

## Customer Modeling:

It's your call between a Rock and a Hard Place !!!

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## Learning Objectives

- As a result of this presentation, you will be able to learn:
  - What is Trading Community Architecture?
  - Customer Modeling approaches
  - Impact of Modeling choices on Functionality/Business Scenarios
  - Conclusion

Disclaimer: All scenarios discussed in this presentation are based on functionality of Oracle Applications 11i10 version.



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## Speaker's Qualifications

Mani Kumar Manda is the President and Founder of Rhapsody Technologies, Inc., a consulting firm with specialization in implementing Customer Master/Customer Hub solutions.

Mr. Manda had been working with Oracle Applications for over a decade and has implemented Technology Solutions for clients in many industries and is an active speaker of Customer Solutions.

Mr. Manda is also the founder and chair for Customer Data Management SIG.



## Speaker's Qualifications

Priyatabh Pearl Sharma has been implementing technology solutions using Oracle Applications over 4 years and prior to that he has been a Sales and Marketing Manager.

Mr. Sharma had extensively worked with Oracle eBusiness suite and implemented CRM solutions across various industries with a primary focus in Sales and Service areas.

Mr. Sharma is working with Hitachi Consulting since 2006.

**GO BUCKEYES !!!**



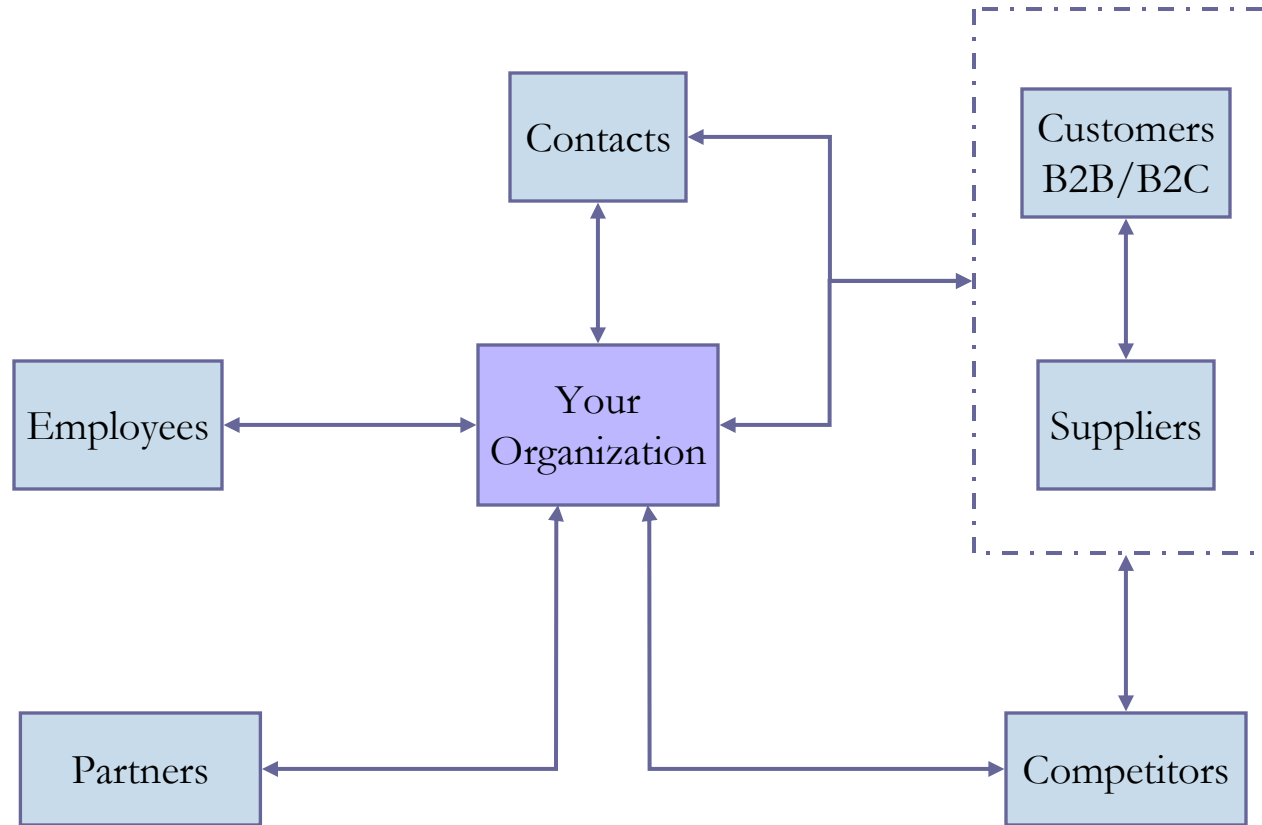
# What is Trading Community Model?



