What’s New in R12?

What really matters in the changes

Session # 11425

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What is new
What is new and where

• Overall
• General Ledger
  – Subledger Accounting (SLA)
• E-Business Tax
• Accounts Payable
• Accounts Receivable
• Fixed Assets
• Cash Management
and here too

- Purchasing
- Cost Management / Inventory
- Bills of Material
- Quality
- Service
- WIP
- eAM
Overall changes

• Responsibilities span multiple Operating Units for transactional capability
• Legal Entity has now become relevant
• UMX – User Management has an implicit role in some tasks
• New User Interface
  – Multiple forms are now Java/HTML based; often the application jumps between these
• XML Publisher - now BI Publisher is the default publishing mechanism
R12 Architecture Overview
R12 – “Global Business Release”

• Announced in 2007 as the “Global Business Release”
  – Multi-Org Access Control
  – Ledger Sets
  – Primary and Secondary Ledgers
  – Rules-Based Accounting Engine (Subledger Accounting)
  – Shared Use of Customers, Vendors
  – New Bank and Bank Account Model
  – New Payment Processing
  – Rewritten / Shared Tax Engine
  – Financial Services Hub
  – Common Assets Repository
General Ledger

• Set of Books have become Ledgers
  — with Ledger, Data Access and Definition Access Sets
• Legal Entity has become an important aspect of the setup process
• You need to assign/link a Ledger to a Legal Entity
• Subledger Accounting (SLA) is inherent to the GL design
Old Set of Books Define Form

Set of Books: [Blank]
Description: [Blank]
Chart of Accounts: [Blank]
Short Name: [Blank]
Functional Currency: [Blank]

Calendar
Name: [Blank]
Period Type: [Blank]
Future Periods: 1

Closing
Journalling
Average Balances
Budgetary Control
Multiple Reporting Currencies

Secondary Segment Tracking
- Closing and Translation
- Revaluation

Account
Retained Earnings
Translation Adjustment

Account Description
[Blank]
New Ledger Define Form
What you should know

• You have to start with creating a Legal Entity to start a Ledger definition
• You cannot use the same name for a Legal Entity
• The key is the Tax ID Number (cannot be re-used)
• You cannot delete these from the system — you can end-date them
Ledger & Data Access Sets

Ledger Set

- Ledger Set: Progress All Ledgers
- Description: Progress State and Local - All Ledgers
- Chart of Accounts: Progress Accounting Flexfield
- Calendar: GOV Calendar
- Default Ledger: Progress State and Local
- Short Name: Progress All Ledgers
- Period Type: Fiscal Month

Data Access Set

<table>
<thead>
<tr>
<th>Data Access Set</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MB SSC US Accountant BSV</td>
<td>Read only access to French ledgers</td>
</tr>
<tr>
<td>Chart of Accounts</td>
<td>Period Type</td>
</tr>
<tr>
<td>Chart of Accounts</td>
<td>Month</td>
</tr>
<tr>
<td>Access Set Type</td>
<td>Access Details</td>
</tr>
<tr>
<td>Access Set Type</td>
<td>Values</td>
</tr>
<tr>
<td>Default Ledger</td>
<td>All</td>
</tr>
<tr>
<td>Default Ledger</td>
<td>Specific</td>
</tr>
<tr>
<td></td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>Read Only</td>
</tr>
<tr>
<td></td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>Read Only</td>
</tr>
<tr>
<td></td>
<td>Read and Write</td>
</tr>
</tbody>
</table>

- Ledger/Ledger Set: Progress State and Local
- Description: Progress State & Local Set of Books
- Ledger/Ledger Set: Progress State and Local Cash
- Description: Progress State & Local Cash Basis Set of Books
- Ledger/Ledger Set: GASB34
- Description: Progress State and Local GASB 34 Reporting
Definition Access Sets

• Allows securing functionality within GL
• Specific tasks are managed by this (short list)
  – Mass Allocation definitions
  – Recurring Journal Formulas
  – Financial Statement Generator components
• Securing access capabilities
  – Use
  – View
  – Modify
R12 Multi-Org Access Control

![Global Security Profile](image)

### Organization Security

<table>
<thead>
<tr>
<th>Classification</th>
<th>Organization Name</th>
<th>Include</th>
<th>Exclude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Unit</td>
<td>Vision Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Unit</td>
<td>Vision Leasing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Unit</td>
<td>Vision Communications (USA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Unit</td>
<td>Vision Project Manufacturing USD</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
R12 Multi-Org Access Control

