



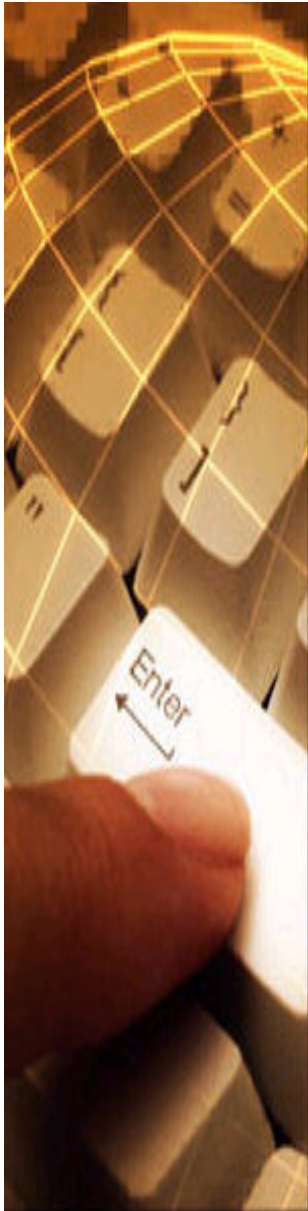
Revisiting Multi-Organization in Oracle Applications

By

Manoj J. Solanki

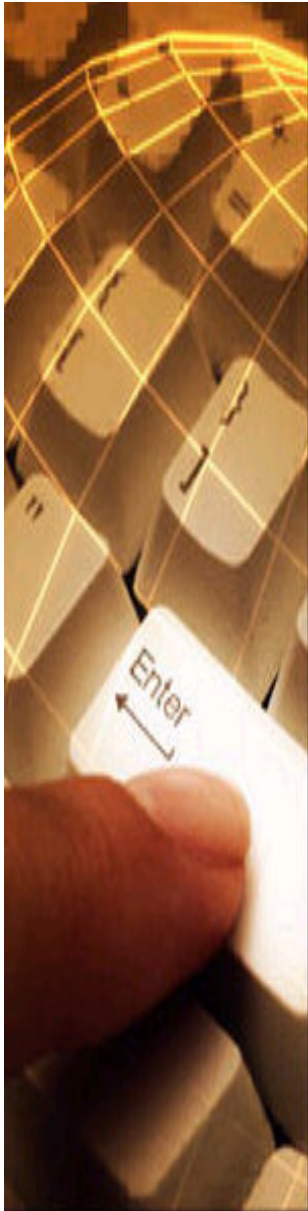
Jan 19, 2001

Atlanta OAUG



Objectives

- **Revisit Multi-Organization Design**
- **Contrast with MSOBA Architecture**
- **Intercompany Accounting**
- **New features in 11i affecting Multi-Org Transactions**
- **Meet the goals of regional OAUG Meets**

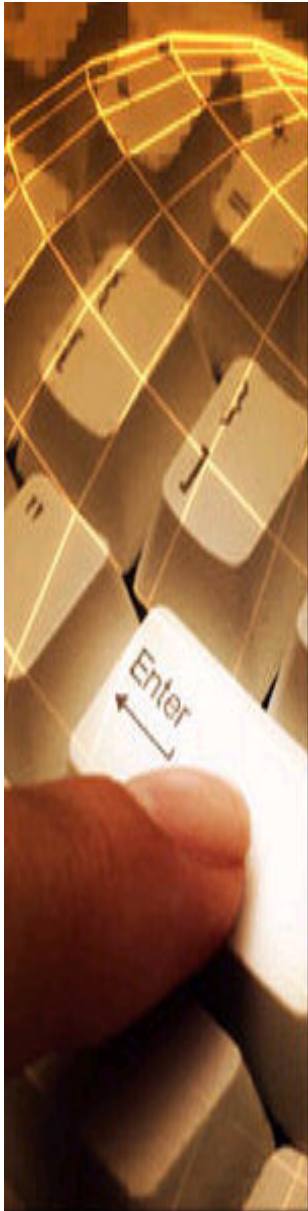


- Why need multiple installation of Applications?

To Meet disparate functional requirements

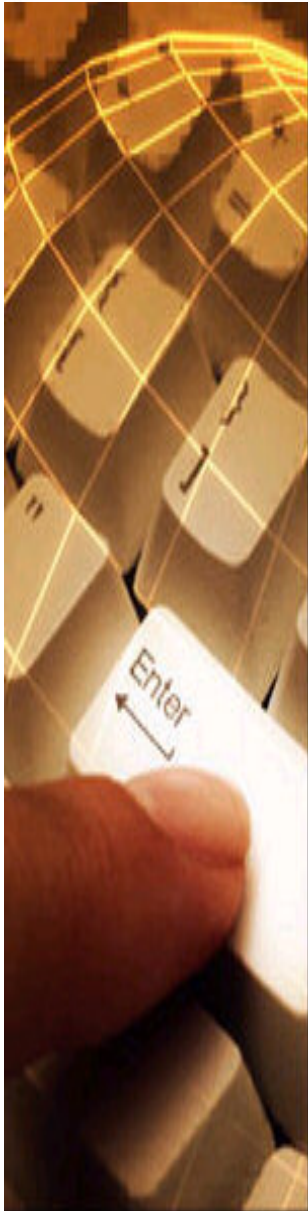
- What is M SO BA ?