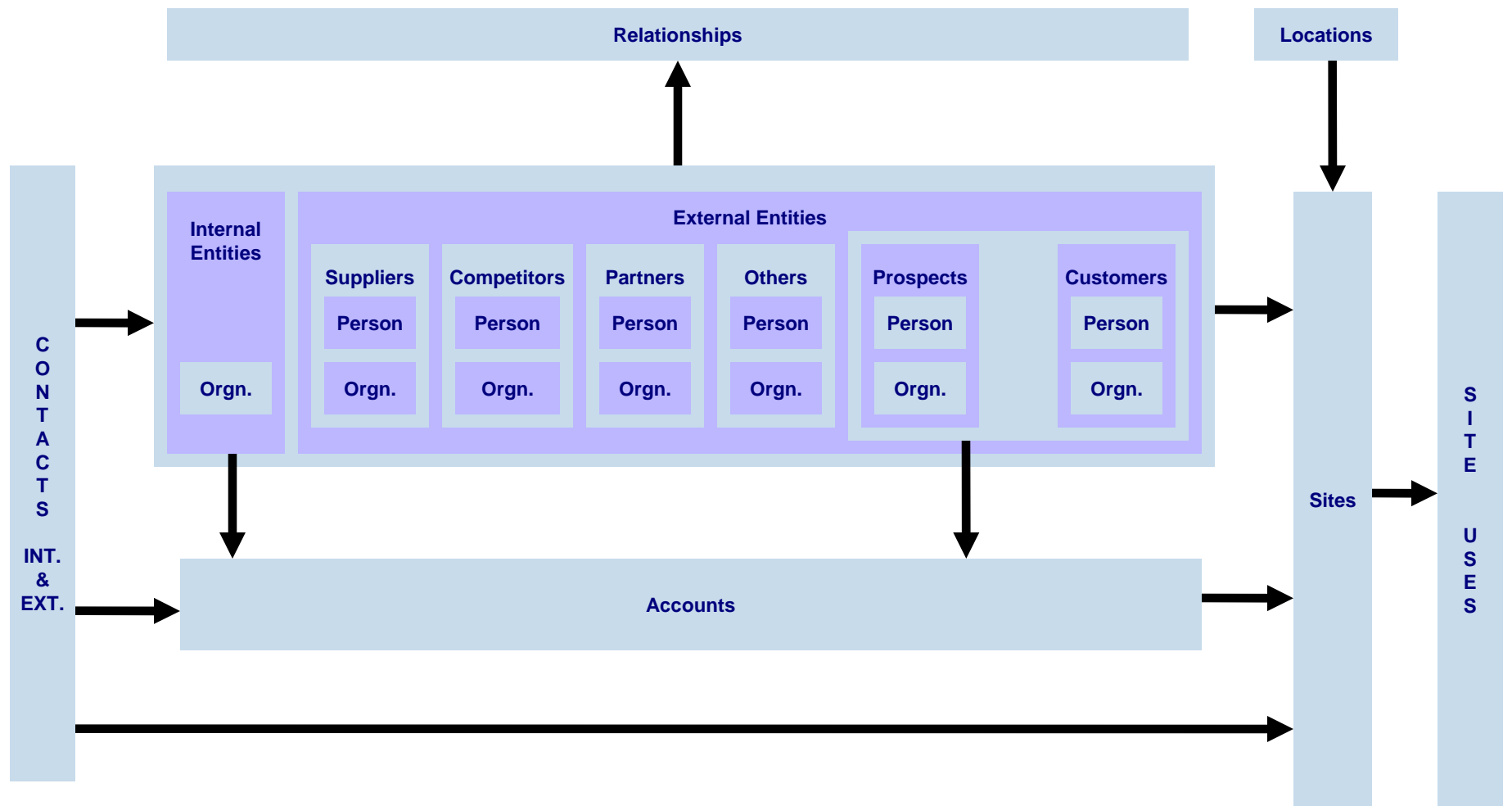
## Trading Community

- Trading Community is defined as a group of entities taking part in commerce.
- Trading Community includes both persons and organizations.
- Entities in Trading Community may play roles other than Seller and Buyer such as Partner, Contact, Dealer, Distributor, Agent, Influencer, etc.

# Trading Community



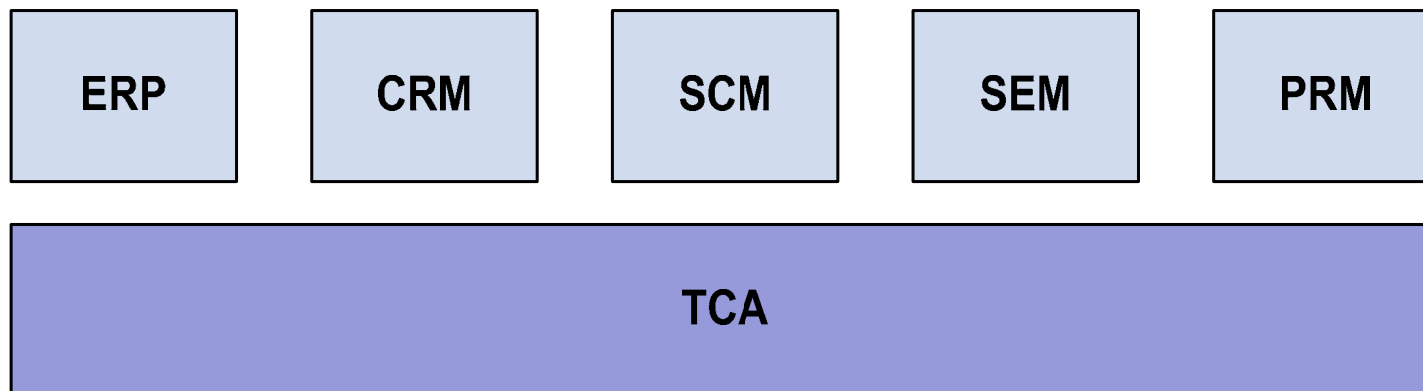
# Trading Community



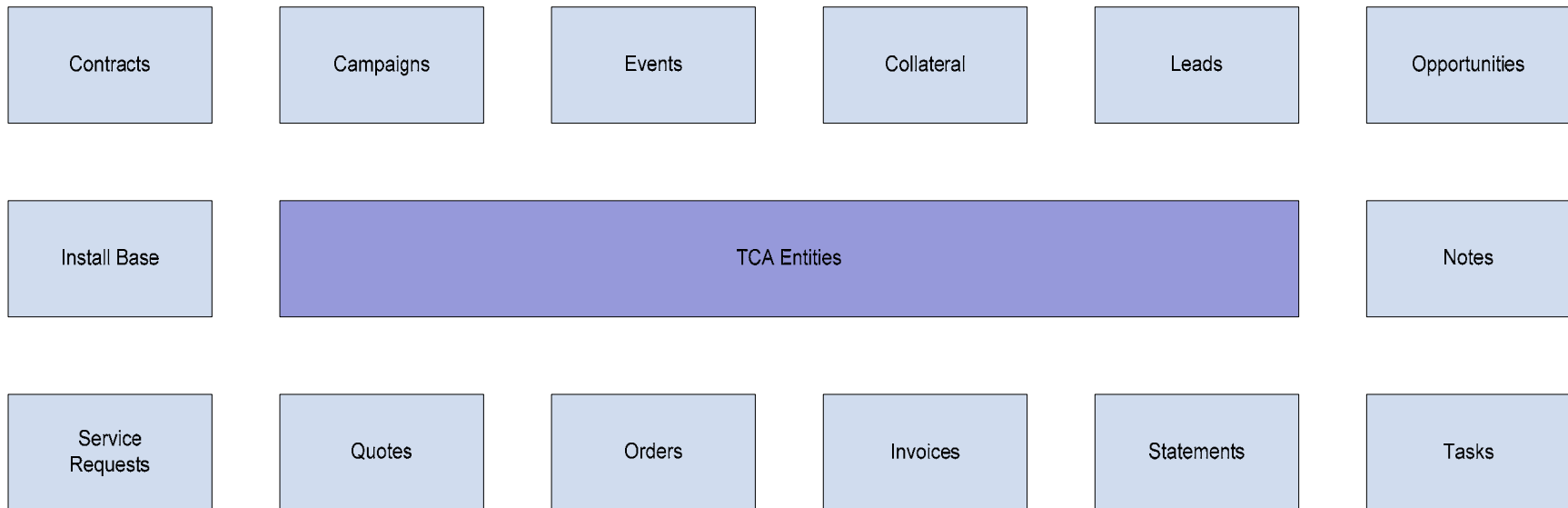
## Key Questions?

