3 vendors satisfy the HRM and FMS high function requirements of Enterprises

Approach

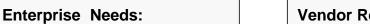| 1. Examine the HRM and FMS needs of Enterprises | → | 2. Use the needs to identify vendor requirements | → | 3. Identify the vendors who can satisfy these requirements |

Enterprise Needs:

Automating a variety of FM and HRM tasks

Managing Enterprise Complexity

Vendor Requirements:

Business Requirements: Experience, Capabilities

Software Requirements: Basic and High Function FMS and HRMS

SAP, Oracle and PeopleSoft
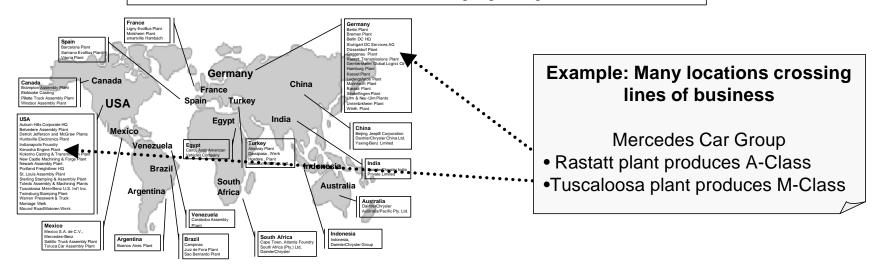
(148 Vendors reviewed)

DaimlerChrysler Worldwide Operations

Many lines of business ➡️

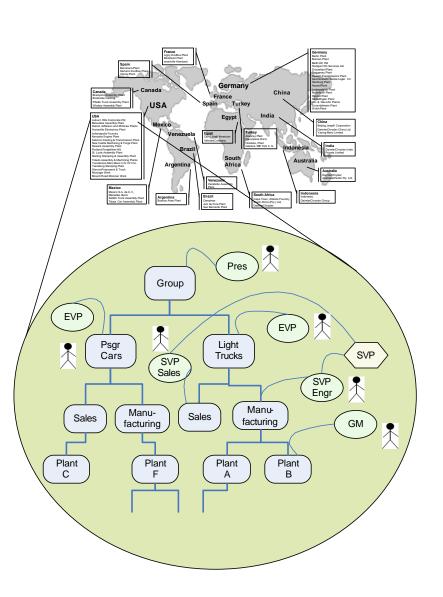| Division	Daimler Chrysler	Mercedes Group	Chrysler Group	Commercial Vehicles	Sales Org Automotive	Services	Other
Employees	362,063	104,151	93,062	95,062	45,609	11,035	13,144
2003 Revenue ($ million)	171,870	64,807	62,130	35,923	-	17,682	554

Organizational Management more complex than just divisions in countries.

- 2003 Sales 3.85 million Passenger Cars, 501,000 Commercial Vehicles
- Manufacturing Facilities in 17 countries
- Brands: Mercedes-Benz, Chrysler, Jeep®, Dodge, 7+ others
- Products Sold in >200 countries , Official Language English

France
Ligny EvoBus Plant
Molsheim Plant
smartville Hambach

Spain
Barcelona Plant
Samano EvoBus Plant
Vitoria Plant

Germany
Berlin Plant
Bremen Plant
Berlin DC HQ
Stuttgart DC Services AG
Düsseldorf Plant
Gaggenau Plant
Rastatt Transmissions Plant
Germersheim Global Logist Ctr
Hamburg Plant
Kassel Plant
Ludwigsfelde Plant
Mannheim Plant
Rastatt Plant
Sindelfingen Plant
Ulm & Neu-Ulm Plants
Untertürkheim Plant
Wörth Plant

Canada
Brampton Assembly Plant
Etobicoke Casting
Pillette Truck Assembly Plant
Windsor Assembly Plant

USA
Auburn Hills Corporate HQ
Belvedere Assembly Plant
Detroit Jefferson and McGraw Plants
Huntsville Electronics Plant
Indianapolis Foundry
Kenosha Engine Plant
Kokomo Casting & Transmission Plant
New Castle Machining & Forge Plant
Newark Assembly Plant
Portland Freightliner HQ
St. Louis Assembly Plant
Sterling Stamping & Assembly Plant
Toledo Assembly & Machining Plants
Tuscaloosa MeroBenz U.S. Int'l Inc.
Twinsburg Stamping Plant
Warren Presswerk & Truck
Montage Werk
Mound Road Motoren Werk

China
Beijing Jeep® Corporation
DaimlerChrysler China Ltd.
Yaxing-Benz Limited

Egypt
Cairo, Arab American
Vehicles Company

Turkey
Aksaray Plant
Davutpasa , Werk
Hosdere , Plant
Istanbul, MB Turk A.S.