M SO BA - Multiple Set of Books Architecture



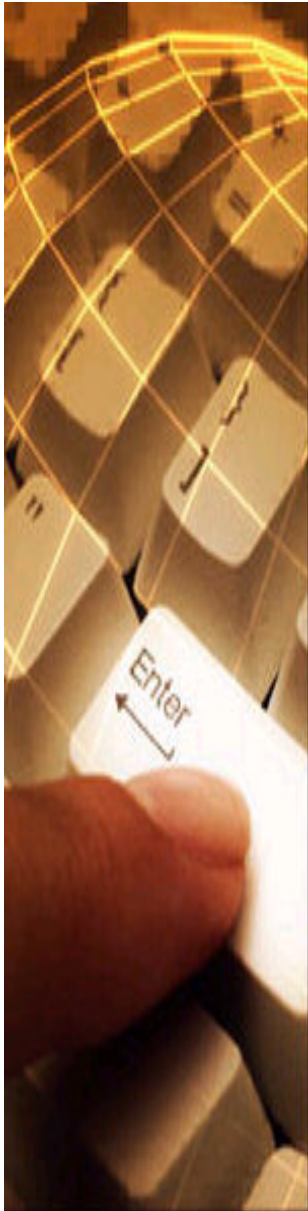
M SO BA Explained..

If a business needs three separate instances of Payable and Receivables for data independence - install AP and AR in the database three times.



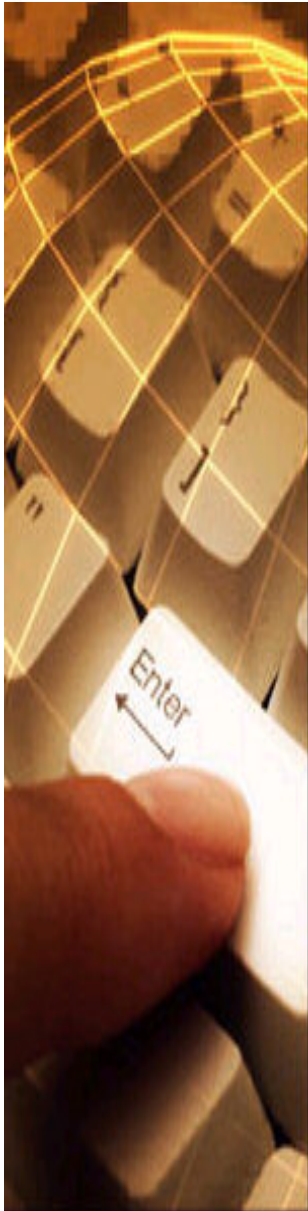
Problem with M SO BA

- Cumbersome to maintain multiple instances of AP, AP1, AP2, AP3... ..
- Require more database space
- Redundant Data Problem
- Multiple Customer and Vendor Masters
- Complex Organization Models not possible



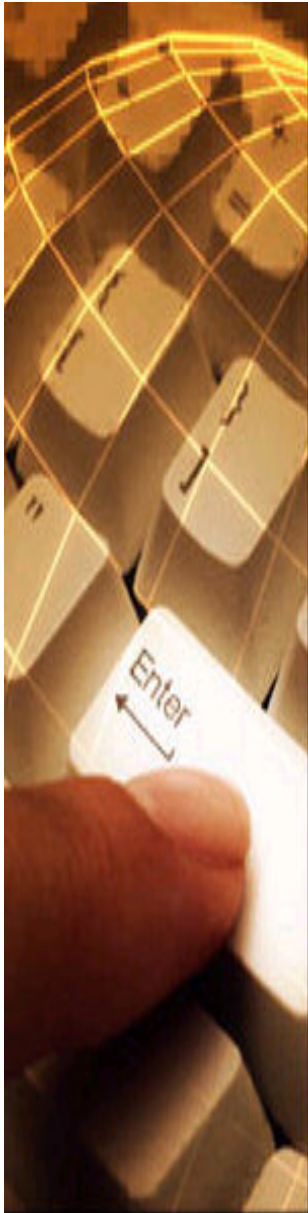
Multi-Org Feature

- Released with application 10.7
- Optimized and simple solution for data partitioning
- Takes advantage of database views
- Enables Intercompany accounting
- Can define complex organization model



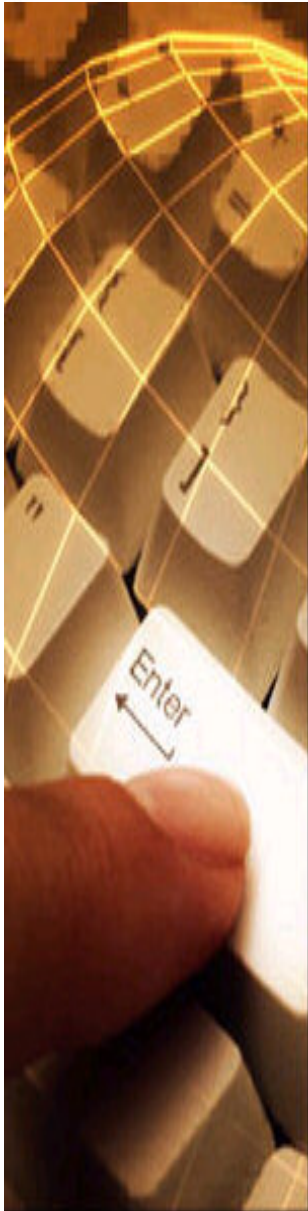
Basic Needs for a Multi-Org System

- Better access to information
- Global enterprise management
- Global visibility
- Data Security
- Accurate Aggregated Data
- Easy System Maintenance
- Single installation of application