- Is your Contact Diane Miller at XYZ Corporation same as your customer Diane Miller?
- Who are your Customers?
- Who are your Competitors?
- Who are your Suppliers?
- Who are your Partners?
- Are there any Influencers in your business?
- What is your Customers Organizational Hierarchy?
- Is someone who used to be your Employee is now a Contact at Your Customer or Supplier?

# What is TCA?



# What is TCA?



# What is TCA?

Customer Data Enrichment from third parties such as D&B

Validation of addresses with content providers such as Trillium, First Logic

Source System References and Extensibility

Tools such as DQM/Data Librarian to search, de-dupe and maintain clean data

Corporate Hierarchies, Third Party Relationships, etc., using Party Relationships

Public and Private Java and PL/SQL APIs, Web Services

Database Schema (HZ Tables)



## TCA - Key Entities

**Parties**

**Party Relationships**

**Customer Accounts**

**Locations**

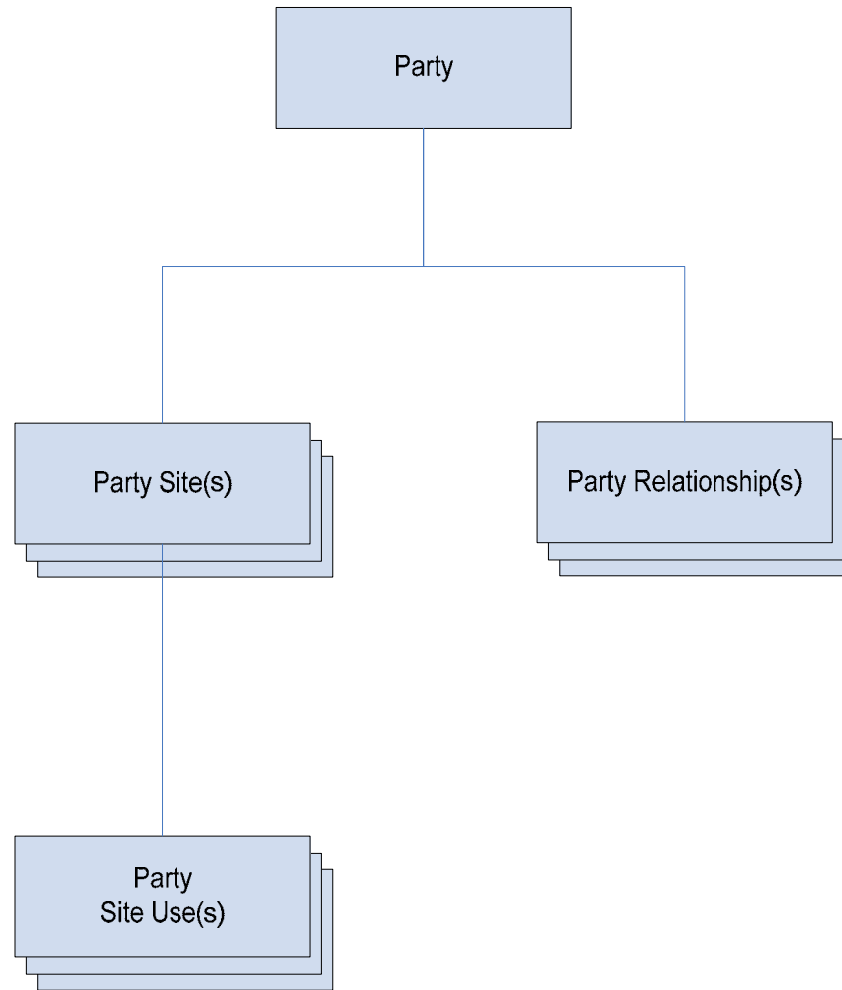
**Contacts**

- Within TCA model, the concept of “Customer” is separated into two layers: the Party layer and the Account layer
  - CRM applications are referring to the Party layer when they refer to “Customer”
  - ERP Applications, on the other hand, are referring to the Account layer, when they refer to “Customer”
- Confusion arises because CRM and ERP suites are both using the word “Customer” to refer to two different things

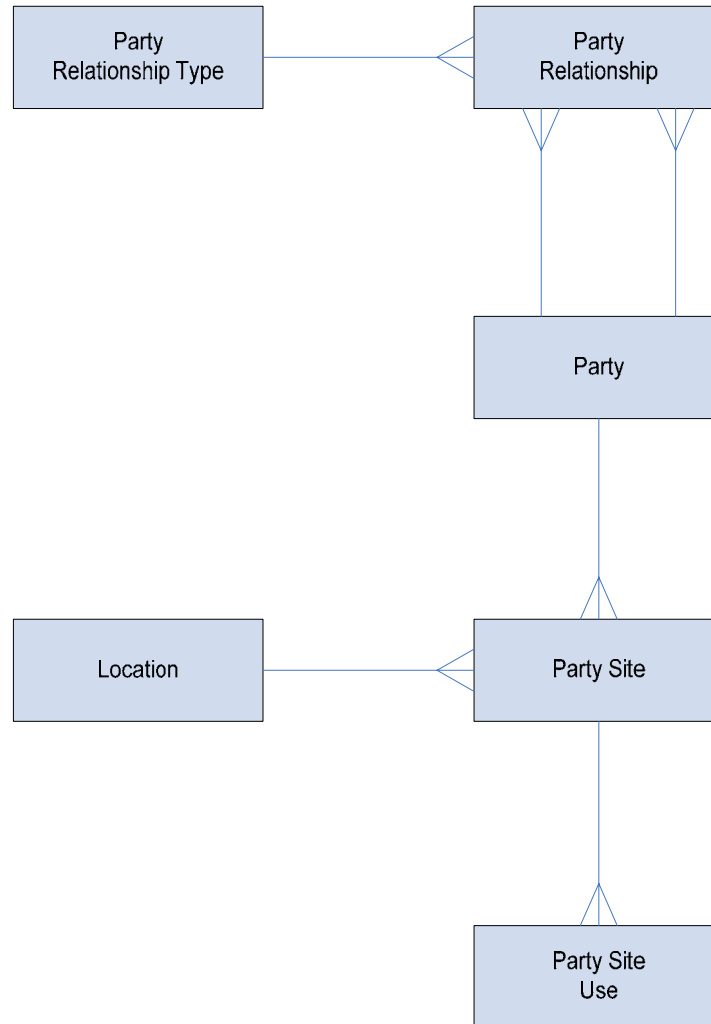
## Party Vs. Customer ...