India
Bangalore, DaimlerChrysler India
Private Limited

Australia
DaimlerChrysler
Australia/Pacific Pty. Ltd.

Mexico
Mexico S.A. de C.V.,
Mercedes-Benz
Saltillo Truck Assembly Plant
Toluca Car Assembly Plant

Argentina
Buenos Aires Plant

Brazil
Campinas
Juiz de Fora Plant
Sao Bernardo Plant

Venezuela
Carabobo Assembly
Plant

South Africa
Cape Town, Atlantis Foundry
South Africa (Pty.) Ltd,
DaimlerChrysler

Indonesia
Indonesia,
DaimlerChrysler Group

Example: Many locations crossing lines of business

Mercedes Car Group
- Rastatt plant produces A-Class
- Tuscaloosa plant produces M-Class

Source: Daimler Chrysler 2003 Annual Report; www.daimlerchrysler.com

HR Example: Chrysler has 93,000 employees

Process transactions

Add employees

Track personal data

Cut paychecks & direct deposit

Pay taxes

Manage the organization

Analyze human resource capabilities and needs
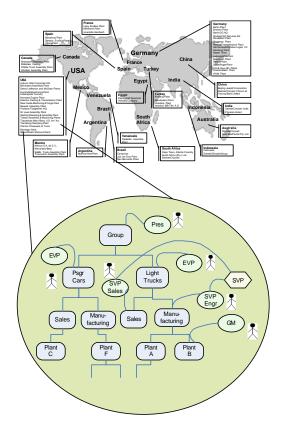
Examine job types, pay scales, open and filled positions

Manage employee skill sets and progress

Relate skills and capabilities to organizational context

Apply benefits and managing incentives

Manage change: transfers, reorganizations, acquisitions, etc…

Enterprise Requirements

Business Requirements (Credibility and Capabilities)

- – Experience
- – Stability (financial)
- – R&D
- – Support
- – Dedicated enterprise sales force

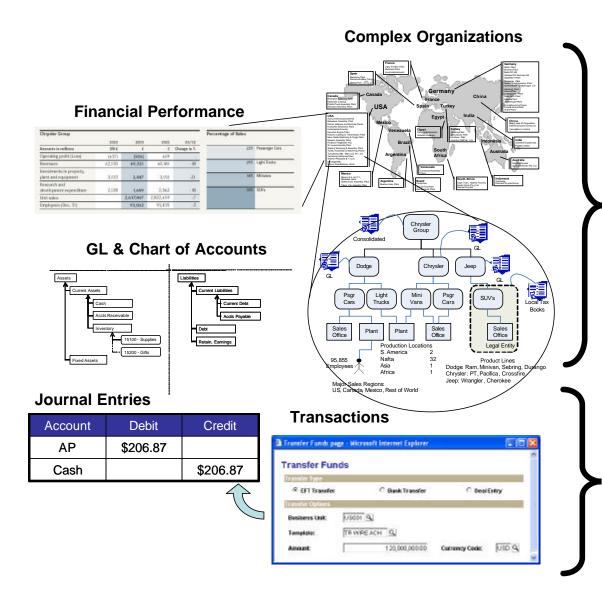**Software Requirements ("High Function"):**

Process transactions:

- – "Deep" FMS and HRMS functionality
- – Integration, Web Enablement

Manage the organization:

- – Capturing and managing organizational subunits
- – Multiple languages, currencies
- – Multiple jurisdictions (automation for legal and regulatory compliance)
- – Achieving configuration flexibility within the organization and across organizations

Managing Complex Organizations

Complex Organizations

Financial Performance

GL & Chart of Accounts

Journal Entries

Account	Debit	Credit
AP	$206.87	
Cash		$206.87

Transactions

Manage the Organization

Consolidate & Report – "roll up"

Drill Down

Re-organize

Configure at each level

Share data - single global instance
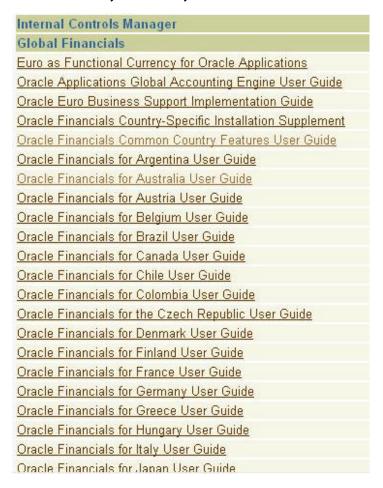
Secure data