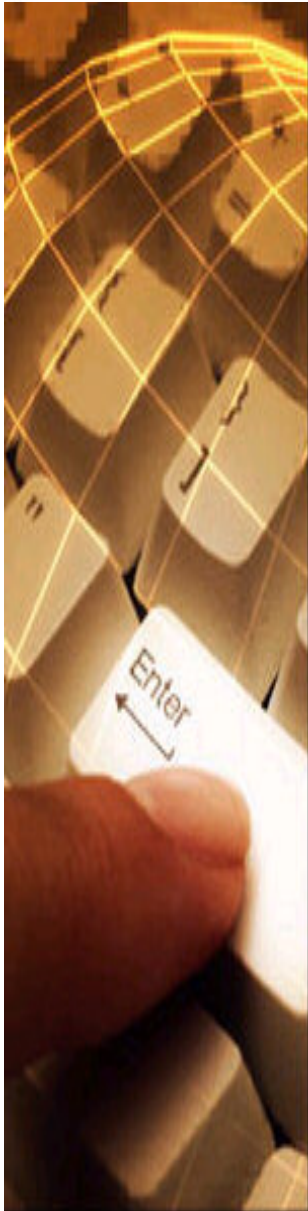


Basic Needs for a Multi-Org System

- Define different Organization models
- Transact between legal entities belonging to different books
- Multiple Organizations Reporting



- All the needs are met by a Multi-Organizational system
- Enables to take advantage of eBusiness Model
- Enhanced Multi-Organizational system due to new features and functions for global enterprise management



Features of Multi-Organization Support

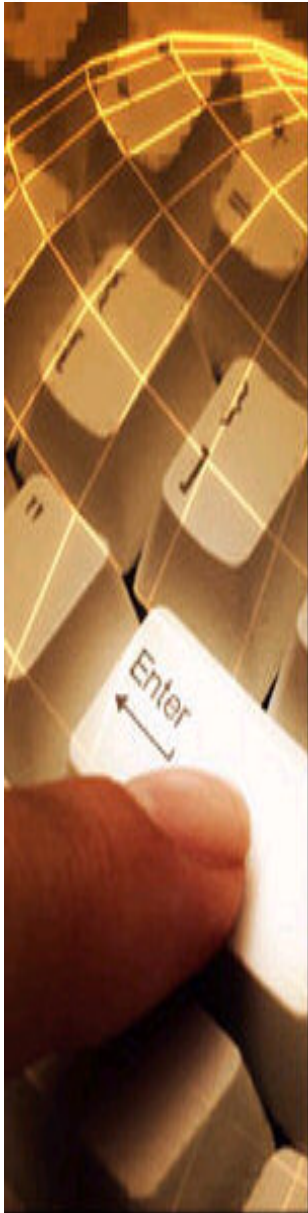
Installation

- Takes advantage of native database feature
- Build security layer on top of single installation
- Will support any number of Organizations
- Even if Orgs are under different Books



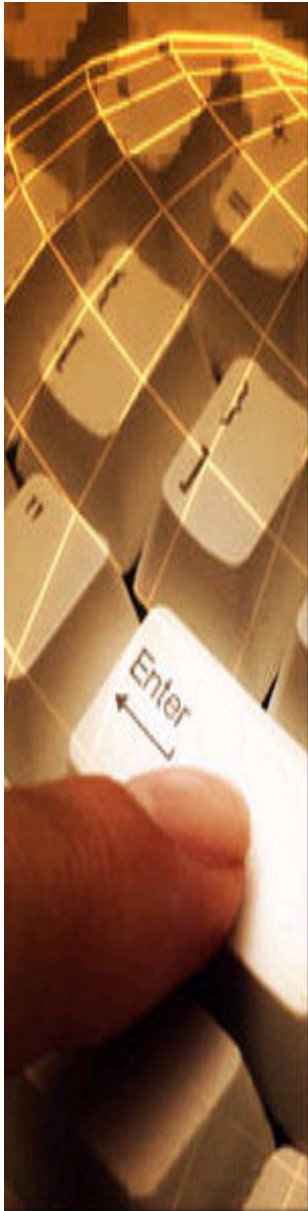
Varied Organization Model

- Enables companies to varied models
- Data secured to operating unit even if they are in a different country or transact in a different currency or legal structure



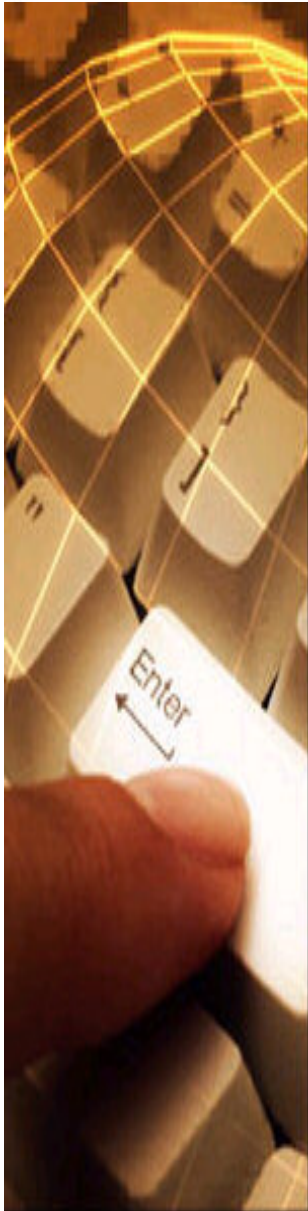
Types of Organizations..

