

## R12 Procurement Features Highlights

Introduction - Working closely with Oracle Corporation, O2Works thoroughly evaluates all new releases in order to provide our customers with interesting new perspectives on their business and technology challenges. This document highlight some of the more exciting new features and functions available in the latest release of the Oracle Applications, specifically, the Procurement product family. As in previous releases, Release R12 introduces a number of new features and functions, in addition to performance and bug fixes from previous releases. While R12 contains a significant number of functionality changes, this overview highlights the most exciting and deserving of closer attention by customers.

Please refer to the Release Content Documents now available for download on Metalink for a complete list of all changes to the R12 Supply Chain Family Pack.

### iProcurement

Oracle has taken significant steps to empower organizations to accomplish their goals of maximizing savings and increasing process efficiencies. Release R12 of iProcurement provides the following key functionality:

User Interface – R12 has created a new look and feel for the iProcurement application with the introduction of a new color scheme and enhancing the overall usability through increased functionality when performing searches. Included in the new search capabilities are:

- Additional layout options such as grid or paragraph views for search results
- List of values sorting capabilities
- Additional search options (criteria) available

Approvals – Additional functionality has been added to the approval of requisitions in this release allowing for increased flexibility and visibility across the organization. This includes features such as parallel approval paths, FYI notifications, and a graphical display of the approval path(s). Oracle has also included tolerance amounts by percentage amount or numeric amount (such as dollars, yen, etc ) to

automatically approve requestor initiated change orders that may not be deemed significant enough for buyer intervention. This same tolerance approval method has been applied to supplier requested change orders with the additional option of notifying the requester rather than the buyer that there has been a change that would potentially require their approval.

Catalog Management – In one of its most significant functionality changes for the R12 release, Oracle has re-engineered the core structure of the catalog to reflect unified management. This “unification” relies on Global Blanket Agreements as the foundation of catalog management. Additionally, for those familiar with 11i, the catalog extracts/loaders are no longer required. Multiple favorite’s lists are another new feature that will excite users by simplifying their search and storage of lists of items that are purchased repeatedly. Finally, catalog authoring has been updated to allow for on-line changes by the buyer or the supplier.

Change Order Tolerance – There is new change order functionality introduced in R12 for requester based changes. Tolerance settings can be applied to allow requester initiated changes to flow through without additional approvals required by the buyer if tolerance settings are configured appropriately.

## Purchasing

The core purchasing functionality is becoming more efficient and streamlined in order to support the Buyer’s everyday needs. Additionally, significant changes are being made to move more of the core forms to the new web based screens. As purchasing consolidates its functions into a “one stop shop”, there will be less jumping around between various responsibilities for the buyers, and managing the procure to pay process will become more efficient.

Professional Buyer’s Work Center – The Professional Buyer’s Work Center delivers a centralized day to day work load. The transactions available are:

- Requisitions – Manage requisition demand in the demand workbench. While managing this demand the buyer can now interact with the iProcurement catalog and replace items more quickly to streamline purchases.
- Orders – Create and manage purchase orders.

- Agreements – Create and manage agreements.
- Deliverables – Manage deliverables.
- Negotiations – Drill down into the sourcing application.
- Suppliers – Supplier management is now moved into a web based form with “quick entry” capabilities as well as the functionality previously found in the core forms.

Document Styles – Document Styles allow purchasing organizations to control the look and feel of the application documents by hiding or enabling specific attributes related to the type of purchase they are making. Buyer’s have the ability to create as many unique styles as necessary to support the various commodities being purchased- therefore simplifying the user interface during creation. Document styles are also utilized to manage complex work transactions.

Complex Services – The introduction of Complex Procurement allows purchasing organizations to gain more control over high value service based projects such as consulting, construction, and advertising. Typically, these high value contracts require a varied and complex set of payments. To facilitate the control of these payments Oracle has introduced the ability to manage progress payments, advances and recoupment, retainage and retainage release within the purchase order document. In conjunction with the ability to manage legal terms and conditions from the purchasing documents, complex services functionality is one of the more powerful tools to gain more control over services spending.

Work Confirmation – In addition to the new complex service features listed above, R12 has enabled the supplier to report progress being made to the buyer of the order. Additionally, you can utilize the Approvals Management Engine to send the progress notification to other individuals or roles in the organization, such as the Project Manager, property accounting, IT services, etc.

Auto-approval Tolerances for Change Orders – Release 12 also adds the ability to define an approval tolerance so that change order approvals can be streamlined with auto-approval of the document.

Document Attachments – Oracle has added the functionality of sending numerous types of document attachments to the supplier. Previously only text attachments were communicated to the suppliers. In R12 documents of any type can be attached and are sent as a .ZIP file.

Note that there are settings available to manage the maximum size of these files.

