

Global Rollout Process in Oracle Procurement Cloud

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Citation: Natarajan RT. Global Rollout process in Oracle Procurement Cloud. *J Artif Intell Mach Learn & Data Sci* 2022, 1(1), 2114-2118. DOI: doi.org/10.51219/JAIMLD/rajalakshmi-thiruthuraipondi-natarajan/463

Received: 03 July, 2022; **Accepted:** 18 July, 2022; **Published:** 20 July, 2022

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ABSTRACT

Oracle Procurement Cloud is a SaaS solution for servicing the corporations in the purchasing area. This cloud ERP solution is designed to be a well-rounded product that takes care of every section and stages of procurement, from quotation, all the way to receipts and integrates with payables for further invoicing and payments. For organizations with global operations Oracle Procurement Cloud provides centralized means to manage the procurement operations across geographies. The ability to set-up both global level and localized configuration to adapt and strike a balance between corporate needs and local laws makes this a great option for an enterprise which has a global presence. While implementing Oracle Procurement Cloud, there are certain watchouts and approaches that the implementers can choose to take, so that the roll-out can be smooth, seamless and less prone to errors. While there could be minor deviations that best fit each company, these proposed guidelines are some of the key pointers and practices that would support smooth and error free roll-out.

Keywords: Oracle purchasing Oracle Procurement Cloud, Procurement Global Rollout, Globalization, Localization Laws, Procure-to-Pay, Supplier Management, Procurement Global Deployment.

1. Introduction

Procurement is one of the core business practices that is part of any organization. Every business needs to purchase or acquire raw materials or services for their day-to-day activities and to build the finished goods. With the complex market environment, it is critical that every organization adopts a robust and reliable procurement solution that is easy to use and robust so that they can concentrate on their business activities rather than worry about maintaining their IT systems. Oracle Procurement Cloud is one of the market leaders in cloud-based ERP solutions to assist in this area. This can streamline the purchasing activities and ensure that the P-to-P process is done seamlessly and accurately. With expanding business operating across various countries a centralized solution is the best way to go that can eliminate a lot of overheads such as maintaining multiple applications, ensuring inter-operations, compatibility, etcetera. However, implementing

any ERP solution at a global scale is not a simple undertaking and needs careful planning and strategy with clear timelines and sequence of execution. There are several factors both local and global needs to be taken into consideration while implementing the solution so that the final product works smoothly without any hiccups or breaking any rules. The following document highlights some of the key recommendations and thoughtfulness that needs to be applied while implementing Oracle Procurement Cloud.

2. Key Areas of Focus in Oracle Procurement Cloud

Oracle Procurement Cloud is an enterprise cloud ERP solution to aid the purchasing and its related activities within an organization. There are various components within the procurement module that work together to take care of the flow,

such as, master data, purchasing controls and set-ups, workflows, approval hierarchy, access controls, etc. Each of these segments has its own significance and influence the way the application works and determines the path it takes.

The core data, generally referred to as the Master Data forms the basis of procurement process within the system. These non-transactional data are the ones, surrounding which, the transactions are built. The buyers, suppliers, items and the inventories or warehouses and their related data set-ups are few such master data. There are several defaulting rules, communication methods, derivation logics defined, that defines the behavior of the application. The access restrictions can also be set-up in some of these levels at the time of definition, so as to ensure security and compliance.

The Approval hierarchy set-up is another important piece in the procurement domain. This enables the enterprise to clearly define the authority of the approver, based on different conditions the amount, division, type or purchase order, etc., using AME or simple employee hierarchy. The procurement cloud also brings in the ability to define the approval authority at individual line level based on specific conditions. The approval workflows use these approval hierarchy to forward the notifications iteratively to the respective approvers based on the levels defined until the final status is reached. With clearly defined timeouts, approval iteration and error handling, the entire purchasing flow can be streamlined.

Another key set-up is the accounting information. These indicate which journal account should the transactions hit when they are accounted. Oracle Procurement Cloud provides the ability for the organization to define these accounting at various levels and categories, such as, expense, price variance, write off, etc., each recorded into a specific bucket that is used in reporting or further analysis. The account derivation logic lets the configuration team to define rules based on which the accounts can be derived and the transaction routed to the right account. There are also options to define the catchall account, usually referred to as suspense account to handle unforeseen situations for reevaluation and corrections.

With the application with a global implementation, there could be several third-party systems, that Oracle Procurement might have to interact with for reference and a section of data. It is critical that these integration points are clearly identified and configured. Leveraging the ability of Oracle Integration Cloud, these interfaces can be set-up along with the data translation and cross reference in line with the target system's requirements. These could be inbound into Oracle or outbound to an entity that the company has a strategic alliance with. The effectiveness of these integration lies in the ease of data transfer along with security and accuracy.