- Per TCA Best Practices, the word “Customer” is the combination of both the “Party layer” and the “Account layer”, where
  - Party layer exists independent of any selling or buying relationship
  - Customer Account layer exists in the context of a Party and only when a selling relationship exists

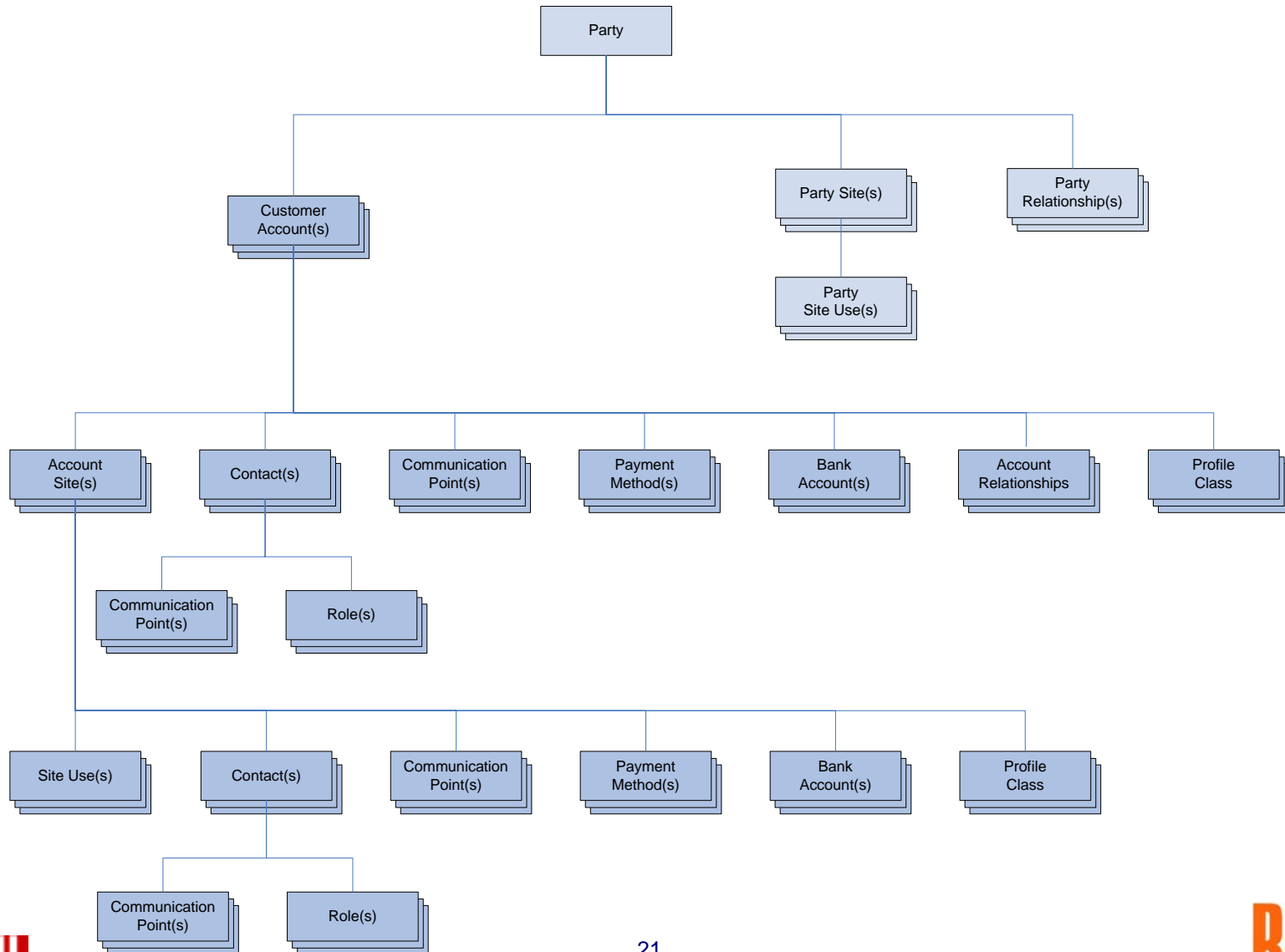
# TCA Structure prior to Selling Relationship