## Sourcing

Over the past several releases, Oracle Sourcing had undergone drastic change. In addition to becoming more integrated with the contracts module and iProcurement modules, the usability and header level functionality have been significantly increased. Functionality has been added to support key items such as overall requirements and team scoring. These improvements should allow for organizations to gain more control over their spending without a significant increase in resource time requirements.

Document Styles – Similar to the newly introduced functionality in purchasing, Sourcing managers now have the ability to create Negotiation styles where they can hide or unhide certain features of the negotiation depending on the situation. These document styles are reusable.

Complex Services – Tightly integrating the various procurement modules, Sourcing now offers the ability to negotiate the complex service attributes defined by the buyer. These attributes can be controlled as to whether or not the supplier can alter or suggest a different amount for the progress payment, retainage or advance recoupment amounts.

Header Level Requirements – Header level requirements give the Buyer an opportunity to define a list of questions or needs that apply to the whole document rather than at the individual line level. These questions can be open ended, contain a list of acceptable responses, and can contain scoring attributes used to make decisions on awards.

Team Scoring for Subjective Requirements – In an effort to more tightly integrate and involve the numerous stakeholders that participate in a typical sourcing negotiation, scoring teams can be defined to aid in reviewing and evaluating the supplier responses to header level requirements. These teams, (collaboration members), can be defined and assigned to specific parts of the requirements structure giving them the ability to evaluate their portion. Various levels of accessibility can be applied to the team members. Collaboration members can also create messages to each other from within the application.

PDF Printing – In R12 Buyers will have the ability to print a PDF version of the RFQ from the buyer’s point of view as well as the supplier’s point of view.

Notification Subscriptions – With the growing number of notifications available within the sourcing tool, Oracle has introduced the ability to sign up for the notifications that your organization would like to see during the course of a negotiation.

## **iSupplier Portal**

The iSupplier portal is a safe and effective way for suppliers to get and share information with their customers. With the introduction of R12, Oracle is increasing the ability to share information by including complex work services capabilities and giving the supplier more opportunity to help the buying organization become more efficient in the management of contracts, catalogs and change orders.

Complex Contract Payments – The ability to manage large scale complex purchases has been added to the iSupplier Portal. This new functionality supports a more tightly integrated level of communication between the supplier and the buying company with the addition of the following new features:

- **Work Confirmation Requests:** The ability to share progress information with the buying company and obtain agreement so that payments can be requested and processed. This “work confirmation” can be requested as deliverables and milestones are completed.
- **View and manage complex orders:** Work confirmations are enabled by complex purchase orders. Complex purchase orders contain more detailed information about retainage, financing, and pay items (service delivery schedule) than a standard PO. As payments and progress are requested and approved, the supplier and buyer will have a total view of where the activity being purchased stands in relation to completion and payment.

Supplier Change Order Enhancements –Oracle has provided the ability to request changes to multiple purchase orders. In addition to being able to request multiple PO changes at once, you can now set tolerance based approvals to lessen the burden of small, low amount changes. If the change exceeds the tolerance, the requester can now

be notified rather than the buyer for approval. This comes in handy when the order has been created in a touch-less buying situation.

iSupplier Invoices – In R12 Oracle has introduced the ability for the supplier to request Non-PO related invoices. These invoices can then be routed for a specific approval and can be updated by the approver with the appropriate accounting information during the approval process. Additionally, if the buying company does not agree with the invoicing decision, a negotiation communication can take place to get the invoice to the appropriate charge level.

Self-Service Catalog Management – When needed, a buyer can enable the supplier to manage the local catalog content they provide via the iSupplier portal. Updating the catalog creates a change to the agreement that has to be approved by the buyer unless the appropriate tolerances are set. Once the changes have been approved, they are immediately available in the iProcurement catalog.

## Procurement Contracts

Procurement Contracts is the tool that allows buying organizations to more efficiently manage contracts. The timeframe for contract implementation is shorter when utilizing procurement contracts. Organizations have the ability to set contract expectations up front with their suppliers during the negotiation phase of a contract. R12 enables this functionality to increase productivity by increasing the tools available to maintain standardized clauses and manage daily contract needs.

Clause Usage Analysis – Terms library administrators now have the ability to search for clause usage based on attributes such as which contracts clauses were used “as is” and which clauses were modified. This new feature supports the overall desire to make Procurement Contracts a tool to support efficient contract creation and maintenance.

Contract Workbench – The contract workbench will serve as a portal for contract administrators to have quick access to relevant information associated to their contracts. The workbench will allow the contract administrators to view items such as pending contracts, expiring contracts and deliverables associated with their contracts.

XML Interface for Clause Import – An xml interface has been created to allow for the import of xml clauses in an Oracle specified format.

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