- Set of Books
- Business Group
- Legal Entity / G R E
- Balancing Entity
- Operating Units
- Inventory, H R , Asset Organizations
- Organizations in Oracle Projects



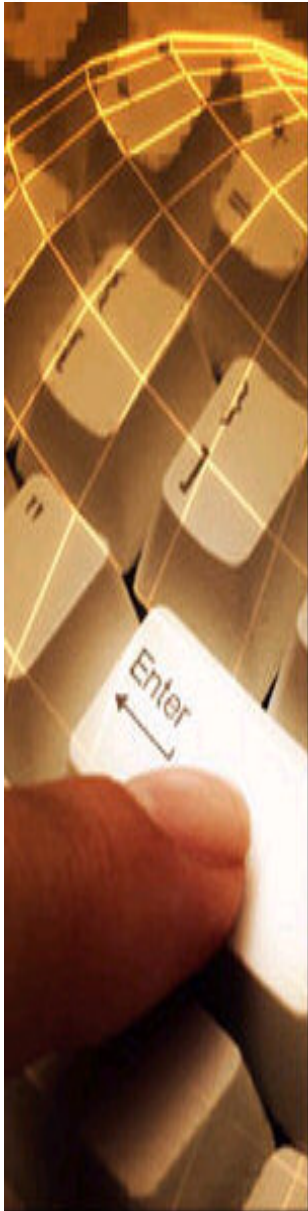
Secured Data Access

- Data secured to each operating unit
- Responsibilities are tied to operating units
- Users are tied to responsibilities
- Data are striped in the tables due to addition of org_id column to tables



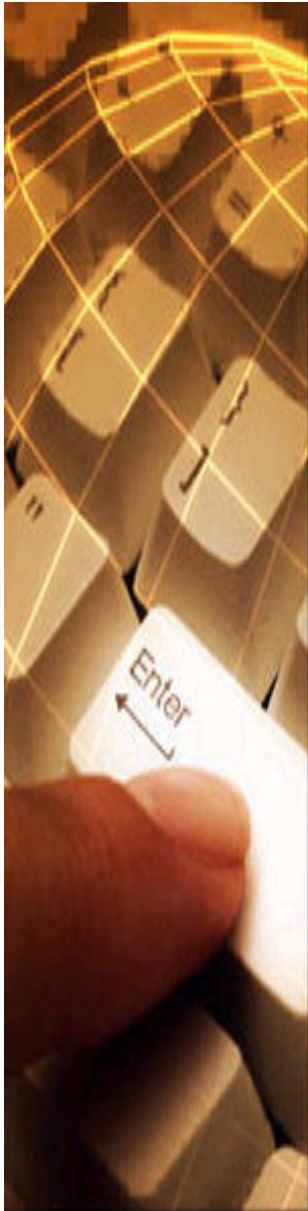
Centralized Operation

- In a functional sense, M O enables centralized business operation to a business unit
- Users can perform without interference
- Can create, print invoices without interference from other business units
- Decentralized operation within a wider gamut of the global enterprise



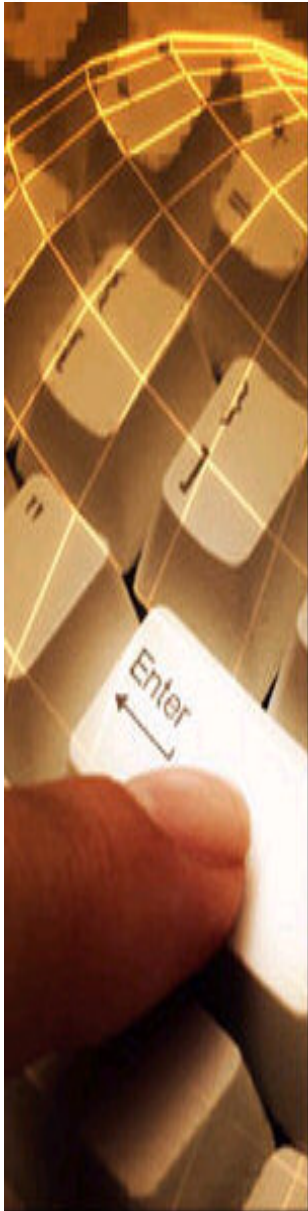
Easy to identify Data

- **Striped Nature of the data**
- **Easy inactivation of an operating unit**
- **Quick and easy management in case of spin-off (Subsidiary going IPO !!! ?)**
- **Faster retrieval of data enabling enhanced usage of ebusiness model**



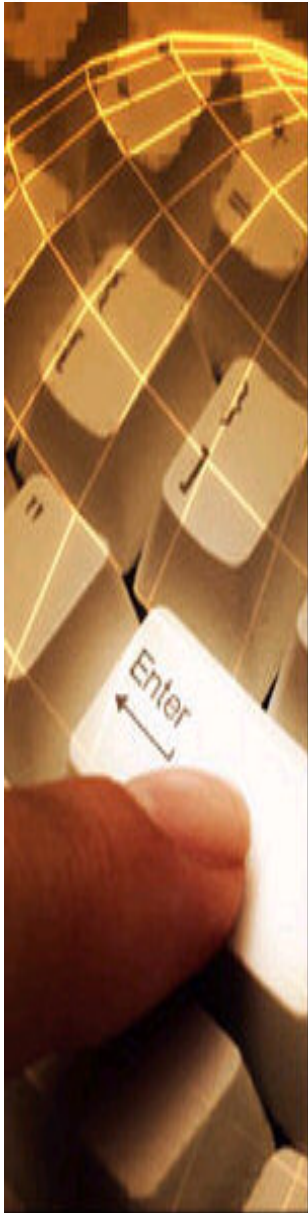
Inter-Organizational Features

- Global customer & Supplier name register
- Global view of inventory during order entry
- Enable global consolidation and reporting
- Support any number of legal entities within a single installation
- Automatically generate Intercompany invoices with proper accounting



