critical in both steps, from your existing release to the current release, and from the current release to the next generation. Each new release of *Oracle E-Business Suite* is designed to be easier to adopt than the previous release in a cycle of continuous improvement.

To make prudent investment decisions, you need clear communication from Oracle about which releases of *Oracle E-Business Suite* have direct path upgrades to the next generation. We have already provided early guidance on which releases of *Oracle E-Business Suite* have direct path upgrades:

- *Oracle E-Business Suite 11i.10*
- *Oracle E-Business Suite 12*

"The success of the POSCO project is definitely attributable to the flexibility of the Oracle E-Business Suite”

Kyeong Ryul Ryoo
CIO, POSCO

The release that constitutes the topic of this paper, *Oracle E-Business Suite 11i.10*, has a direct path upgrade to the next generation. Direct path upgrades from these releases are an indication of our intent to provide upgrade tools like data migration utilities, impact analysis tools, scoping studies, and readiness assessments. Our services organization and our services partners are trained in upgrading you from these releases to the next generation. Investments in these releases are directionally consistent with an expedient upgrade path to the next generation.

EXTEND THE VALUE OF YOUR SOFTWARE INVESTMENTS

For those on older releases of *Oracle E-Business Suite*, this “extension” can occur through an upgrade to the current release, as well as the adoption of surrounding technologies, or “value extenders”, that provide compelling returns at modest investment levels. For prospects, this is good synopsis of the current release - it is not meant to be a comprehensive feature/function discussion as there are other sources for that.

In April 2006, Oracle announced Applications Unlimited Strategy: This is Oracle’s plan to continue providing on-going enhancements to current Oracle Applications beyond the delivery of Oracle Fusion Applications. This strategy was mainly driven by what Oracle has heard from its customers and user groups. It will provide customers with greater visibility into Oracle’s existing product roadmaps and help them derive continued success with their current applications by delivering dedicated,

world-class development and support for years to come. Along with Oracle's existing programs like our Lifetime Support Policy, Applications Unlimited is mainly driven by Oracle's ongoing commitment to protecting and extending its customers' investments.

The notion of extending the value of your software investments begs some questions about how Oracle has made investment decisions. For example, in which product areas did we decide to extend software capabilities and how did we come to those decisions? As exemplified in other important decisions, we turned to our customers. Our customers gave us deeper insight into the role of IT in their business initiatives. A preponderance of the business' requirements from IT fall into three common areas in which customers want advancements to the industry's best practices. These three areas include: Greater Business Insight, Adaptive Business Processes and Superior Ownership Experience:

- **Greater Business Insight:** To provide relevant information that results in quick insight and a call to action this solution drives information, simplifies reporting for business users and improves decision making with right time business intelligence.
- **Adaptive Business Processes:** To meet different and rapidly changing business process requirements EBS 11i.10 provides enterprise flexibility with lowest cost, is open for integration and includes user interface personalization and mobile support.
- **Superior Ownership Experience:** To address every aspect of the ownership experience so that Oracle's enterprise software provides increasing value with decreasing cost you will now have easier lifecycle management, enhanced security and a collaborative working environment.

Product line extensions, as embodied in the current release, *Oracle E-Business Suite 11i.10*, are a direct result of our investment in these areas. These three areas are timeless tenets that have guided us in the past, the present, and will guide our future investment decisions.

DELIVERING GREATER BUSINESS INSIGHT

Drive Information

The *Oracle E-Business Suite 11i.10* is an integrated set of information driven applications engineered to ensure that the data you capture and

create with your business applications is transformed into information that drives competitive advantage. The E-Business Suite's Global Single Database (GSD) computing model leverages Oracle's world-class database technology to provide a comprehensive business view of your enterprise across all geographic regions.

By leveraging the Oracle Applications Technology Stack there is no requirement to implement and maintain a separate reporting infrastructure where data is moved from the on-line transaction processing (OLTP) system to an on-line analytical processing (OLAP) environment. Oracle can offer this with a radically simplified architecture providing users with access to both reports, summary and transaction business intelligence from a single application system with more accurate and timely information at a much lower cost!

Simplify Reporting for Business Users

The Oracle E-Business Suite reduces the high costs associated with development, customization and maintenance of business documents while increasing the efficiency of reports management. Utilizing a set of familiar desktop tools such as Microsoft Word and Adobe Acrobat, users can create and maintain their own report formats based on data extracts from diverse sources. There are no proprietary design studio components required, meaning there are no extra costs and there is no extra learning curve. In addition, products from Accounts Payable and Accounts Receivable to Purchasing, Order Management and Quoting are delivering reports in this simplified format with *E-Business Suite 11.5.10*, providing the foundation for your business reporting insight.

Improve Decision Making with Right Time Business Intelligence

Business Intelligence empowers managers to stay on top of the critical activities of their organization. Oracle offers enhanced visibility by providing enterprise-wide performance information **daily**. This enables managers to maximize performance and opportunities and identify potential issues earlier. By providing up-to-date information, managers are able to address and resolve issues before they escalate into real problems. Operational dashboards provide business information for key performance indicators such as revenue, expenses and profit margin. Furthermore, the overview pages highlight trends, which can then be further analyzed by drilling down into detailed reports. Pre-built dashboards and reports are available for Financials, Sales and Marketing, Human Resources, Projects, Supply Chain, Procurement, Manufacturing, Service, and Product Lifecycle Management. These pre-packaged business intelligence capabilities allow all levels of decision makers to gain business insight and make better decisions faster.

