

Oracle E-Business Suite: Daily Business Intelligence

Oracle makes it possible to convert existing corporate information into new launching pads for business success, allowing users to “manage by fact.”

Role-based Portals

Oracle's latest version of the E-Business Suite includes a number of pre-built portlets. They can provide every user in the enterprise with the prescribed information that they need, at just the time they need it, about precisely those aspects of their business that can make the difference between success and failure.

Typically, questions requiring information that must be gathered from multiple applications cannot be answered in real-time. Daily Business Intelligence provides answers to many of these pressing business questions.

Executives can now get the information they require in one place with E-Business Suite Portals. No longer do executives have to be satisfied with receiving inadequate information—often little more than what their company is reporting publicly—after it is past its usefulness for operational purposes.

Oracle's E-Business Suite—which includes Daily Business Intelligence—delivers enterprise performance management to corporate executives and the line-of-business managers.

Key Findings:

- **Oracle's Daily Business Intelligence is a strong basis on which to increase enterprise-wide agility, accountability, and effectiveness.**
- **Users of Daily Business Intelligence features can solve problems in ways that other businesses will have difficulty even imagining.**

Through pre-configured portals Oracle's Daily Business Intelligence users get role-based content out of the box. Because each role-based portal is composed of multiple configurable portlets, employees can arrange screens to their personal taste using a simple wizard without compromising the enterprise-wide standard for data aggregation and analysis.

Since it is impractical to go through each customer scenario separately, we have created a composite profile in the form of a hypothetical corporation called Techco Worldwide. The details of this analysis combine the experiences and plans of a number of actual companies. In just one example of new capabilities enabled by Oracle's Daily Business Intelligence, Techco Worldwide's Sales organization is now able to adjust its product offerings and pricing through management by fact—resulting in increased sales volume, higher margins, and reduced inventory costs.

Oracle's Daily Business Intelligence enables:

- **Management by Fact-** By leveraging a single, unified data source, the entire firm—and all its divisions—operates on the basis of incontrovertible fact. Reporting and analytics is based on common data rather than accessing ad hoc data aggregations that may reflect the spin of their creator, may be limited by their peculiar timeframe and scope, or may be drawn on inadequate and fragmented sources. The firm is able to maximize the value of its analytics by sharing the results—at the time they can be most useful—with all the appropriate personnel.
- **Set Objectives-** Simple ways to ensure that the firm's objectives and the individual executive's objectives are clear, guiding the flow of information, and organizing the activity of that executive's team.
- **Receive Exception Notification-** Configurable workflow ensures that an executives' attention is directed toward those exceptional areas most in need of action.

A good way to understand Daily Business Intelligence is for us to follow the many ways in which a particular executive can use these new capabilities and track its impact on work effectiveness.

Let's follow the activities of Lavern O'Connor, the Dublin-based Global Sales VP for Irish high tech manufacturer, Techco Worldwide. With a single sign-on, Lavern tracks the Key Performance Indicators (KPIs) that will make or break her career. Oracle's Daily Business Intelligence directs her toward those areas most in need of her attention. At her fingertips she has powerful tools to orchestrate her team's immediate corrective action.

Management by Fact:

Lavern sees both personal and corporate objectives in her personal portal. She views revenue in real-time drawn from Oracle 11i's global, single database. And she is able to drill-down into that revenue and chart it over the time period of her choosing. Using Oracle's "perspective drill-down" she is able to view each of the divisions under her control—even though those divisions cover the entire globe.

Her portal...and those of her direct reports...automatically compares and ranks the results of the various divisions. Lavern found that this had an immediate impact on the performance of the sales managers who were brought face to face with the real-time results of their efforts.

But Lavern's KPI concerns and access go far beyond the obvious. She is concerned with the full range of marketing and sales activities leading up to closed deals (things like marketing campaigns, sales leads, sales opportunities, sales quotes, and contracts).

For the first time in her career, Lavern is able to reach across applications to answer questions like "what percentage of our sales quotes were we able to convert into signed contracts last month?" She is also able to follow the lead-to-sale conversion rates in each of her geographically dispersed regions.