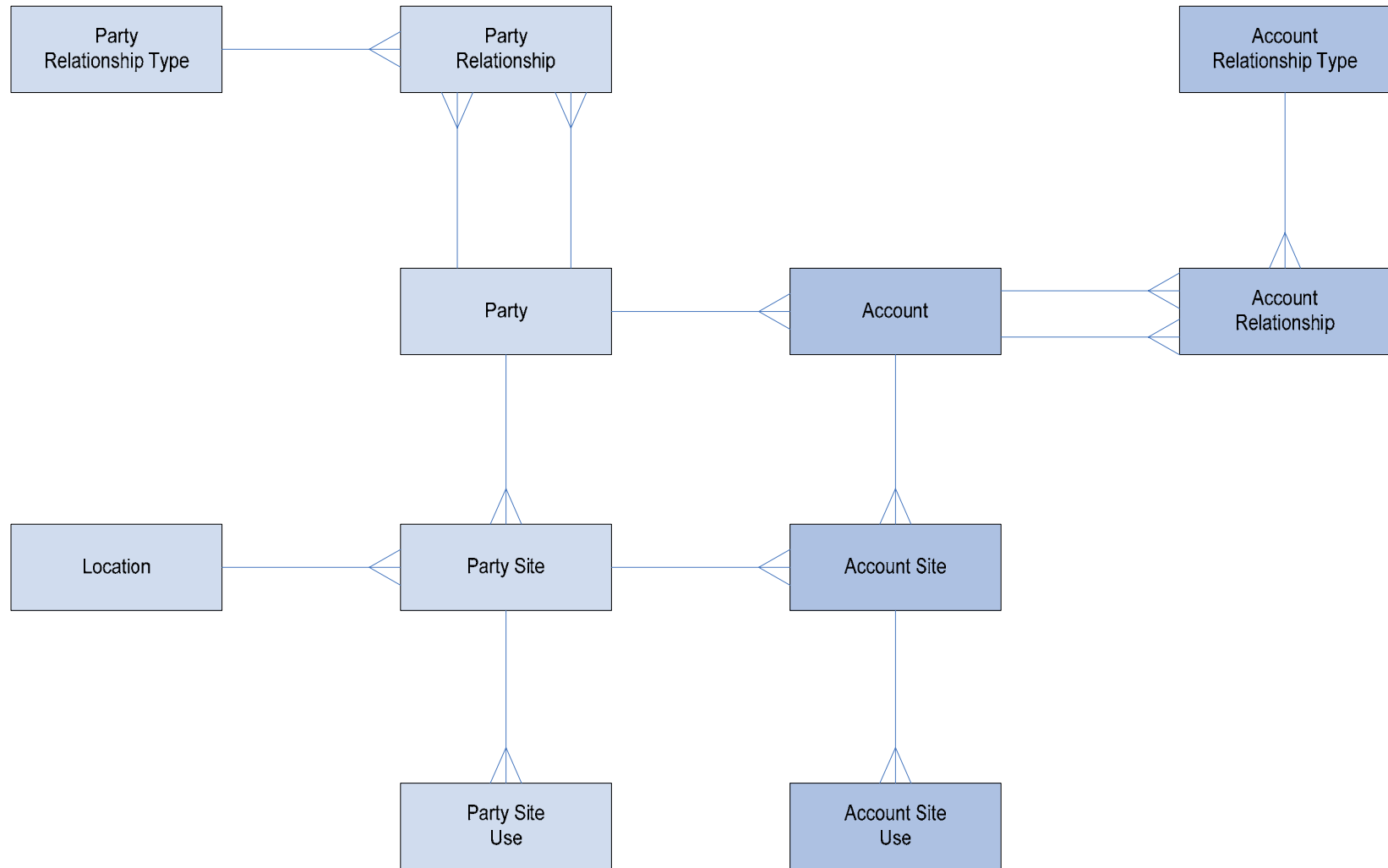
# TCA Structure prior to Selling Relationship

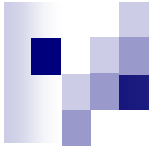


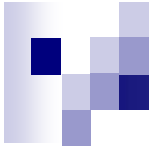
# TCA Structure with selling relationship(s)



