

# Oracle E-Business Suite (EBS) Requisition Approval Process Automation Through Work Flow

Case Study • ennVee TechnoGroup Inc

# Overview

The client is one of the largest school bus operators and student transportation, transit, and coach bus service providers in the world, operating across the United States in 32 states, Canada, and the United Kingdom. Its US operations include an extensive fleet of 15,500 school buses, as well as transit and coach buses. The client uses Oracle E-Business Suite (12.1.3) to support their Financials, Asset Management, and Procurement. Oracle iProcurement is used heavily to manage purchasing and the approval process.

## Client Snap Shot

- Student Transportation Services Provider
- Location: Chicago, IL
- \$900M Annual Revenue
- 10,000+ Employees worldwide

## Business Process

Users from multiple locations across US and Canada raise PO Requisitions in iProcurement to procure parts and materials to fix the fleet of buses. The Requisition goes for Multiple Approval Levels based on the Approval limit and follows the supervisory Hierarchy in Oracle. The Approval limits are maintained for each job title in Oracle Approval Management (AME).

Requisitions are either created as an Expense or Item Master purchase from the approved supplier list. Purchase quotes are created and maintained in Oracle for multiple approved suppliers. Users will select specific categories while creating Requisitions, and each is tied to a specific GL account string in Oracle.

Each location has an approved budget limit depending on the size of the location. The location-level budget is maintained outside of Oracle by the Finance team and monitored weekly based on the purchases and expenses. After the Requisition is approved, the Purchase Orders will be automatically created in Oracle. No approval process is followed for the Purchase Order in Oracle, so it will be automatically approved.

## Requirements

The Requisition needs to be reviewed by the Procurement team after being submitted for approval, if one of the following conditions is satisfied. (The Procurement team is not part of the Supervisory Hierarchy).

1. Requisition amount is greater than 5K, and for a non-Approved supplier.
2. Requisition amount is greater than 25K, and for an Approved Supplier.

If the Requisition is raised for an Accident Category or Fuel Category, it must go for additional Approvals from the regional manager of that location. When the location exceeds budget, or the allocated fund is 100 percent utilized, the requisition should include the Chief Financial Officer (CFO) in the Approval Hierarchy. Self-Approval limits will be removed for all levels of the Requisition approval until it reaches the CFO. When the Requisition is created for the capital budget account in the GL string, the Requisition should go to the Financial Analyst Queue for review and approval.

## Business Challenges

- High volume of requisitions raised daily: more than 500 requisitions are raised per day raised by users across the United States and Canada.
- Budgets were maintained outside of Oracle by a separate system.
- Multiple regions were monitored together by the same regional managers. By adding multiple approval levels, the requisition approval process will stall, which will have a direct impact on fixing the bus that requires immediate service.
- Based on the requirements, the new approvers need to be inserted between the existing Supervisory Hierarchy.
- Approval limits differ between the US and Canada and have unique job titles.
- Performance: each and every requisition needed to be validated.

## Solution

Budgets were brought into Oracle and maintained by the Financial team. ennVee's custom solution validates the budget information for each location and adds the Special Approver. The Special Approvers were maintained in the Profile option, so whenever there is a change in the person who will be reviewing the Requisitions, it will only be made in the profile without any code change. The Approval notifications were also modified in the Work Flow to validate the number of days the Requisition is pending with the current Approver, and to send escalation notification to the immediate supervisor. The custom solution was also optimized to improve the performance in the overall approval process. To further improve performance, ennVee recommended that the DBAs increase and close the open cursor on the JDBC connections.

## Project Topology

- Oracle E-Business Suite (EBS) R12.1.3 (iProcurement, Financials, Asset Management)
- Oracle Approval Management Engine (AME)
- Workflow

## Outcome and Business Benefits

- Overall, the rapid notification process substantially reduces approval time and Total Cost of Ownership (TCO)
  - Effectively monitoring the dollars in the Requisition approval process
  - Avoiding the Requisition approval process when the location exceeds budget, which controls the expense and maintains the budget
- Reduced manual effort in monitoring by providing a 100% automated solution
- Additional Approvers streamlines the process so the requisition is validated at multiple levels before the PO is raised. Having an additional validation helped the client select the right supplier and the lowest price for the item being purchased.
- The process also helped the client recommend and require use of the Item Master purchase with the lowest quote, as opposed to purchasing a product that is available nearby with a higher price tag.

## Contacting ennVee

For global contact information, please visit <http://www.ennvee.com/contact.html>

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