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Key Requirements for Automating the Oracle E-Business Suite Financial Close Process

Hundreds of entities, a financial close deadline only a few days away... another big scramble.

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Executive Summary

Challenge

Despite the extensive functionality in Oracle Financials, you've concluded that the regular scramble to close your organization's books at the end of every financial period—be it month-end, quarter-end, or year-end—is just not sustainable. Far too many employees are consumed with managing the process, and you've experienced way too many near misses, to the point where you've decided now is the time to act.

Opportunity

The primary causes of financial period close issues are cumulative unresolved transaction issues, end-to-end process transparency issues resulting in longer than necessary delays, and manually driven tasks such as data transferring or validation. To resolve these and other issues, you need to automate your Oracle E-Business Suite financial close process as much as possible. By doing this, you will regain control, eliminate unnecessary latency and reduce costs. Only then can you make sure that last- minute scrambles to close your books are a thing of the past.

Benefits

So what are the key capabilities you actually need to address this once and for all? To help you, we've collated the top requirements from more than 200 global organizations during the past 10 years. The financial, business application and IT departments involved in these processes are successfully using automation to achieve a more timely and accurate financial close process, reducing reporting time by up to 70 percent, from weeks to hours, while reducing manual efforts by 90 percent.

Multi-entity enterprises have been able to improve financial reporting timing by 70% while reducing manual efforts by 90% through automating the financial close process

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SECTION 1

Single Point of Control and Coordination When Executing the Close Process

If your organization is like most, your financial close process consists of over 30 steps running across three to six different systems. Multiply this by the number of operating units and subsidiaries involved, and the number of systems and steps increases significantly. Most multi-entity or multinational companies' financial close processes involves more than 300 steps. Add to this the separation of duties across multiple departments operating across different countries, and you are confronted with an extensive coordination effort where each step is exposed to a number of possible errors and delays.

Centralized process management that can execute and control processes in Oracle E-Business Suite, non-EBS financial applications and other data management technologies are critical to regaining control of financial close process. The capabilities needed to achieve this are:

• Every step of the financial close process must be executed from a single platform running across Oracle E-Business Suite and other applications. This eliminates latency between steps and removes as much manual intervention as possible.

• Management visibility is required across the entire financial close process (including operating unit and subsidiary sub-processes), allowing management to track process execution and take immediate action as exceptions occur.

• The ability to define service-level milestones for the entire financial close process is crucial. These milestones and possible issues should be visible to all the stakeholders so problems can be proactively identified and resolved.

End-to-end automation ensures you have 100% control over the financial close process

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SECTION 2

Support for Multiple Organizations and Business Expansion

Managing the financial close process across multiple operating units and subsidiaries significantly increases the complexity of the financial close process. Additionally, today's global markets are driving companies to optimize continually and constantly adjust to changing conditions. Bottom-line growth, and the increase in organization complexity that often accompanies it, will require your company's financial processes to scale and incorporate new capabilities.

Standardizing, streamlining and dynamically expanding the scope of the closing process across multiple operating units and subsidiaries will allow you to remain in control of your finance processes while you scale and adjust to change. The critical capabilities needed to achieve this are:

• Templates that provide reusable process flows, making it fast and easy to standardize the financial close processes for all subsidiaries and operating units.

• The ability to determine that a subsidiary or operating unit is active and ready to execute the close process.

• A process that dynamically determines when an organization has been added or removed and adjusts the close process as necessary.

Enterprises have been able to increase the number of books closed per month from 10 to hundreds with 80% fewer resources

SECTION 3

Catch Data Errors and Notify Responsible Parties

Accuracy in financial reporting has always been essential. New regulations, management and customer demands for real-time information, as well as the need for agility in organizations, have made timely and accurate financial reporting increasingly more difficult.

Processes in Oracle E-Business and other applications often show a successful completion, even when there are data and reconciliation issues—for example, if the system rejects one or more general ledger postings. As a way to combat this, organizations dedicate large numbers of personnel to check the success of application processes for business-level issues. As with all manual processes, some errors will slip through. To make matters worse, as a system scales and the steps in the close process increase, the rate of errors will increase and even accelerate.

Any automation of financial processes needs to be able to check for the business-level issues regardless of where they might occur. Extensive automated error-checking capabilities are required to "error-proof" your financial period close processes and ensure the accuracy of your results. The critical capabilities needed to achieve this are:

- Validation capabilities, so input parameters and data issues are detected before a process executes.

- Verification of completion status and data, produced by preceding steps with flexible dependency checking.

- Multiple ways to scan process outputs for issues, including file scanning, database queries and data integrity checks.

- Automatic notification delivery, allowing responsible personnel to proactively take action to fix the errors or potential issues.

SECTION 4

Support for Multiple Organizations and Business Expansion

Manual tasks and handoffs between processes and systems, limited control and visibility, and inadequate audit traceability are all potential compliance and regulatory problems.

Comprehensive audit reporting and control procedures are required for the financial close process to execute accurately. A complete audit trail that documents any changes to procedures and tracks all problems that occur makes it more likely that your accounting procedures satisfy governance and compliance regulations such as SOX and Basel II. The critical capabilities needed to achieve this are:

- Role-based access controls that ensure individuals only have access to the systems and data needed to perform their role, thus eliminating data security issues by minimizing the risk of error being introduced into the process.

- Process definitions must be fully auditable with details of who made the change, when it was made and how the values were changed.

- Submissions, operational changes and restarts of processes or steps in the process need to be fully auditable, while details of who made the change, when it was made and what the values were changed to must be tracked as well.

- All aspects of process executions should be fully auditable, including parameter values, execution times and outputs.

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SECTION 5

Validated by Oracle

Oracle E-Business Suite financial processes are some of the most critical and complex processes in your organization. To ensure that third-party products integrate successfully with their applications, Oracle has created a comprehensive partner program and solution certification procedure.

Applications that automate and control mission-critical processes like the financial period end close must undergo meticulous review, test and certification so they are guaranteed not to interfere with critical target application functionality.

Oracle recommends customers verify that third-party applications that integrate with their solutions have validation through the Oracle Validation Integration (OVI) program. Look for the OVI logo, indicating a solution is designed using a reliable and standardized method. This Oracle stamp of approval ensures the solution is functionally and technically sound.

Benefits to Oracle customers purchasing third-party solutions that have been validated by Oracle include:

Shorter implementation time and lower integration costs

Since validated solutions are pre-tested, customers can be assured they will work out-of-the-box.

Supportability

Solutions validated for integration follow Oracle standards for technical integration and are revalidated on a regular basis. This guarantees that all aspects of your Oracle application and its integrated third-party solutions receive proper support.

For more information, please visit **ca.com/automation**

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