# TCA Structure with selling relationships – Entity Modal



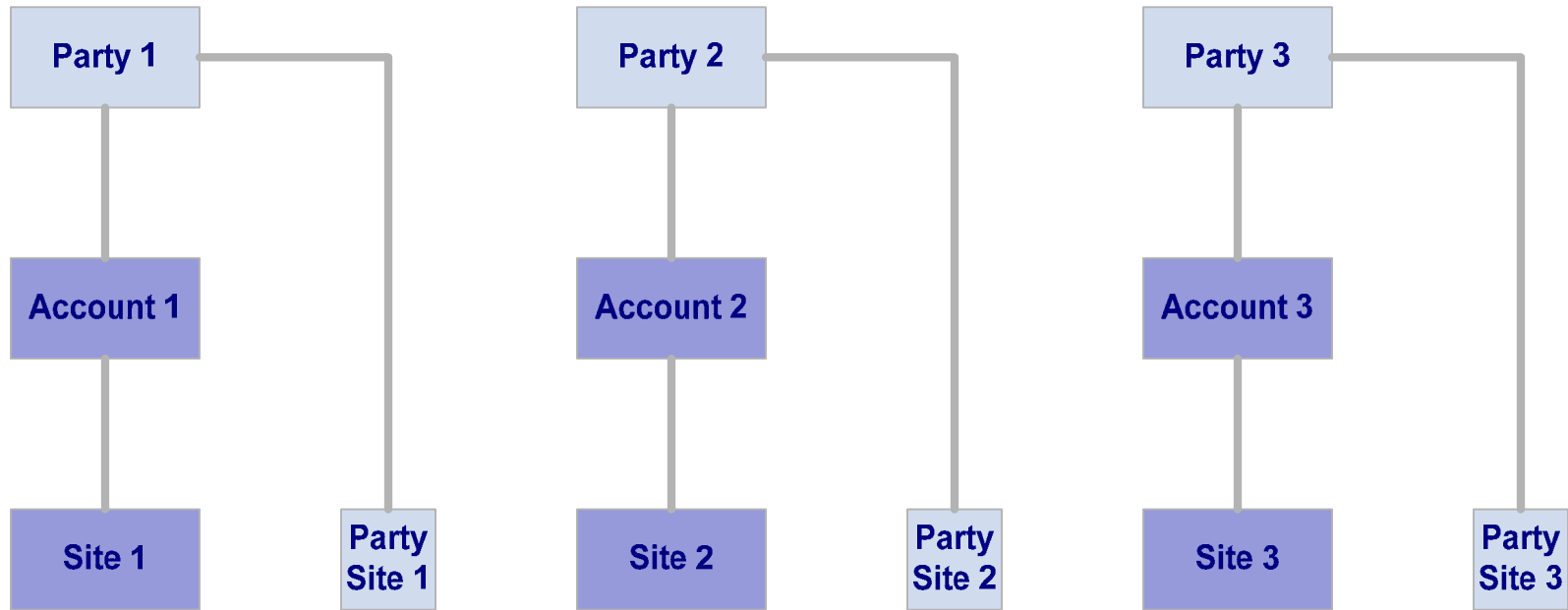




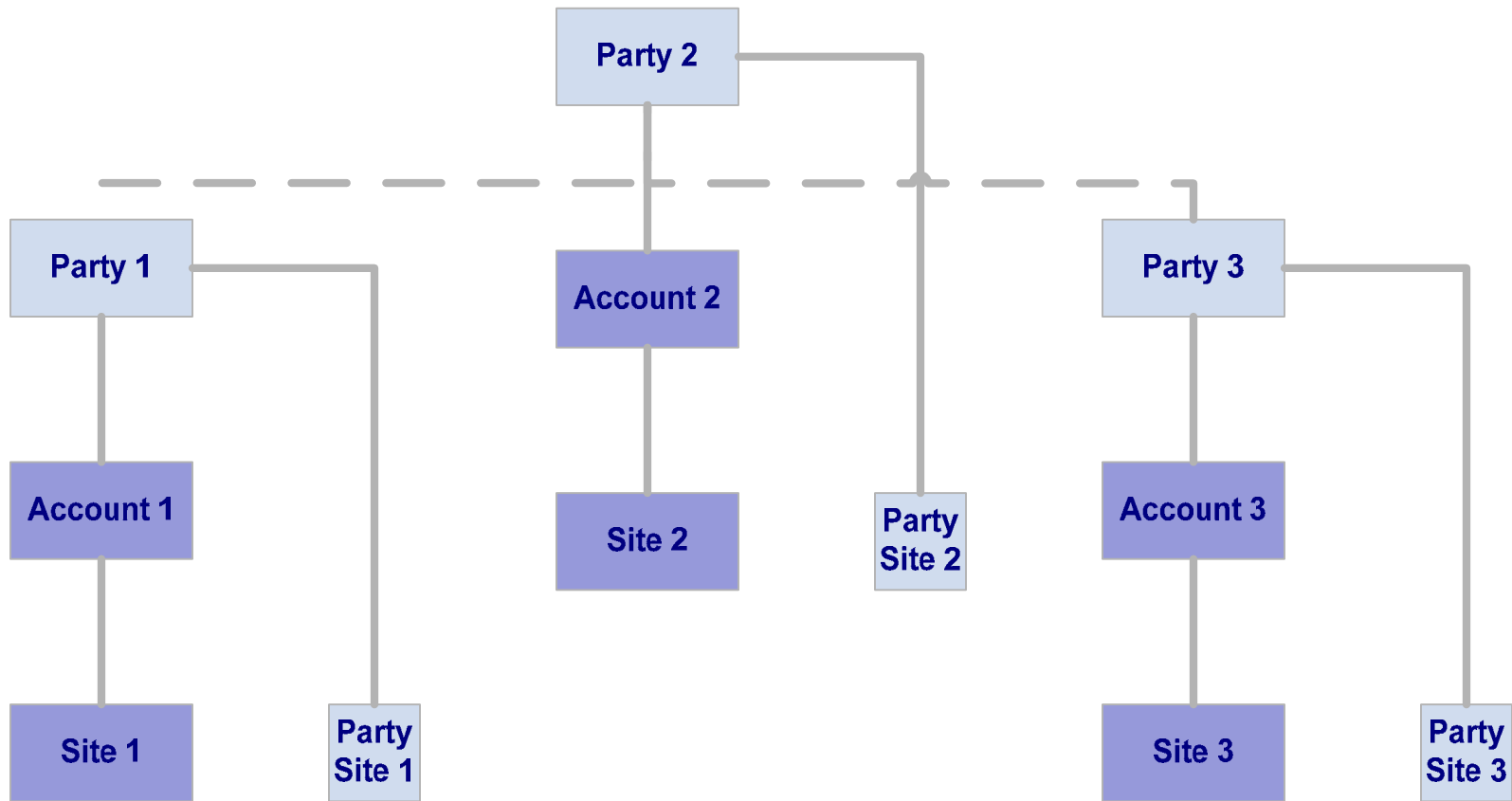
# Customer Modeling Approaches

- Using TCA there are multiple ways a Customer data can be created and maintained.
- Some approaches are better in some operational contexts than other
- On the two extremes:
  - Party Centric Approach
    - is when a Party is created for every single site (location) of the Customer and party relationships are used to build the corporate hierarchy.
    - The focus is on creating parties and relating them to each other.
  - Site Centric Approach
    - is when only one party is created for the Customer and all sites of the customer are created as party sites of this party.
    - The focus is on creating multiple sites