DELIVERING ADAPTIVE BUSINESS PROCESSES

“The Oracle E-Business Suite is open in structure. It allows us to configure processes with ease, enabling us to meet the needs of both the current situation and the future evolution of the whole enterprise.”

***Chen Jun, IT Director,
Shanghai Hitachi***

Enterprise Flexibility with Lowest Cost

Changes in the competitive and regulatory landscape are forcing executives to constantly rethink the way they run their business. Executives today need to match enhanced customer expectations, improve time to market and reduce costs. Outsourcing and shared services initiatives are also stretching the capabilities of business processes. Oracle has the solutions for this ever-changing landscape and we are here to help you combat this different set of challenges.

The Oracle E-Business Suite delivers a flexible extensible process-driven architecture. This architecture allows business users to adapt in order to meet the business requirements of tomorrow. With over 2800 business processes delivered in 11i.10, processes can easily be modified using an intuitive drag and drop design tool. Additionally, a complete audit trail of the execution of business processes provides the business metrics that information-driven businesses need to complete the next round of optimizations.



Open for Integration

Many organizations have a portfolio of business applications that they plan to consolidate over time. This evolutionary approach to IT investments means that even after implementing new software, these organizations are still running and integrating 3rd party or legacy applications to run their business processes.

The *Oracle E-Business Suite 11i.10* facilitates integration with over 1000 integration points exposed as business events, providing customers with the ability to build extensions in a simple, non-invasive manner. Integration with other applications or trading partners is easily achieved via standard technologies such as XML or traditional EDI. Unique to 11i.10 is the capability to expose all XML entry points (such as Sales Orders, Price Inquiries and Adding Customers) as Web Services. This feature enables Oracle Applications to easily plug into any standards-based orchestration platform and participate in a services-oriented architecture.

User Interface Personalization

Most users while participating in an application-based business process only interact with the user interface. For the continued smooth running

of business operations, these user interfaces (UIs) need to be optimized for the experience and the role of the end user. Ultimately, the user interface should not result in additional training, internal support calls or increased task completion times.

Oracle E-Business Suite 11i.10 has made significant improvements in the ability to easily personalize the layout and behavior of browser based user interfaces without the need for coding. For example, the new personalization administration capabilities provide simultaneous viewing and editing; what you see is what you get (WYSIWYG) presentation; translation management; and an expansion of properties subject to personalization. Oracle customers will also have access to the same world class tools used by Oracle's own development organization to build their own browser-based user interfaces or programmatically extend UIs delivered by Oracle.

DELIVERING SUPERIOR OWNERSHIP EXPERIENCE

Lower Application and Infrastructure Management Costs

With 11i.10, Oracle E-Business Suite customers are now able to manage all application instances and infrastructure from one system management tool. This enables customers to more effectively monitor and manage more systems to provide a consolidated solution for the end-to-end management with reduced training costs and fewer personnel.

Significant improvements in the centralized management and monitoring of business flows such as Order-to-Cash or Procure-to-Pay deliver the performance, availability, configuration and diagnostic data required for mission critical business processes.

Due to the tight integration with Oracle's infrastructure management tools, the E-Business Suite offers enterprise-class scalability, performance, and high-availability, reducing the Total Cost of Ownership for enterprises of all sizes. Specific changes have been made to improve support for Real Application Clusters, ease maintenance and reduce space usage.

Easier Lifecycle Management

Applications Database Administrators are able to get detailed visibility on the impact patches have on the application infrastructure. This enables them to better understand the operational impact of patched and prerequisite patches. A comprehensive suite of diagnostic tests is also available in 11i.10 to enable customers to complete system testing more rapidly. Centralized management of system cloning has been enabled via Oracle's system management tools to automate many of the tasks and

coordinate the overall sequence of activities necessary for a successful cloning under a variety of application topologies.

Enhanced Security

Role based security was introduced in 11i.10 to address the challenges many organizations face with associating more granular privileges to different classes of users without increasing user management costs. As many industries now require a more detailed audit trail around changes made to business documents, support for the requirement and enforcement of digital signature policies was added.

Collaborative Working

Many users utilize the Oracle E-Business Suite to manage their to-do list for approvals, task completion and escalations. 11i.10 enables users to grant access to their to-do list to other users for specified periods of time, facilitating more collaborative work environments while still maintaining a complete audit trail of actions.

EVOLVE

The transition to the next generation of applications is a journey that you can start today. Whatever your choice, the direction you choose involves deeper delivery of the benefits in our three key focus areas: better business insight, adaptive business processes, and superior ownership experience. Our investments are focused in these areas and all future releases of our applications will raise the bar in these areas.

Beyond the next major release of E-Business Suite¹², the final step to a single, convergent, next generation applications product line will embody the results of our design decisions and unwavering focus in these areas. The product line plans to embed business intelligence closer to the heart of the system so that users can attain better business insight presented in the context of a decision-making workflow. Our investment in a service-oriented architecture, done right, with appropriate degrees of flexibility in configuration processes intends to eliminate the proverbial business and information technology divide. Finally, our holistic approach to reducing your total cost of ownership through our “Superior Ownership Experience” initiative assures you that we are improving every aspect of your experience with our software and truly are extending the value of your investment.



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June, 2006

Oracle Corporation
World Headquarters
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Worldwide Inquiries:
Phone: +1.650.506.7000
Fax: +1.650.506.7200
oracle.com

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