Global Reporting

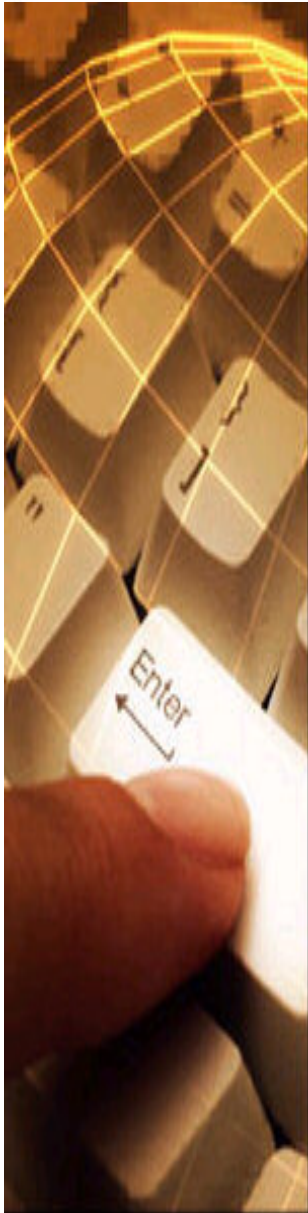
- Allows consolidated reporting
- Better and Consistent Data
- Saves time in collecting business intelligent data
- Can perform slicing and dicing of data quickly



M u l t i p l e O r g a n i z a t i o n R e p o r t i n g

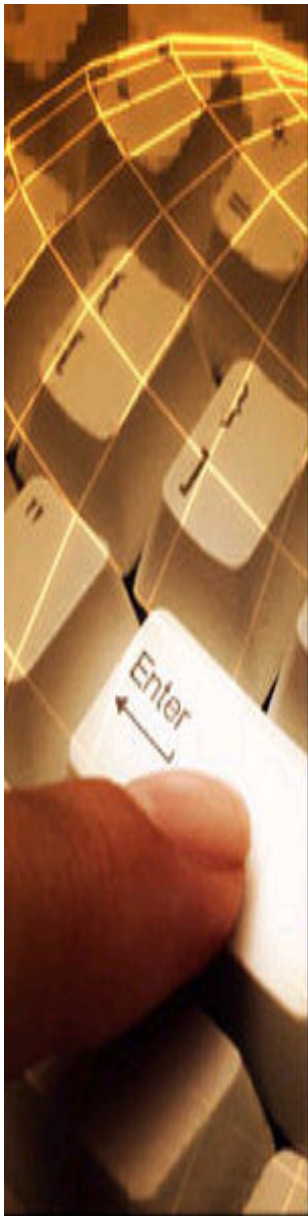
R e p o r t a t -

- **S e t o f B o o k s l e v e l**
- **L e g a l E n t i t y L e v e l**
- **O p e r a t i n g U n i t L e v e l**

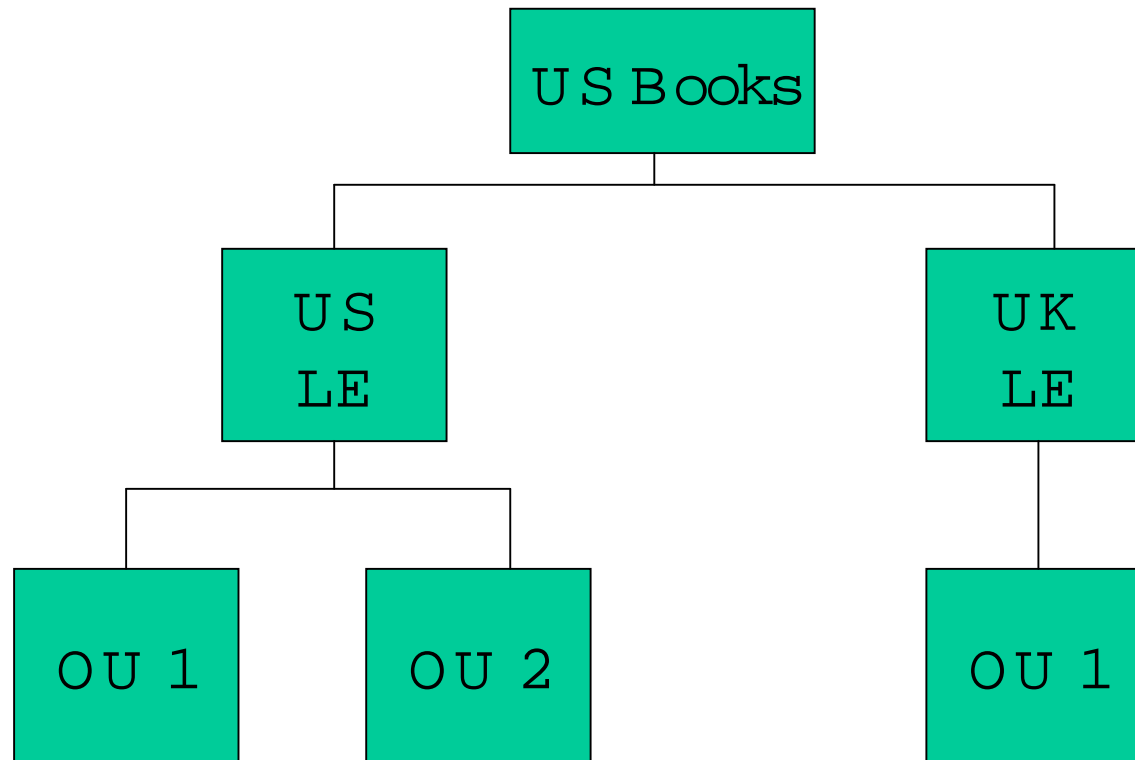


M u l t i p l e O r g a n i z a t i o n R e p o r t i n g . . .