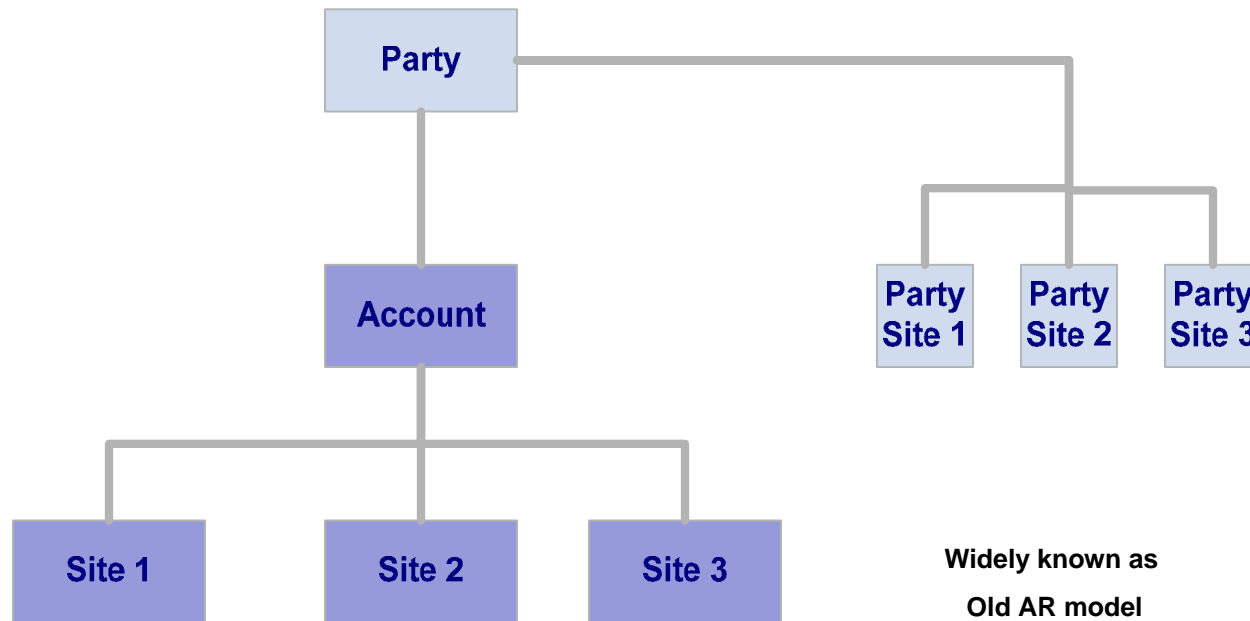
# Party Centric Approach



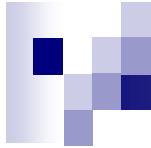
# Party Centric Approach



# Site Centric Approach



Widely known as  
Old AR model  
Release 11 Model



# Impact of Modeling choices on Functionality/Business Scenarios



## Example Customer – General Motors

General Motors Corporation  
300 Renaissance Center  
Detroit MI 48265-3000  
313-556-5000  
<http://www.gm.com>

General Motors - Pontiac  
PO Box 33172  
Detroit MI 48232

<http://www.pontiac.com>

General Motors - Cheverlot  
PO Box 54234  
Detroit MI 48235

<http://www.chevrolet.com>



## Example Customer – Best Buy

Best Buy Company, Inc.  
P O Box 9312  
Minneapolis MN 55440  
612-291-1000  
<http://www.bestbuy.com>

Best Buy Company, Inc.  
7601 Penn Ave South  
Richfield MN 55423

<http://www.bestbuy.com>

Best Buy Company, Inc.  
315 N Weber Road  
Bollingbrook IL 60490-1569

<http://www.bestbuy.com>

- Being able create Invoices to any desired billing location of a Corporate Hierarchy
  - Example – 1
    - Create an Invoice with Shipping location as ‘General Motors – Pontiac’ and Billing location as ‘General Motors Corporation’
  - Example -2
    - Create an Invoice with shipping location to one of the Best Buy’s store and billing location to its Corporate Headquarters

## Party Centric Model

- Requires creation of multiple accounts and account relationships to be able to link shipping locations to billing locations
- Able to maintain the true business names as in ‘General Motors Corporation’ vs ‘General Motors – Pontiac’

## Site Centric Model

- Single Account will take care of all needs thus easier account creation without the need for account level relationships.
- Unable to maintain the correct name.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	
Both Work – Neutral Impact	✓
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	



## Payment Application

- Receive payment from any location of the corporate hierarchy and apply to an Invoice billed to any other location of the corporation under any account.
  - Example – 1
  
  - Example -2

# Payment Application

## Party Centric Model

- Corporate hierarchy relationship(s) can be used as a paying relationship to facilitate easier cash application within a corporate hierarchy.
- Alternately Account level relationships can be created to facilitate the cash application across multiple accounts.

## Site Centric Model

- Having a single account doesn't require any account level relationships.
- In case of multiple accounts, account level relationships can be created for cross payment application.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	
Both Work – Neutral Impact	✓
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	

## Tax Exemptions

- Tax exemptions usually are at tax authority level in US which is a State, County or City. Whenever a tax exemption exists, the tax exemption certificate number and expiry date also need to be captured.
- **FUNCTIONALITY:** Within Accounts Receivables, tax exemption information can only be captured at the Account level or Account Billing Site level.
  - Example – 1
  - Example -2

# Tax Exemptions

## Party Centric Model

- When a new location is added as a new party and consequently also as a new account, one has to remember to add the tax exemption information again for the newly created account or account billing location.

## Site Centric Model

- Since no new account is created for a new location, rather only a new account site, any tax exemptions defined at the account level are automatically inherited and applicable to the newly created account location.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	✓

- Generate a single consolidated statement for the customer.
  - Example – 1
    - General Motors requires Invoices to be sent always to their corporate payables location for all their divisions (Pontiac, Chevrolet. Etc.) and consequently mails the payment from their corporate location.
  - Example -2
    - Best Buy requires Invoices to be sent to corporate head quarters in some cases and in some cases individual stores need to receive the Invoices and also make payments.
  - FUNCTIONALITY: In AR, you can send statements at the Account level or Account Bill To site level.

## Consolidated Statement Generation

### Party Centric Model

- Receivables statement functionality can be consolidated only up to the account level and can not be consolidated at the party level.
- In case of General Motors, this doesn't impact due to centralized payables
- In case of Best Buy multiple accounts with billing locations exist and consequently resulting in multiple statements.

### Site Centric Model

- As long as you have a single account with one or more billing locations, you can always have an option to generate the statement at the Account level.
- However, if you have multiple accounts, then you can not generate a single consolidated statement across the multiple accounts.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	✓
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	



## Partner Self-Registration

- Ability to self-register by the employees of the Partner and operate all accounts for that partner.
- In case of a subsidiaries, users from subsidiaries can only access accounts tied to them, where as corporate users may need to access/monitor all accounts (corporate as well as subsidiary accounts).
- **FUNCTIONALITY:** User self-registration requires Registry ID of the Customer (Party Number). An optional approval process can be put in place to manage the account allocation to the registered users.

# Partner Self-Registration

## Party Centric Model

- Since Registry ID is required for user self-registration, it is not practical to provide multiple Registry IDs for the purpose of user self-registration. Even if they can be provided, the burden of sharing the correct registry ID falls upon the customer.
- In case of subsidiary scenario, corporate users will not be able to easily access accounts of subsidiaries. A workaround is to create multiple user ids.

## Site Centric Model

- In this approach only one Party is created regardless of number of sites or accounts and hence it is easier to provide Organization Number (i.e., Registry ID or Party Number) to the customer.
- During approval process, access to appropriate accounts (one or more) can be granted.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	✓
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	

- B2B Customer Administrator should be able to approve all the customer users and assign them appropriate accounts and roles.
- **FUNCTIONALITY:** A Customer Administrator can only manage approvals and assign accounts that are tied to the party to which the administrator user id is tied to. In addition, the Administrator can create and assign roles to customer users in accordance with the business practices.

## Party Centric Model

- Multiple user accounts need to be created for the Customer Administrator one for each Party in order to perform approvals and account assignments.