In near real time

Process Transactions

Order, Invoices, Payments, Checks
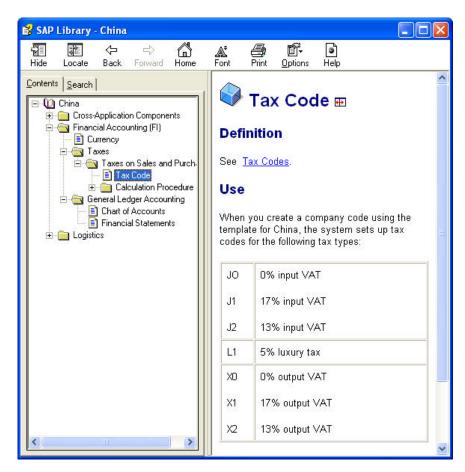
Approvals, rules for processing by division

Automated transactions

Multiple Jurisdictions

Regulations, Labor Law, Accounting Principles, Tax Code vary between cities, counties, states, and countries

Source: Oracle 11i Virtual Applications Documentation Library 11.5.9

Source: SAP Library/SAP R/3 Enterprise Application Components /Financials/Country Versions/Asia-Pacific/China

Multiple Jurisdictions

Examples of multi-jurisdictional issues WITHIN the US

National

Employee Benefits
Health, Life & Disability Insurance
Maternity/Paternity/Educational Leave
Flexible Spending Accounts
Retirement/401k/Pension Plans
COBRA

Payroll tax
Federal Withholding
FICA/Medicare deductions
State Withholding, Unemployment
Multi-state Withholding
State Disability
Local taxes
Garnishment

Regulations
OSHA
State OSHA
EEOC
Workers Compensation
Collective Bargaining
HIPPA
Family Medical Leave Act
Sarbanes-Oxley

State

California taxes
Board of Equalization
- Property Taxes
- Sales & Use Tax
    - State Tax
    - Local Tax
- Special Taxes
    - Environmental Fees
    - Excise Taxes
    - Fuel Taxes

Franchise Tax Board
- State Income Tax
- Employee State Income Tax Withholding

Employment Development Department
- Unemployment Insurance Tax
- Employment Training Tax
- Employee State Disability Insurance
- Independent Contractor Reporting

Local

San Mateo County Controller's Office
- Property Tax

Redwood City Finance Department
- Business Tax
- Utility Users Tax

Sources: http://redwoodcity.org/finance/services/index.html,
http://www.co.sanmateo.ca.us/smc/county/content/0,,1774_2126_19550,00.html,
http://www.edd.ca.gov/taxind.htm, http://www.ftb.ca.gov/, http://www.boe.ca.gov/proptaxes/sappcont.htm

Web Enablement

```
AP401A            General Selection Criteria              AP401

     Select ID . . . . . . . . . .
     Description . . . . . . . . .
            .................................................
     Process :      Navigation Panel Choices      More:       :
            :                                                 :
     Select  :   AP401A  General Selection Criteria           :
     Date Ra :   AP401B  Payment Types Selection              :
     Discoun :   AP402A  Date Exclusion List                  :
     Use Dat :   AP403A  Organizations to Process             :
            :   AP403B  Organization List Expansion           :
     Default :   AP404A  Banks                                :
            :   AP404B  Bank Limits/Dates                     :
     Default :   AP405A  Vendor Exclusion List                :
            :                                                 :
     Vendor  :                                                :
     Use Ven :.................................................:


COMMAND  . .

ENTER F12=CANC F19=BWD F20=FWD
```
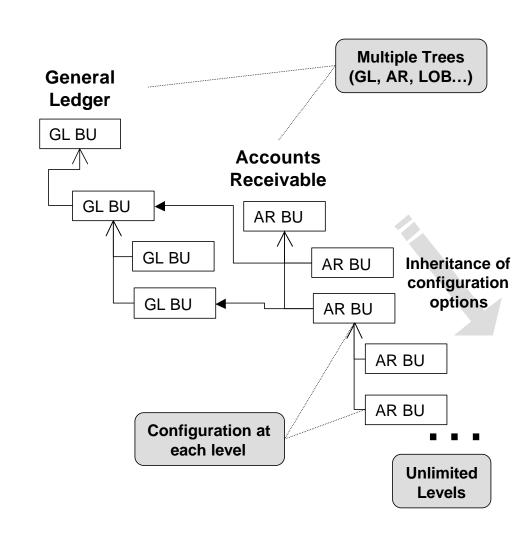
SSA: Masterpiece Accounts Payables User Guide