- Set Profile option M O : T o p R e p o r t i n g L e v e l t o one of the three levels
- T w o n e w p a r a m e t e r s a d d e d t o M u l t i - O r g r e p o r t s
 - R e p o r t i n g L e v e l : A l l o w s u s e r s t o c h o o s e l e v e l - t h o u g h r e s t r i c t e d b y t h e p r o f i l e v a l u e
 - R e p o r t i n g C o n t e x t : A l l o w s u s e r s t o c h o o s e e n t i t y w i t h i n t h e r e p o r t i n g l e v e l



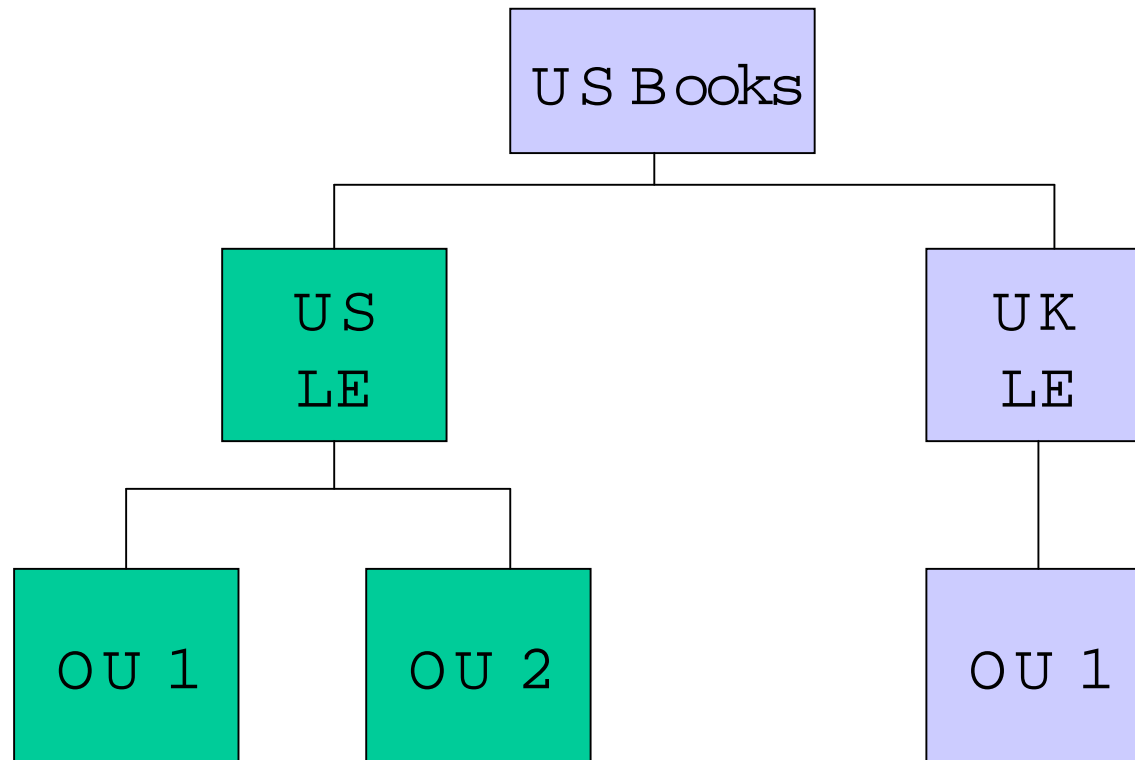
Profile Option set to Set of Books Level



- See data for all the LE 's and O U 's



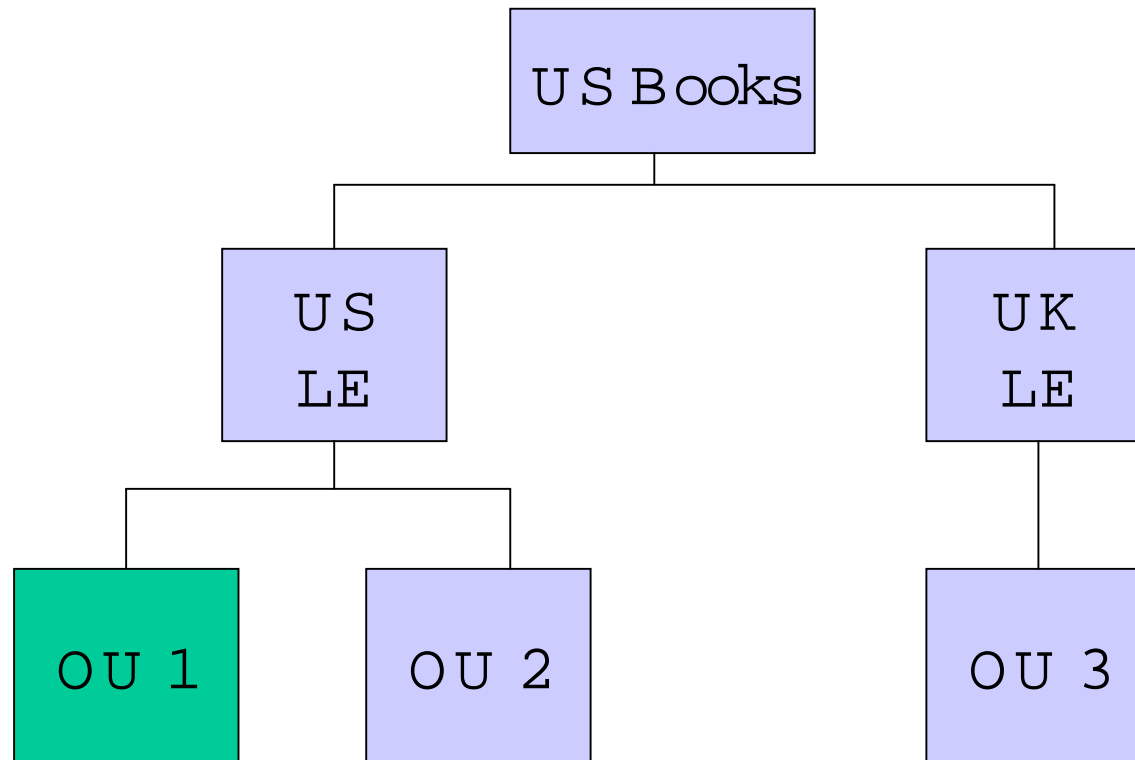
Profile Option set to LegalEntity Level - U S