• Mostly affects “operating unit” level functions
• Allows you to access information across multiple operating units without changing responsibilities
• Set up a security profile to access the operating units
• Run Security List Maintenance concurrent program
• Assign the security profile using the MO: Security Profile
• Allows the move to Role Based Security Control (RBAC)
Security Inconsistencies

• Inventory Org Access and MOAC is not Consistent

• You Can Access an Inventory Org that
  – Belongs to an Operating Unit you cannot access
  – Belongs to a Ledger you cannot access

• Inventory Org Forms Work Differently Than OU Forms
  – Cost Mgmt INTL => Go to Operational Analysis => Purchases => Purchase Orders => Purchase Orders
  – Try to access the US Operating Unit -- NOT ALLOWED
  – Yet you can access any US inventory organization-based forms
  – OU Based: any PO, A/P, Order Management, A/R forms
  – Inventory Org Based: INV, CST, BOM, WIP, MRP, Receiving
Financials – Accounting Setup Manager

• The Accounting Setup Manager is a central location to define your accounting related setup across all financial applications
  – Define your legal entities and their accounting context
  – Which ledgers
  – Multi-Org setup
  – Centralizes your setup and makes it easier to inquire on and maintain relationships between ledgers, legal entities, and operating units.
Subledger Accounting (SLA)

• SLA as this is commonly called is now everywhere!
• This has become the gateway to GL from all other modules
• All accounting entries are created in the SLA – before coming into GL
• Create Accounting is the process to create accounting entries - everywhere
E-Business Tax

• A new Tax Engine has been added to the multitude of modules
• This now manages tax calculation for all application modules
• It has to be setup independently and has its own setup steps
• One still needs to connect/contract with a service provider for the Tax Rates
Accounts Payable

• Accounts Payable has gone a retrofit change on the Invoice and Payment functions
• There is additional region - Lines - between the Header and the Distribution
• The FA Book Name can be identified on the distribution and line level
• Payment Manager is a new concept for Payment processing
New AP Invoice Form

<table>
<thead>
<tr>
<th>Type</th>
<th>PO Number</th>
<th>Trading Pa.</th>
<th>Supplier Num</th>
<th>Supplier Site</th>
<th>Invoice Date</th>
<th>Invoice Num</th>
<th>Invoice</th>
<th>Invoice Amount</th>
<th>Tax Amount</th>
<th>Tax Control An</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>FSCP SOL</td>
<td>501</td>
<td>PAYMENT</td>
<td>11-OCT-2005</td>
<td>110625</td>
<td>USD</td>
<td>5075.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>FSCP SOL</td>
<td>501</td>
<td>PAYMENT</td>
<td>22-DEC-2005</td>
<td>110672</td>
<td>USD</td>
<td>900.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>FSCP SOL</td>
<td>501</td>
<td>PAYMENT</td>
<td>18-OCT-2005</td>
<td>110638</td>
<td>USD</td>
<td>4500.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>FSCP SOL</td>
<td>501</td>
<td>PAYMENT</td>
<td>18-OCT-2005</td>
<td>110639</td>
<td>USD</td>
<td>1260.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Invoice Workbench (AP Manager US)**

**General**

<table>
<thead>
<tr>
<th>Num</th>
<th>Type</th>
<th>Amount</th>
<th>PO Number</th>
<th>PO Release</th>
<th>PO Line</th>
<th>PO Shipment</th>
<th>Match Basis</th>
<th>PO Distribution</th>
<th>Receipt Number</th>
<th>Receipt Line</th>
<th>Qu...</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Item</td>
<td>5075.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

- Gross: 6075.00
- Retained: 0
- Net: 6075.00
New Payments Dashboard

Today's Payment Process Requests

Data:
- 90.77%
- 1.54%
- 1.54%
- 6.15%

Payments Dashboard

Today's Payment Process Requests
Need Action Program Errors Processing User Terminated Completed Total
4 0 59 1 1 65

Refresh Status
New Payments Dashboard

Submit Payment Process Request

* Indicates required field

- Payment Process Request Name
- Use Template

Scheduled Payment Selection Criteria
- Pay From Date
- Pay Through Date
- Payment Priority High
- Payment Priority Low