## Site Centric Model

- One user account is sufficient for the Customer Administrator, since all locations are under the same party.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	✓

- B2B Customer User may need to share his shopping cart with other users in the organization for informational purposes, approvals.
- **FUNCTIONALITY:** A user can share a shopping cart only with other user who are also tied to the same party that this user is tied to. (Sharing carts is available only for B2B users.)

## Party Centric Model

- A user cannot share the cart with others users which are tied to different parties within the corporate structure (hierarchy) of the Customer.

## Site Centric Model

- A user can share the cart with other users since all users are tied to the same party.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	✓
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	



## Quoting – Selection of Party/Account and Site

- Being able to select correct party/account/site with ease.
- **FUNCTIONALITY:** Quoting module does automatically pick up all party sites and display them for you to choose as bill to or ship to locations and creates customer account/account site if it doesn't exist. If a chosen party has more than one account, then the number of choices you see will be the number of party sites times the number of accounts within that party.

## Quoting – Selection of Party/Account and Site

### Party Centric Model

- Since a Party has only one party site, regardless of the existence of account/account site, the number of choices you see will be based on number of account that this party has. Consequently based on search criteria you may see more parties but for each party the choices are fewer, mostly one choice to choose from.

### Site Centric Model

- Since the functionality displays all combinations of party sites and accounts, you will have more choices to choose from thus resulting in a possibility of errors especially if more than one account and more than one party site exist for a party.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	✓
Both Work – But Site Centric Model is better	



## Authoring Service Contracts

- Authoring and maintaining service contracts at Party/Customer or site level.
- FUNCTIONALITY: Service Contracts can be authored at 6 different covered levels,
  - Covered Party
  - Covered Customer
  - Covered Site
  - Covered Item
  - Covered Product
  - Covered System

# Authoring Service Contracts

## Party Centric Model

- In case of Party centric model, we will have to explicitly select all parties as covered entities for the contract. Additionally, if customer has a new site, we will have to create a new party for the new site and modify the contract by adding newly created party.

## Site Centric Model

- In case of Site centric model, there is no need to explicitly select all sites if we create the contract at the party level. All of its accounts, sites (current or future) will automatically covered by the contract.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	✓



## Territory Manager

- Create and maintain customer specific territories using Customer information as well as location information.
- **FUNCTIONALITY:** Territory Manager provides Transaction Qualifiers which include – Customer (Party), Customer Account, Location specific qualifiers, etc. The territories thus created can be assigned either manually to resources or systematically using Resource Qualifiers.

# Territory Manager

## Party Centric Model

- There is no impact on territory creation by party centric model given the flexibility provided by Transaction Qualifiers.
- In case of named account (territories), when a new site needs to be added, a Party is created and has to be explicitly added to the Territory.

## Site Centric Model

- There is no impact on territory creation by site centric model given the flexibility provided by Transaction Qualifiers.
- In case of a named account territory created based on Qualifier - Customer (i.e., Party), any new sites created will automatically included in the Territory.

Scenario Outcome	Verdict
Only Party Centric Model Works	
Only Site Centric Model Works	
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	✓



## Mergers, Acquisitions and Divestitures

- Ability to manage the customer data in tune with Mergers, Acquisitions and Divestitures (as seen in the video).



## A customer from Australia - Short Video from Oracle

[http://www.oracle.com/pls/ebn/live\\_viewer.main?p\\_shows\\_id=3887463&p\\_referred=3080496](http://www.oracle.com/pls/ebn/live_viewer.main?p_shows_id=3887463&p_referred=3080496)

*“It's not  
what You look at  
that matters,  
It's what you see.”  
- Henry David Thoreau*

# Mergers, Acquisitions and Divestitures

## Party Centric Model

- Party centric model facilitates easier management of the customer data. By changing names, terminating party relationships or creating new party relationships, most of the needs required by mergers, acquisitions and divestitures can be accommodated.

## Site Centric Model

- Divestitures can not be accommodated using existing customer data, rather parts or all of the customer data need to be inactivated and a new customer need to be created losing Transaction history in the process.
- In case a party includes third party sites, merging of party data becomes challenging.

Scenario Outcome	Verdict
Only Party Centric Model Works	✓
Only Site Centric Model Works	
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	

## Third party data enrichment

- Ability to easily enrich as well as continue to maintain the customer data using the services of third party data (enrichment) providers such as D&B, InfoUSA, etc.
- FUNCTIONALITY: D&B, for example assigns DUNS number (a unique identifier) to customer data based on customer name, location and business line. InfoUSA does maintain the customer data very similar to the way D&B maintains.
- In TCA, DUNS number as well as the customer name are the attributes of the Party.
- The seeded D&B integration can only recognize one location of the party tagged as identifying location.

# Third party data enrichment

## Party Centric Model

- Party centric model is very conducive to enrich customer data from D&B because DUNS number is different for different locations and it is stored at the Party level.

## Site Centric Model

- The seeded D&B integration can not enrich data for all but one location of the Party and there are no workaround unless a customization is done.

Scenario Outcome	Verdict
Only Party Centric Model Works	✓
Only Site Centric Model Works	
Both Work – Neutral Impact	
Both Work – But Party Centric Model is better	
Both Work – But Site Centric Model is better	

## Conclusion

- Which model you may choose to use depends completely on what suites/modules of Oracle eBusiness suite you are planning to implement. The more modules you choose to implement the more difficult it will be to use party centric model, at the same time party centric model is needed from the perspective of data quality.
- We suggest you seriously think about having a stand alone Customer Data Hub instance with party centric model and let the Oracle eBusiness suite use the model that most suits the functional/business needs of your firm.
- Until Oracle enhances the eBusiness Suite to capitalize on the party relationships and corporate hierarchies you are stuck between a rock and a hard place.



## CDM SIG – To Become a Member

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- Go to CDMSIG Yahoo group at <http://groups.yahoo.com/group/cdmsig> and click on 'Join this Group':
- Or send an email to [mmanda@rhaptech.com](mailto:mmanda@rhaptech.com) expressing your interest in becoming CDMSIG member.

You will receive membership application in reply. Upon sending the completed form to [mmanda@rhaptech.com](mailto:mmanda@rhaptech.com), your membership will be enabled.

- Members can post their questions, comments, etc., by sending an email to [cdmsig@yahoogroups.com](mailto:cdmsig@yahoogroups.com). You will have to become member in order to post to this forum.



QUESTIONS  
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