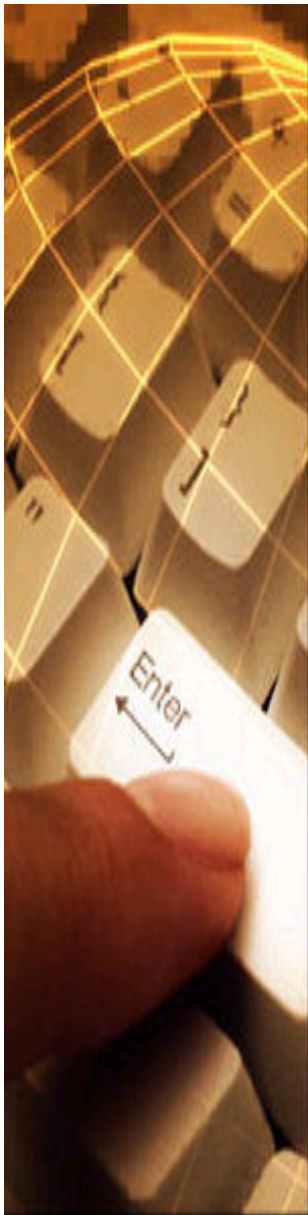
- See data for the U S LE and O U 1, O U 2



Profile Option set to Operating Unit Level- O U 1

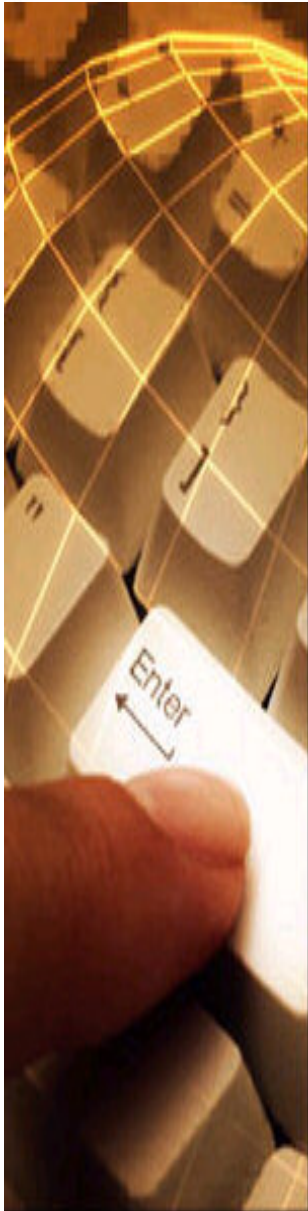


- See data for the O U 1



Some of the Multi-Org Reports..

- Accounts Payable Trial Balance
- Payables Accounting Entries Report
- Payables Account Analysis Report
- AR Aging Reports
- Credit Hold Report
- Customer Credit Snapshot
- Tax Register
- US Sales Tax Report



Easy Administration

- Reduces total time for install and upgrade
- Simplifies administration of grants and synonyms
- Have many logical databases over one database
- Reduced cost of maintenance and owning



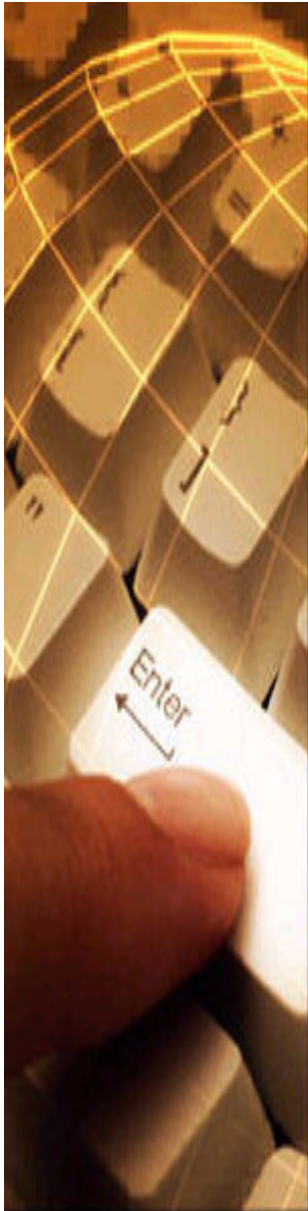
Intercompany Invoicing

- A key requirement for global implementation
- One business unit invoices another for customer shipments
- Proper accounting takes place – enabling accurate global consolidation
- Transaction level detail to trace back to source sales order for improved reconciliation