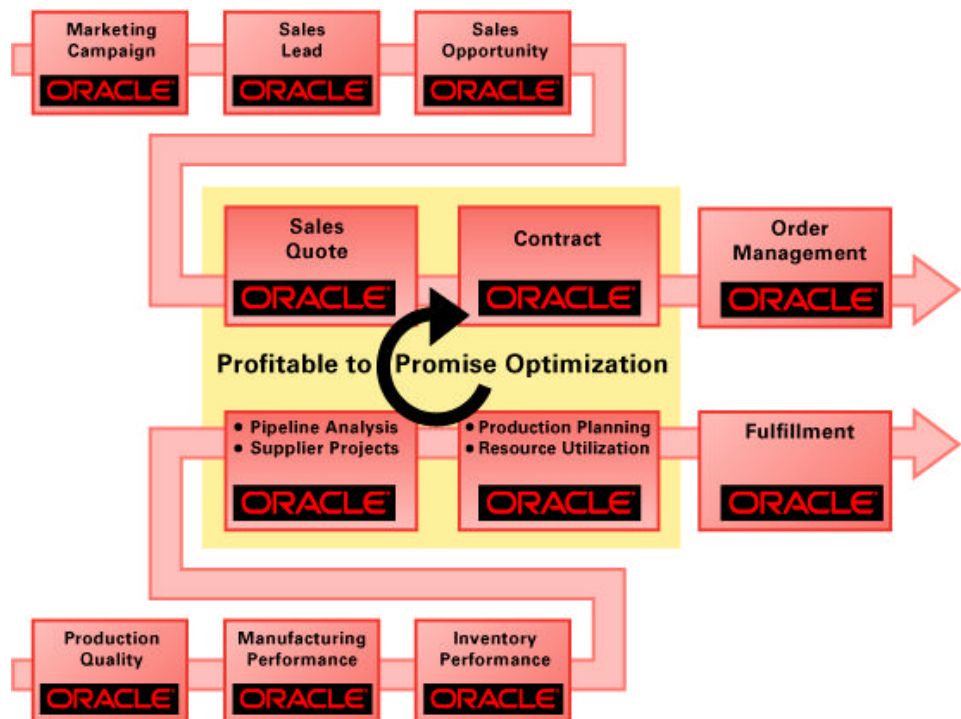
Division Performance		Value	Change
✓ Revenue		63,943K	10% ↑
✓ Bookings		58,827K	26% ↑
✓ On-Time Shipment		98%	1% ↑
✓ Order Backlog		5,115K	1% ↓
✓ Returns		102K	2% ↓
✓ DSO (days)		65	18% ↓
✓ Inventory Turns		52	22% ↑

But Lavern’s concerns do not stop there. She follows what happens to the orders that her staff has booked and she follows many of the KPIs that relate to customer satisfaction. She wants a full life cycle analysis. She wants to know how quickly Techco Worldwide’s Service team is handling requests. She wants customer retention data on a regular basis.

Because Lavern understands the relationship between the supply side of her business and customer retention, she has always concerned herself with making sure that the products she sold would be delivered as her customers expected. Starting back in 1998, she was pleased that Techco Worldwide’s ERP system finally allowed her a rough “available-to-promise” capability. This meant that her team had visibility into inventory available for immediate delivery.

Two years later, she made sure her entire team fully utilized the system’s “capable-to-promise” planning functions. For the first time she was linked to the production planning side of Techco Worldwide to allow her team the capability to estimate how soon product ordered today could be fulfilled.

But it wasn’t until 2002 that she was able to address the crux of the supply issue: “Profitable-to-Promise.” Lavern’s team needed to know—at the time of negotiating large deals—on what kind of schedule could they offer what product mix (given Techco Worldwide’s supply constraints)...at the maximum margin.



In the past, profitability data had been inaccessible to her team when they needed that information most. Consequently, their focus was often misdirected. Now she has sharpened the focus of her entire team, indeed the entire company, on optimizing the connection between their demand and supply processes.

In practical terms, Daily Business Intelligence has enabled Lavern's team to make informed product substitutions and price alterations on the fly. Daily Business Intelligence makes it possible for Lavern's team to access the pertinent information and even for her team to fine-tune the business rules guiding sales over the Internet. The result has been increased sales volume, higher margins, and reduced inventory.

Lavern doesn't have to concern herself with the details of Techco Worldwide's supplier and manufacturing relationships; in fact, her authorizations to drill down into the operations data of her senior management colleagues are limited to what she needs to know. Instead, she depends on the sophisticated analytics and planning algorithms built into Oracle's E-Business Suite to allow her team to use profitable-to-promise information to both maximize her firm's return and maximize her customer's satisfaction.

Receive Exception Notification:

Daily Business Intelligence directs Lavern O'Connor's attention to any one of her KPIs when it goes out of the target range and allows her access to the related facts, the data on which to base her assessment and reaction.

"Exceptions" can be set to show either positive or negative results. Daily Business Intelligence alerts Lavern when KPIs move outside the assigned threshold values. These values can be set to support multiple, separate, deviation thresholds.

The system continuously evaluates the performance targets against the actuals in the operational system. The result is that Lavern and her team can focus on what needs attention when that attention is most needed. She is able to direct messages to those directly responsible for a particular KPI or alert an entire group.

Once she identifies problems, she can drill-down by sales channel or touch point (such as direct sales, distributor, alliance partner, self-service by PC, telephone/fax, direct mail, or call center).

