

ORACLE®

SOFTWARE POWERS THE INTERNET™

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**How is
Information Technology
Changing the Business
Environment in Latin
America...**

Oracle Corporation

Two Software Businesses

#1

Internet Platform

- Most scalable database offering the lowest cost of ownership with Internet computing

#2

E-Business Suite

- A comprehensive, integrated e-business suite of ERP/Supply Chain and CRM applications

**What does *e-business*
really mean?**

**The fast
beat
the slow**

e-business Today

**Orders/
Information**



Web Site

Business

e-business Today



True e-business

EMPLOYEES



CUSTOMERS



Marketing

Website

Channel Sales

Direct Sales

Service

Self Service Applications

Business Applications

Business Intelligence Applications

Suppliers

Service Providers

**e-business
Transformation**

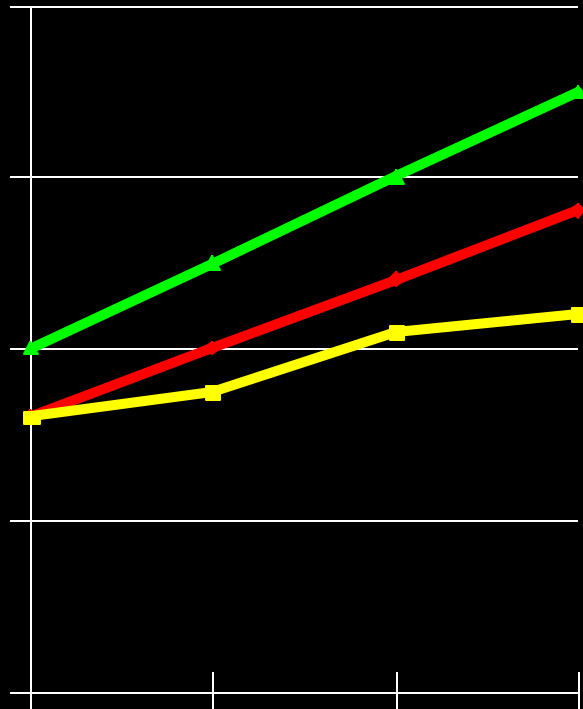
**Technology
Change**

**Structure
Change**

**Process
Change**

**Culture
Change**

Oracle: an e-business Case Study



Goal:
Grow sales vs. expenses

- Revenue Growth
- Traditional business Expense Growth
- E-Business Expense Growth

\$2 Billion Dollars in Savings?

By Becoming an E-Business

Oracle's \$2 Billion Dollar Savings Target

	Previous	New
	Goal \$ Mil	Goal \$ Mil
Consolidate IT	\$200	\$250
Sell Side	\$550	\$1,450
Buy Side	\$150	\$200
Inside	\$100	\$100
Total	\$1,000	\$2,000

Note: Based on Oracle estimates.

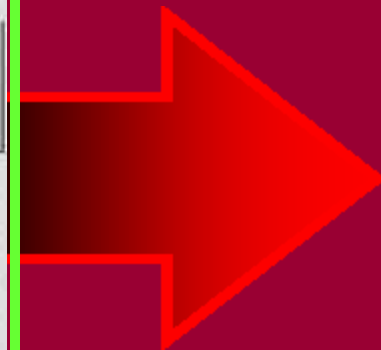
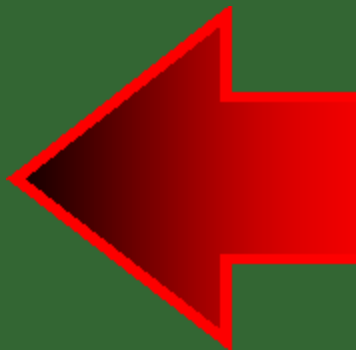
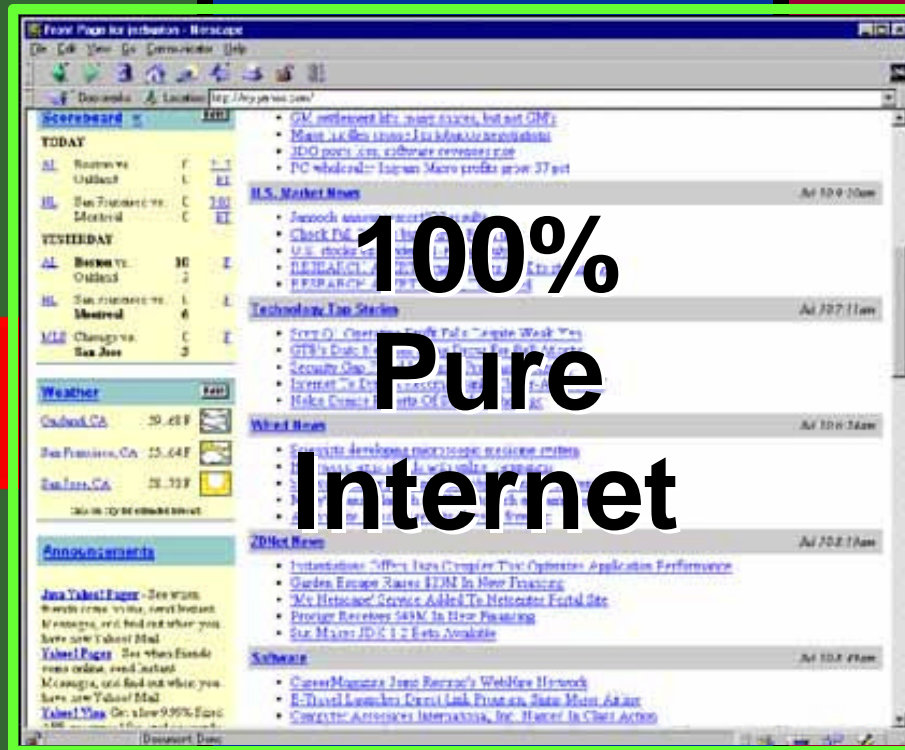
Technology Change