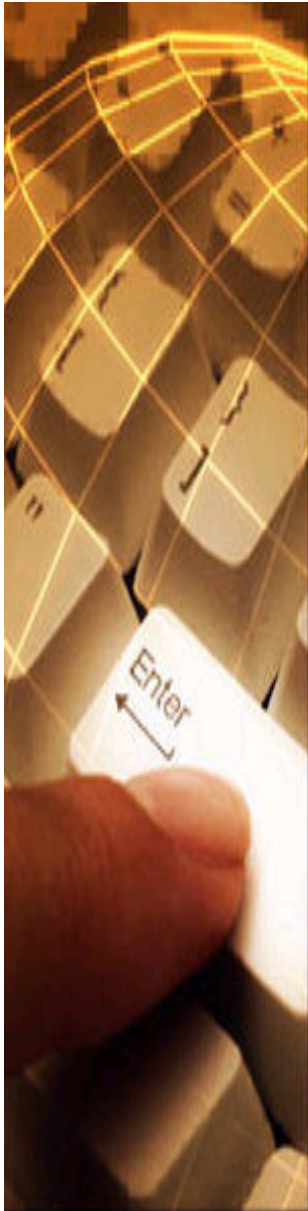
Two new features in 11i pertaining to Multi-Org transactions

- **Intercompany Balancing**
- **Global Intercompany System**



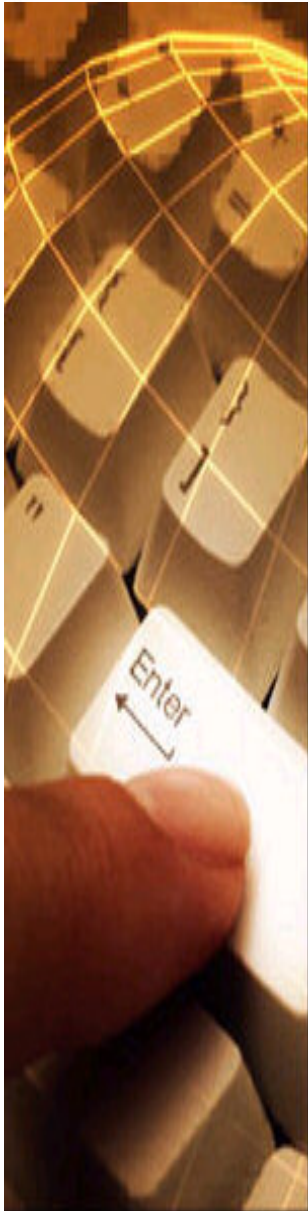
A new addition to the family... .

- A new and fourth flexfield qualifier
- Qualifier called 'Intercompany Segment'
- This qualifier enables two new features in 11i



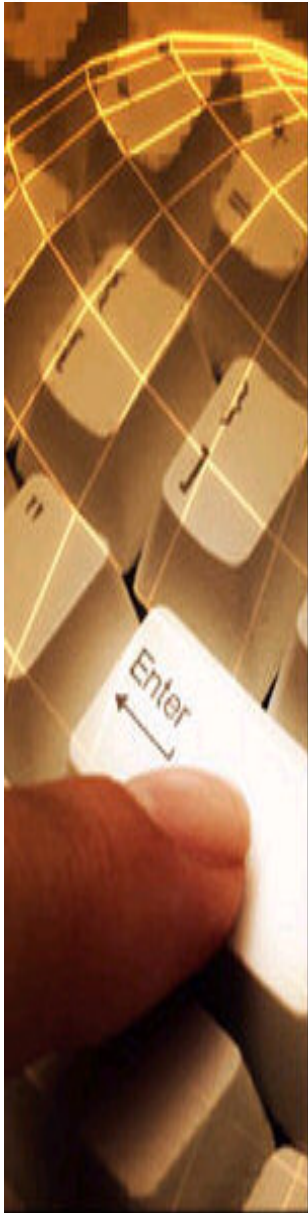
Intercom pany B alancing

- Enables better tracking of intercom pany transactions w ith in a Set of Books(SO B) when using m ultiple com panies m odel
- Intercom pany segm ent qualifier can be used w ith intercom pany balancing feature in 11i
- U ser can assign a segm ent to be intercom pany segm ent



Intercompany balancing...

- When a JE that effects multiple balancing segment values is posted, intercompany balancing feature is triggered.
- Intercompany balancing feature will create journal lines to ensure each balancing segment value is balanced
- The appropriate balancing segment value will be entered as the intercompany segment value for the journal line



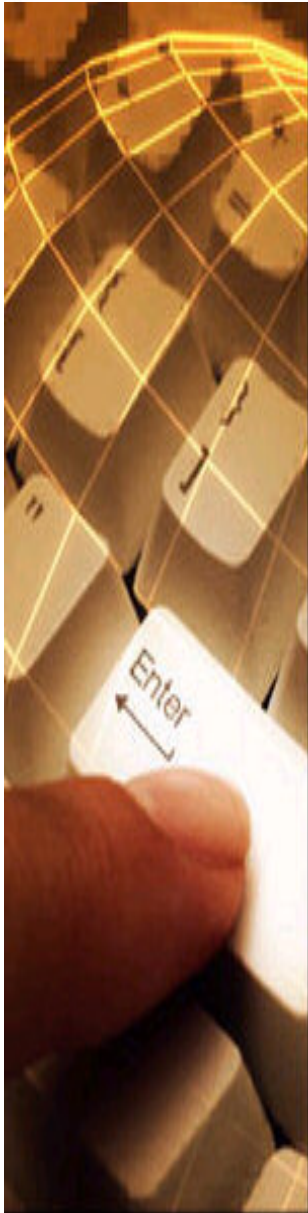
Global Intercompany System

- The intercompany segment flexfield qualifier can also be used with the global intercompany system (GIS)
- When a intercompany transactions are created, the intercompany segment may be used to keep track of the trading partner/business unit.



Limitations of Multi-Organization

- Cannot view secured data across OUs
- No centralized operation. For e.g. No Centralized payables
- OUs with different Accounting flexfields cannot share Tax Location flexfield structure
- Tax Names are not shared
- LE's within same SOB must share same document sequences



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