Oracle EBS Deployment in Europe – 7 Critical Requirements

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About the Presenter

- Christian Mueller
  - Vice President European Operations at Apps Associates GmbH
  - Over 19 years experience with ERP projects
  - Over 12 years experience with European EBS roll-outs
    - As Implementation Consultant (Supply Chain)
    - As Project/Program Manager
    - As Steering Committee Member
About Apps Associates

- Global provider of business and technology consulting services

- Founded in 2002 and achieved consistent growth
  - 650+ employees
  - Boston, New York, Chicago, Atlanta
  - Germany, Netherlands, India, UAE

- Recognized as one of the fastest growing private US companies by Inc. 500|5000 for four consecutive years

- Strategic Partnerships and Certifications
  - Oracle Platinum Partner
  - Oracle Specializations (EBS, BI, SOA, EM12c & Database)
  - AWS Advanced Consulting Partner
  - CMMI Level 3 Appraised
  - SSAE 16/SAS70 Type II
Session Agenda

• General European Differences
• General European Requirements
• Oracle Global Capabilities
• Specific European Requirements
• Recommendations for European Roll-Outs
• Capabilities Needed for European Roll-Outs
• Customer Cases
Questions

• What makes Oracle implementations different in Europe?
• Can I copy the Applications blueprint to Europe?
• Can I manage the project from our HQ and fly in consultants for the project?
• What should my European implementation strategy be?
• What should I know upfront for a successful implementation?
General European Differences

- Geographies
- Languages
- Time zones
- Currencies
- Cultural awareness
- Mentality
European Union

- 46 countries
- Population of 700 million
- 100 languages
  - English, German, Dutch, French, Spanish, Italian, etc.
  - Latin alphabet with special characters per country
  - Cyrillic script
  - Different character sets
- Level of English
  - The best in UK, Ireland, Nordics, Benelux, DACH
- Different currencies
- Complex and dynamic environment
Project Approach – Europe vs. USA
# Mentality Awareness for Europe Roll-Outs

<table>
<thead>
<tr>
<th>Country (3 Examples)</th>
<th>Advantages</th>
<th>Disadvantages</th>
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| **UK**               | • Hands-on, pragmatic   
• Polite, good humor  
• Self control        
• Tolerant, easy to get on with  
• Business driven      
• Multi cultural awareness | • Communication   
• Level of dishonesty  
• Stiff                
• Impersonal           
• Cold                 
• Eccentric            |
| **Germany**          | • In-depth approach    
• Hierarchy driven     
• Efficient            
• Well organized       
• Precise              
• Open and direct      | • Too much detailed planning 
• Humorless            
• Masters in moaning   
• Strict, tough, harsh, arrogant, aggressive, vain, cold, submissive regarding management |
| **Netherlands**      | • Consensus driven     
• Open Minded, Social  
• Flexible, non-Hierarchal 
• Inventive in proposing, Ideas  
• Direct, Taking initiative  
• Assertive, Humor and political incorrect | • Not open to change, like to say No 
• Everyone involved in Decisions 
• Stubborn, Arrogant 
• Loud, Assertive, less focused 
• Openly strive for goals 
• Higher Absence (sickness) |
General European Requirements

- Key European legal and statutory requirements
  - In EU
  - Country specific
- European TAX Rules
- Languages
- European Reporting Requirements
- European Financial Consolidation
- Oracle Localizations
  - Quality
  - Dynamics of Local Laws
- Global Accounting Engine Required?
- Data Protection Laws
Oracle EBS Global Capabilities

- Localizations: Support local business practices, rules, and regulations
- Applications: Deliver best practice business processes
- Global Architecture: Adapt quickly to changing global requirements
- Global Platform: Extend core business processes and international support
Partner Localizations

Product Localizations
Delivered in core product, by EBS Development

Add-on Localizations
Delivered via My Oracle Support, by Regional Centers

Partner Localizations
Delivered by Partners
Specific EU Requirements (1)

- Complex SCM drop shipment and IC set up (Swiss Model)
  - Switzerland and the Netherlands often used as low tax EMEA distribution centers
  - Intercompany setup
  - EBS-Tax setup

- International shipping to avoid import duties
  - Pay only custom duties when selling to a EU client
  - Not pay custom duties when selling outside EU, but store in EU in non-bonded warehouse
  - Interfacing with Customs, by web services or XML, to get immediate tax relieve from customs

- VAT number check

- Specific country requirements regarding formal documents (BI Publisher), e.g. invoice documents, documents sequence
Specific EU requirements (2)

• Special Reporting requirements per country from GL (local set of books) and special reports to government
  – Intrastat reporting
  – Tax declaration reporting
  – VAT reporting, etc.