Payment Attributes
- Supplier Type
- Payee
- Payment Method
- Invoice Batch Name
- Invoice Exchange Rate Type

User Rates

Processing

Validation Failure Results

Additional Information

Pay Groups
- Values
- Specify

Legal Entities
- Values
- Specify

Payment Currencies
- Values
- Specify

Operating Units
- Values
- Specify
Accounts Receivable

• Major change is the COGS and Revenue Recognition matching – happens simultaneously

• However, you can now apply receipts to a line on an AR Invoice

• Customer form has changed drastically

• The Customer form has been moved to the TCA architecture
### New Customer Form

**Customer Information**

- **Organization Name:** PC CONNECTION SERVICES
- **Registry ID:** 3448
- **Name Pronunciation:**

**Accounts**

- **Status:** Active

<table>
<thead>
<tr>
<th>Select Account Number</th>
<th>Account Description</th>
<th>Profile Class</th>
<th>Primary Bill-To Address</th>
<th>Status Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2718</td>
<td>DEFAULT</td>
<td></td>
<td>730 Milford Road, MERRIMACK, NH 03054</td>
<td>Active</td>
</tr>
</tbody>
</table>

**Sites**

- **Status:** Active

<table>
<thead>
<tr>
<th>Address</th>
<th>Country</th>
<th>Purposes</th>
<th>Operating Unit</th>
<th>Site Number</th>
<th>Status</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>730 Milford Road, MERRIMACK, NH 03054</td>
<td>United States</td>
<td>Bill To, Ship To</td>
<td>OU-Mirapoint US</td>
<td>2392</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>2870 Old State Route 73, WILMINGTON, OH 45177</td>
<td>United States</td>
<td>Bill To, Ship To</td>
<td>OU-Mirapoint US</td>
<td>2958</td>
<td>Active</td>
<td></td>
</tr>
</tbody>
</table>
Fixed Assets

• You can now make changes to an Asset and the system will automatically roll-back depreciation for that asset

• R11i: You can separately run depreciation without closing the F/A accounting period

• You can then run “Create Accounting” multiple times
Cash Management

• Cash Management now “owns” Banks!

• You MUST assign access to Legal Entities to the responsibility using UMX – User Management functionality

• This MUST be done using the SYSADMIN User, not the responsibility!

  — Else the grant capability (RBAC) has to be assigned to another responsibility that can then perform the task
Banks in Cash Management
Banks in Cash Management

<table>
<thead>
<tr>
<th>Select Account Name</th>
<th>Alternate Account Name</th>
<th>Short Account Name</th>
<th>Account Number</th>
<th>Bank Name</th>
<th>Bank Number</th>
<th>Branch Name</th>
<th>Branch Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>Checking</td>
<td>X1369</td>
<td></td>
<td>Square 1 Bank</td>
<td></td>
<td>Silicon Valley</td>
<td>053112615</td>
</tr>
<tr>
<td>INT Checking Account</td>
<td></td>
<td>XXX0635</td>
<td></td>
<td>Square 1 Bank</td>
<td></td>
<td>Silicon Valley</td>
<td>053112615</td>
</tr>
</tbody>
</table>
Purchasing

• Vendors are now part of TCA
• Form has changed considerably and is not the same as the Customer form!
• Common Catalog for Purchasing and iProcurement; are synchronized automatically
  – Specific steps need to be followed
• Advanced Pricing in Purchasing now allows you to model complex pricing rules on Global Blanket Agreements
New Supplier Form
Purchasing

Unified work center for procurement
Accruals

• Accrual accounting and processing is part of Cost Management
• Accrual processing and reports have changed
• Write-offs now create accounting entries
• Receiving and Expense Accruals are listed as coming from Cost Management
  – In releases prior to 12.06, you need to make setup changes to auto reverse the expense accrual entry in GL, now automatic
• Detail and Summary reporting for perpetual accruals
Contract Purchases - Improvements

• Contract based purchase orders are now possible
  • Allows withholding payments based on percentages set on a PO (Recoupment Rate)
  • These are decided as part of the contract when the PO was initiated
  • Progress payments are possible, these invoices are matched to the PO updating progress
  • Also manages complex financing (Progress Payment Rate)
General Manufacturing Improvements

• Better Manufacturing Demand Planning & Execution
  – Demantra (Demand Planning) Integrated to SC Planning
  – Manufacturing Execution Systems (MES) for Discrete & Process