While the above elements ensure the proper functioning of the purchasing domain, Reporting and Dashboard is the section that provides a comprehensive view into the overall functioning of the application. Procurement Dashboards provides a consolidated view of all the transactions in the desired summary or detail format, with the ability of drill down to the lowest level for further information. It is made up of portlets, which have a specific information embedded within. These dashboards can be predefined and appropriate access provided so that only relevant and authorized information is displayed based on the role. Using

the number of standard reports and by defining custom reports, the business has the ability to pull information for further analysis and record keeping.

3. Global Rollout Considerations and Best Practices

While rolling out any cloud ERP at a global scale covering several countries and geographic locations, a lot of precautions and considerations are to be taken to ensure a successful implementation. With several dynamics such as local laws, compliance, customer expectations and business models varying from region to region, it is important that the global solution takes into consideration all these aspects while implementing at such a level. Especially with the cloud ERP solution having a solution-based requirement rather than a traditional requirement-based solution, it is important that there is a balance that is identified and agreed with all regions while implementing it. There should also be a certain amount of levy for a localization that would best benefit the organization as a whole.

There are a lot of directions and prerequisites that needs to be satisfied before the actual implementation of an ERP as a whole, such as come on infrastructure size, the rollout process, the implementation methodology, cutover strategy come on access provisions and Hypercare to court a few. Each of these decisions have the power to define the direction and the duration the implementation might take. However, for the scope of this article we will concentrate more on the best practices and considerations for implementing Oracle procurement cloud rather than ERP as a whole.

The first point of consideration which needs to be taken fairly earlier at the time of the project is the method of implementation. Largely there are two ways to go about it, firstly is Big Bang where the whole application goes live in a single shot within a brief period of time after the cutover and the business transitions from its old application into the new one in one big scoop. This usually is not a recommended approach at a global scale considering the number of things that could go wrong. In case of any issues that will be a business standstill situation that the entire operation will be halted with no fall back. However, this eliminates some of the overheads such as short term or intermittent solutions to be put in place to accommodate two different systems running at the same time, not to mention the cost associated with it. This can be considered if the level of Oracle procurement within the organization is in a small scale. For instance, if the Oracle cloud procurement is only used to procure indirect materials which is relatively small in a manufacturing organization this might suit better than a phased approach.

Contrary to big bang, is the phased approach. In this method the solution is rolled out in phases where each face might be a specific region or a country starting with smallest region and gradually increasing the size. With this approach that is a controlled method to madness where some of the base problems can be identified with minimal business impact and corrected and carried over to future implementations. That should also be cat and planning put in place to strategically move from one place to another where the business scope keeps increasing gradually to identify new issues. It should not be that the first set of regions to not have a certain business practice and while moving on to a bigger region these problems might take the IT team by surprise. This is a preferred approach for global implementations at a larger scale with diverse business models and has a large

place in the daily operations. They do come with a certain amount of overhead where that should be key integration points identified for both the new and the old system to communicate with each other and to centralized reporting. That should also be effective mapping and cross referencing put in place so that the central system can match the languages between both old and new system for the final reporting. For example, If Oracle procurement is replacing S4/HANA, the supplier architecture is entirely different between these two systems. Oracle follows a hierarchical model whereas S4 is more flat where every supplier site can be considered as a supplier. That needs to be a proper mapping put in place while doing spend analysis and the customer reporting when these two systems run in parallel. There is also a need to have a Recon ability between the old and the new systems so that there is a checks and balances put in place to make sure all transactions were complete and absolute.

The accuracy or the quality of the global rollout of a procurement system is greatly dependent upon the quality of the conversion. There should be clear cutover strategy defined with proper timelines for each task to be executed and the team who is responsible for the same. There should be strategy in place for converting the master data, the transactional data and the reporting data since each have their own set of dependencies. The master data which is the core of the entire procurement activity such as suppliers, items organizations, employees, etcetera, need to be converted much before the transactional and reporting data conversion. That should also be planned periodic delta conversions put in place so that once the transactional data converts all master data is available in the new system. The reason for this recommendation is that that conversion team can have enough time to validate clean up and consolidate the master data and be ready for the operations to move to the new system. Every parameter or an attribute entered by the user in the old system must be captured in the new system and be validated for its relevance and make sure that it is converted properly since these might significantly influence the way the business operates. Consolidation is another critical part of the conversation especially while multiple applications are getting merged into one. Each one might have the data represented in different ways however while moving to the new system they should have a generic format for easy reporting and operations. Using the key fields in the record, for example in case of suppliers the tax identifier number can be used as a key to identify the uniqueness of the supplier, similar data from different systems can be merged to avoid redundancy.

For converting the transactional and reporting data it is important that the cutover have a strict cutoff date beyond which no new transactions or changes to the data is accepted And in case of an absolute necessity a plan need to be put in place to convert this delta items as part of a smaller conversion at a later time. The usual recommended approach for the procurement transactional control is that the open purchase orders that are yet to be received be converted to the new system. The orders that have already been received can be organically completed within the old system using a brief bleed out period. In short, the conversion decision to consider the data should be based upon the number of steps completed and the number of steps to go within the existing application. In case of purchase orders, the items once received the next logical step would be to invoice and pay which falls under the payables bucket. This makes it rational that these transactions rating within the source system

and move on to its completion. Do the above statement is a recommended approach based upon the customization and the number of intermittent activities that each organization might perform between the receipt and invoicing an educated decision can be made to take it up for conversion or not.