Set Objectives:

Of course, not all facts are based in exceptions. Daily Business Intelligence offers Lavern a wide range of tools for viewing performance, charting trends, and conducting analysis. With drill-down she is able to get to the root cause of problems more quickly and accurately than in the past.

Lavern now directs her team using facts that are:

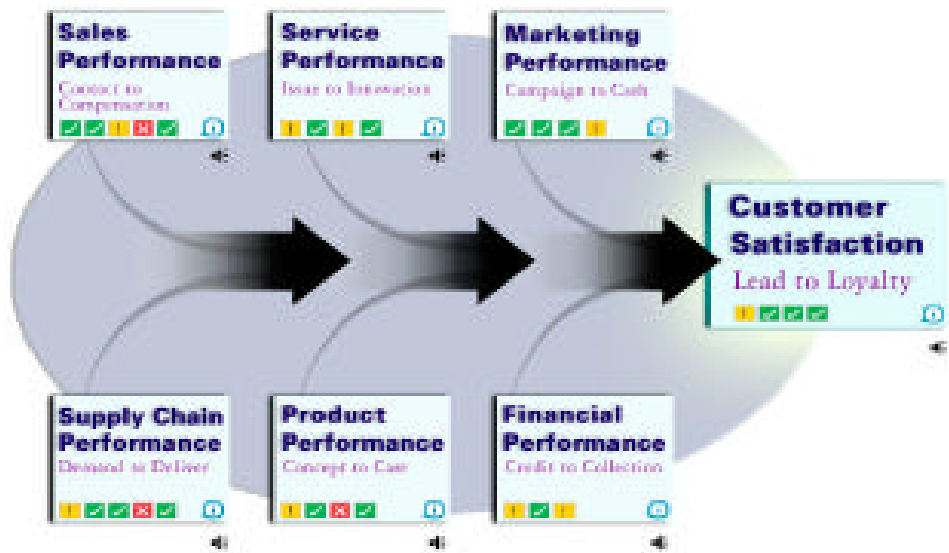
- More comprehensive because they draw from applications that were previously inaccessible
- More contemporary because they are available as needed in real-time (even better than the name "daily" in "Daily Business Intelligence" implies)
- More commonly accepted because everyone is using the same data source

For all these reasons, she and her team are more aligned—internally and with the rest of the entire Techco Worldwide organization.

By tying automated workflow into the decision process, Lavern accelerates the problem-resolution cycle. Lavern need not wait until the end of a month to learn of an inventory problem. Individuals and groups are linked directly in a continuous performance cycle that tracks both overall and divisional performance.

Workflow also manages the communications and escalation processes. Using Daily Business Intelligence workflow, Lavern simultaneously guides several continuous improvement initiatives with little need for staff support.

Using Oracle's single, unified data model, Lavern's Sales organization is able to access a comprehensive view of each of Techco Worldwide's customers (including all the purchases made by each of that customer's divisions, for example). Techco Worldwide is thus able to better able to sell to and serve its customers.



The CEO's View and Enterprise Implications

Lavern O'Connor and her team's use of Daily Business Intelligence is a fulfillment of CEO Sean Sullivan's vision for the company. He concluded that only with common, standardized, contemporary, and shared data and analytic functions could his organization be as responsive to its customers as the market demanded.

As CEO, Sean was fed up with incomplete and ad hoc answers to his most important business questions. As he saw things, his legacy processes were too time-consuming, subject to multi-dimensional inaccuracies, and, worst, were ineffective in achieving his business goals.

At his insistence, Sean's staff aggregated each of the company's functional areas and associated KPIs with each, resulting in a unified view of the company. In that view, Sean could see at a glance where each area stood in relationship to its objectives, and he could better motivate and align the entire company around those objectives.

Techco Worldwide and CEO, Sean Sullivan, are now using Oracle's Daily Business Intelligence to harness the full power of its global employees' competitive energy by giving them access to the information most critical to their success and, at the same time, allowing them to see how their performance ranks in comparison with their peers.

Conclusion

By connecting the entire firm to previously inaccessible information, Oracle's Daily Business Intelligence enables its adopters to realize fundamental benefits:

- **Management by Fact-** Employee action and competitive energy is mobilized and focused by real-time, incontrovertible facts visible to all appropriate personnel.
- **Set Objectives-** Objectives are visible and connected to the right KPIs and data, guiding the activity of the entire firm in real time.
- **Receive Exception Notification-** Executives' attention is directed toward those exceptional areas most in need of action with the tools for rapid corrective action.

Oracle's Daily Business Intelligence is enabling new processes that require sophisticated, cross-functional data access, such as "Profitable-to-Promise" (described here) and others like presenting a "Single Face to the Customer" and "Consumption-Driven Forecasting" (not described here). **Most of the processes that will make or break global businesses over the next decade require the kind of capabilities now being introduced by Oracle's Daily Business Intelligence.**