Adopt Internet Technology Everywhere

Customer-side

Internal

Supply-Side



Avoid Point Solutions

Marketing



HR



Requisitions



Web Marketing



Financials



Supply Chain



Channel Sales



Direct Sales



Expenses



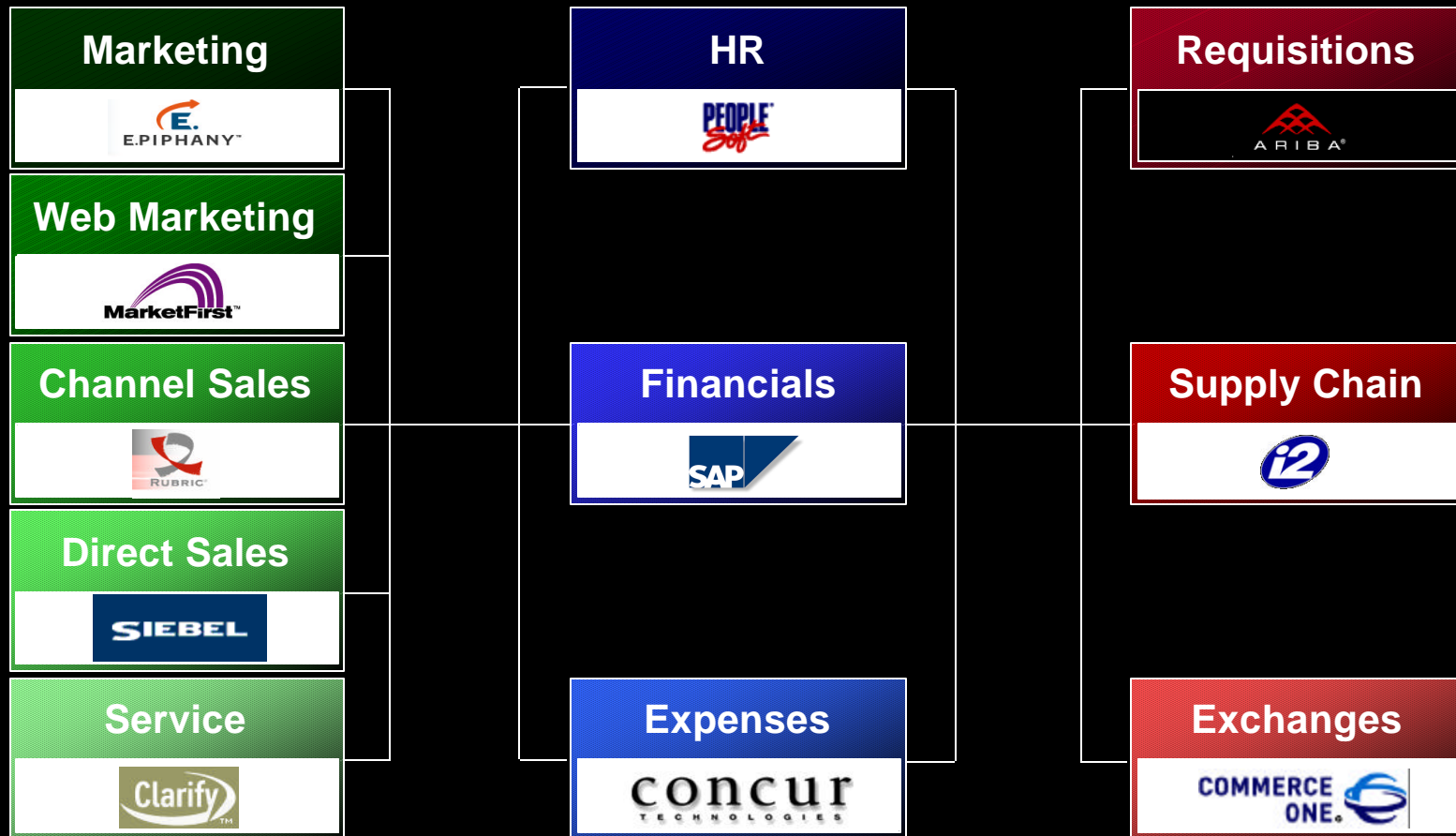