Converting the reporting data yes relatively simpler and straightforward compared to master data and transactional data. Since most reports are generated based out of the above 2, it is quite rare that a separate section is maintained for reporting purpose. In reality these reporting data would most likely be uh transformed master data or a transactional data for easy and fast reporting. Caution needs to be taken while converting these reporting data to identified if these data are still relevant in the future world, if yes, thus the information that is in the source system still applicable to the target system and what are the mappings and conversions needed if any. That is really no strategy that can be followed while converting reporting data. This is more business driven and black and white come on where you either need it or you do not.

The next important piece of rollout is the setting up of the configuration and related parameters for globalization, centralization and localization. With global rollout under an enterprise come on there will be certain parameters that are to be set up across several regions irrespective of its geographic location. These R most likely the corporate policies and visions that every part of their business needs to adhere to. There can also be instances where the country laws direct such global parameters since there could be restrictions, sanctions or trade limitations that a certain company needs to adhere to operate in their country. The centralization parameters are the ones that are defined for regions or controls that are centrally managed. Stop this can either be global or for a set of regions either within the country or multiple nations put together. For example, several companies operate with a centralized control while dealing with the European Union. Decentralized parameters control the way all regions under its umbrella operate. Localization are the set of definitions or setups to adhere with the local requirements such as local laws, compliance come on business practices, etcetera. This can reach anywhere from the language of preference to the supplier preference the flow of transactions and reporting and many more. While defining the setups at these levels care needs to be taken to ensure that there are no conflicting setups that might affect the system adversely. Also clear overwrite sequence needs to be set in place so that in case of any diversions definitions from 1:00 to another the system knows which one to take and what to ignore. This is extremely important for any rollout so that there are no legal of financial consequences as a result of it.

Now, from an IT and hypercare standpoint, there are certain precautionary steps and other planning that can be put in place to handle the smooth rollout as well as post implementation support. Irrespective of the amount of testing done there is always an unforeseen issue that might happen postproduction. These precautionary steps are to enable the support team to quickly address and resolve the problem. One of the main activities that needs to be performed prior to go live is to do a dry run in and non-prod environment that has the most recent production data and has the closest configuration to production if not all. This is needed so that the support teams can try and replicate a production problem in this environment that they can

test and try the solutions before moving into production.

The next readiness that needs to be considered is the creation of a super user access who can perform all activities within Oracle cloud procurement. This goes by several names such as firefighter ID, super user, System Administrator, etcetera. This user is needed to perform any overriding and forced processing of any stuck transactions or other items that is blocked because of any particular reason. This has the highest control to pretty much do anything within the procurement domain and can move the transactional and master data from any state to any target state without the help of any other IDs. This needs to be assigned to very few folks with the highest authority within the domain, who needs to be involved in case that is an unfixable or a time sensitive issue that has to be addressed. Since this might bypass several validations and the rules laid within the system it is extremely important that this ID have a proper tracking and auditing capabilities so that such transactional manipulations can be justified at a later point.

No rollout can be complete without talking about the access and the security aspects. Oracle right from its ERP days have had a strong security and control in all its modules. This access restrictions and the security controls can be applied at various levels with a matrix of combinations within the system enabling the user to perform all activities that they are allowed to do. For example, every country he said presented by an operating unit which can be applied to almost every data from master data all the way to reporting. These operating units can be linked to various responsibilities there each responsibility can have one to many operating units linked and the same in turn can be assigned to users thereby granting controls over the underlying regions and operations. Also, these user controls can be used to restrict the action that someone can perform within the domain to what data can be viewed. From a data standpoint this allows clear demarcation or an overlap between various regions and operating units who are allowed to use the data for their purposes. The restriction at the supplier site based on operating unit means that a particular site can only be used by a specific country to which the operating unit belongs to. Also, from an IT standpoint controls need to be put in place such that they can view all the transactions at the level that they are allowed to but not create or modify any transactions. These controls should also be adhering to the separation of duties that are laid out by the operations team.

4. Conclusion

With more businesses venturing globally in search of market and providers in every corner of the world, who can supply cost effective and best materials and services, it is important that the solution that they choose to meet their demands are both robust and extensible. The complexities of introducing a new system into the IT landscape along with the long operating across various geographies is a challenging task and there needs to be careful planning in implementing Oracle cloud without causing major disruptions to the business. With the induction of AI to support and enhance cloud ERP, a number of these complications can be eliminated, by using data driven, guided solutions. While there is no single best practice that applies to all companies and implementations, yet there are certain key aspects that needs to be considered and checks put in place to have a smooth functioning.

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