• Special formats for EDI in Europe (EANCOM)
  – Purchase orders
  – Sales Orders
  – Order confirmations
  – Inventory level reconciliation for third party warehouses
  – Payments advise
  – Invoice, etc.
Specific EU Requirements (3)

• Setup banking interfaces in Europe (banking statements format per country)
  – Automatic Direct debit
  – Automatic payments
  – Upload bank statements and setup Lock box to automatically apply receipts against open AR.
    (automatic matching)
  – SEPA
• Multiple currency setup (Exchange rate interface?)
• European carrier integration for European Carriers (DHL, Hermes, etc.)
• Language support for Europe, local language reporting, multi language setup in EBS
• Local electronic archiving of official documents
Country-Specific EU Requirements

- Transportation documents in Italy
- Unique sequence of document numbers
- E-balance (provide balance sheet in specific electronic format) (Germany and later for Europe)
- Financial consolidation automation, different COA’s needed
- GDPDU for Germany, deliver all electronic financial information, for financial audit
- European requirements regarding storage of financial administration
- Special attention to EU localizations for EBS patching
Recommendations (1)

• Project Marketing
  – Right from the beginning
  – Change Management
  – Make people feel involved
  – Get EU Management Support

• Start with process design and review
  – Include country specific requirements
  – Business process re-define and modify
  – Gap analyses with standard Oracle and local requirements
  – Keep it Simple
  – Involve key users per country early
• **Project organization**
  – Business driven (not IT or business case driven)
  – Allow changes (scope, cost, time – control)
  – Ownership by business executives
  – Consider time zone differences
  – Locally functional skills needed
    • Get good application experts, who can map business processes into standard Oracle functionality
    • Get good business experts to manage the change well (local)

• **Roll out plan**
  – Phased approach vs. big bang (milestone driven)
  – Start with easy or most complex countries
  – Train users well per country
Recommendations (3)

• Organizational impact
  – Single vs. multiple instances
    • Align organizational changes
    • Change to trustworthy and open culture

• Oracle platform services
  – System needs to be scalable, flexible, reliable and responsive
  – Central support team needs to deliver fast to complex and dynamic European requirements
  – Outsourcing services? Yes!
    • Local Business and Application experts
    • Remote support as a managed Service
      – DBA, Development, Maintenance, Monitoring, etc.
EMEA Consultants

– With experience in European rollout projects
  • Willingness to travel within Europe
  • Converse fluently in at least 3 languages
  • Knowledgeable in relevant European laws and country specific requirements
  • Cultural awareness (related to USA as well)
  • Understanding typical differences doing business in Europe (process – systems – organizations)

– Customized reports and solutions for European requirements, such as:
  • Custom duty reports and interfacing
  • Special setup of EMEA VAT and intercompany transactions
  • Financial reporting solutions, such as E-Balance etc.
Customer Cases

- Roll out into Europe 12.1.3 (Germany, Denmark)
  - SCM
  - Finance
  - AGIS
  - Banking interfaces
- Managed Service in a global level

- Roll out Europe 11i (into Germany, Italy, France, Poland)
  - Banking interface including bank statement / lockbox functionality
  - Data conversion
  - Custom development in various areas (BOM; WIP)
  - Financials
Customer Cases

• Roll out 11i, into Germany and Belgium
  – Projects
  – Financials
• Managed services on a global level

"Hologic has been working with Apps Associates on a variety of different initiatives. Their global delivery model is helping us execute these projects at half the usual cost. Their strong onsite presence helps make this global delivery model work much smoother. We are looking forward to a continued partnership with Apps Associates."

Dave Rudzinsky,
SVP, Information Services & CIO,
Hologic, Inc.
Thank You!