• Global MFG Improvements
  – Enhancements to support VMI, Contract MFG
  – Enterprise Supply Chain Planning and Costing
  – OSFM, Flow and Quality Enhancements
BOM, WIP & Cost Mgmt

• Cost Management now manages all Receiving, Inventory & WIP accounting

• Fixed Component Usage Support
  – Support for lot-based materials that have a fixed usage regardless of the job size for discrete WIP jobs, OSFM lot-based jobs and Flow Manufacturing

➤ This feature is not supported in Standard MRP or Standard Supply Chain Planning. This enhancement is only available with ASCP (Advanced Supply Chain Planning)

• Component Yield Support
  – Flexibility to control the value of component yield factors at WIP job level. The transaction logic now considers pre-yield BOM quantity per assembly rather than the quantity inflated by shrinkage.
Chargeable Subcontracting

• Support for Chargeable Subcontracting
  – Chargeable Subcontracting, (SHIKYU), is a concept used in Japan, Korea and Taiwan with subcontract manufacturers.

• Features across the Supply Chain products to support Chargeable Subcontracting

• Ability to set up OEM and Mfg Partner Orgs

• Related item and cost setups as well
Cost Management & SLA

• Discrete - flexible variance accounting for:
  • Invoice price and purchase variances
  • Average cost adjustment
  • Standard cost adjustment
  • Manufacturing variances
  • Account aliases
  • Freight charges
  • Most other inventory, manufacturing and related account entries

• Process - the MAC has been replaced by SLA
Inventory

• Genealogy

• The key enhancements
  – Unified view of lot and serial number genealogy
  – Genealogy of Lot Exclusivity
  – Quality information as part of Genealogy Inquiry
  – Supplier Lot Number in Genealogy Inquiry
  – Lot number validation for component return
  – Lot and Serial Genealogy Report
  – CFR P Lot Number Length change
    Inventory lot number from 30 to 80 characters
WIP - MES

• Discrete Execution Workstation
  – Streamlined User Interface
  – Job assignments, requirements, instructions and ability to monitor progress all in the same place
  – Based on the user role, predefined security and preferences control the types of functions and information that each user of this workstation can access
  – Dispatch list – a listing of all job operations that are in queue to be worked on for one particular resource, across multiple resources or departments, or an entire organization – as determined by parameter setups
  – Streamlined lot and serial number entry
  – Overall better exceptions reporting and resolution
Quality, Service, Field Service

• ERES capabilities have been extended the following 21 CFR Part critical events
  – 820.170 - Installation
  – 820.198 - Complaint files
  – 820.200 – Servicing
  – To support these critical events, these events were added
    • Service Request Approval to obtain approvals during different phases of the service request lifecycle
    • Debrief Report for any completion of the field service or depot repair tasks.
    • The ERES events for Oracle Quality in 11.5.10 have been re-used with enhancements to support deferred approvals
EAM – Item Attribute Changes

• EAM now has Transactable Asset Groups

• Asset Group Item
  – Allows Item to be Stockable and Transactable.
    (Previously Asset group Item could not be transactable)

• This is HUGE for eAM users – allows you to transfer rebuildable assets to and from locations
Period Close Diagnostics

• Forms Drilldown
  • Using the same Inventory Accounting Periods form you can drilldown to associated forms to view the problem transactions

• New workflow to notify of failing transactions

• Period Close Pending Transactions Report
  • Report for the transactions holding up the inventory accounting period
  • Inventory reconciliation reports have an as-of-date
  • Subledger Period Close Exception Report
Additional Information

• Metalink
  – Subledger Accounting Setup & Usage FAQ's [ID 559064.1]
  – Release Content Documents for E-Business Suite Release 12 and 12.0.x Release Update Packs [ID 404152.1]
  – Best Practices for Adopting Oracle E-Business Suite, Release 12 [ID 580299.1]
  – Oracle Payments Documentation Resources, R12 [ID 396083.1]
  – Oracle Payments Release Notes, Release 12.1.1 [ID 812085.1]
  – R12 Payments and Payment Reports 'How To' documents [ID 579132.1]

• Various other sites –
  – https://oracleerp.groupsite.com/main
  – http://www.oracleappshub.com/
  – http://realworldoracleapps.blogspot.com/
  – https://mix.oracle.com/
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