http://www.peoplesoft.com/media/en/pdf/pia.pdf

PeopleSoft provides unlimited hierarchical levels, multiple "trees", and configuration for managing organizations
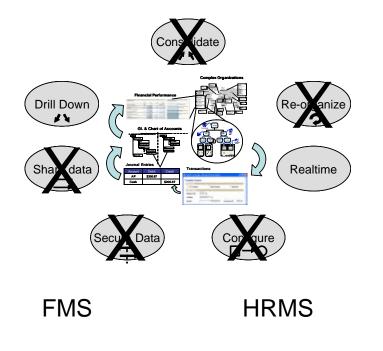
Capabilities of PeopleSoft with Business Units:

•Unlimited number of levels arranged hierarchically

•Configuration flexibility for each business unit (how transactions are entered, approved, and maintained; how and when background processing occurs; how reports are requested; our inter-organizational journal transactions occur; journal error and approval processing; base currencies; how security of data is enforced; bank accounts; payment processing and refund options; etc…)

•Data is secured by business unit

•Data can be shared across business units (such as customers)

•Multiple hierarchies for organizing data along multiple dimensions such as lines of business, legal entities, or business units.

•Management of the organization is much simpler; multiple organizational models can be used simultaneously (e.g. to project impact)

Multiple Trees (GL, AR, LOB…)

General Ledger

GL BU

Accounts Receivable

GL BU

AR BU

GL BU

AR BU

Inheritance of configuration options

GL BU

AR BU

AR BU

AR BU

Configuration at each level

Unlimited Levels

Lawson installed with "single company" setup

FMS   HRMS

Shortcomings

• **Limited configuration: Little flexibility to configure process by company level**

•**Limited organization: Only 5 FMS "levels" insufficient to model complexity of even basic organizations;**

•**HR and FMS integration: separate organizational models**

•**Limited security: All data is "shared" so there is no security**

•**Limited sharing across pillars**

•**Limited re-organization: Very cumbersome to re-organize accounting units, history lost**

•**Limited consolidation**

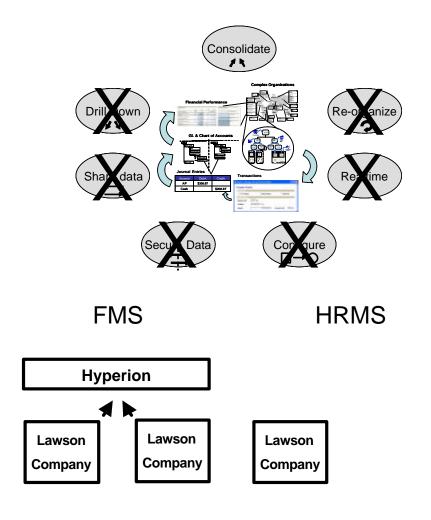# Lawson and Hyperion for consolidation

FMS   HRMS

Shortcomings

• **Limited configuration: Little flexibility to configure process by company level**

•**Limited organization: Only 5 "levels" insufficient to model complexity of even basic organizations**

•**Limited security: All data is "shared" within a company**

•**Limited sharing: All or nothing between companies**

•**Limited re-organization: Very cumbersome to re-organize accounting units, history lost**

•**Better consolidation….**

•**No drill down into real time data**

•**No help in HR**

| PLM | CRM | FMS | HRMS | Supply Chain | . . . |

Infrastructure Depth

SAP's Technology Stack

Packaged Applications
Development Platform
APS
DBMS 2006
Network
OS/File System

Siebel System's Technology Stack

Packaged Applications
Development Platform 2006
APS
DBMS
Network
OS/File System

Oracle's Technology Stack

Packaged Applications
Development Platform
APS
DBMS
Network
File System
OS

IBM's Technology Stack

Packaged Applications
Development Platform
APS
DBMS
Network
OS/File System
Hardware

Microsoft's Technology Stack

Packaged Applications
Development Platform
APS
DBMS
Network
OS/File System

APS   application platform suite
DBMS database management system
OS   operating system

Source: Gartner Research

The Remarkable Stability of the Computing Industry in the Face of Waves of Significant Change