Exchanges



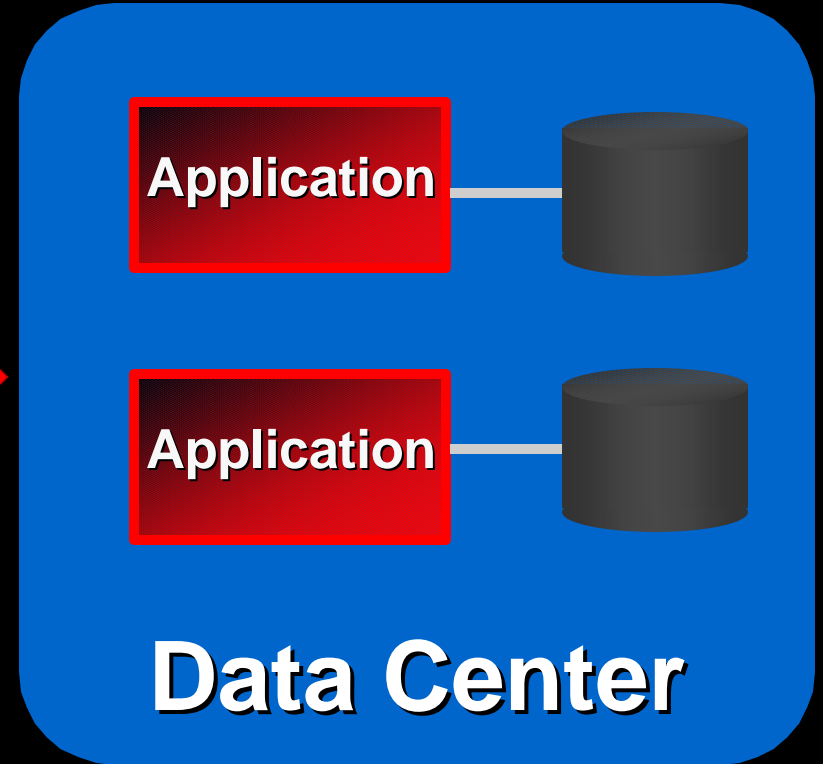
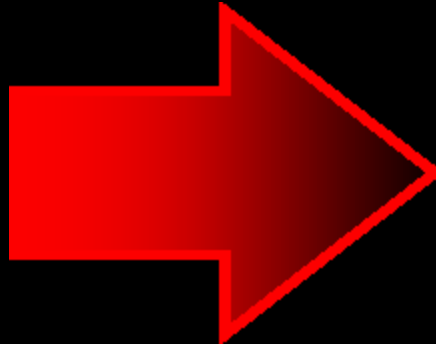
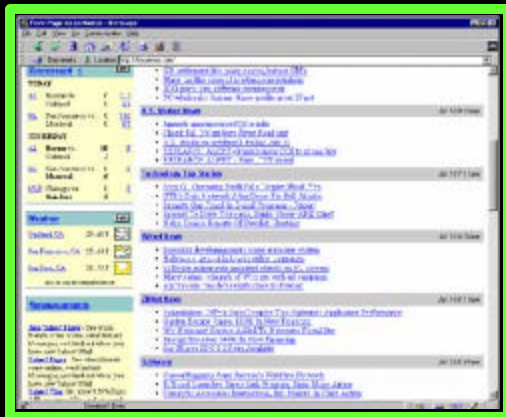
Service



Everything Needs to Connect Together



Move Data and Applications to the Data Center

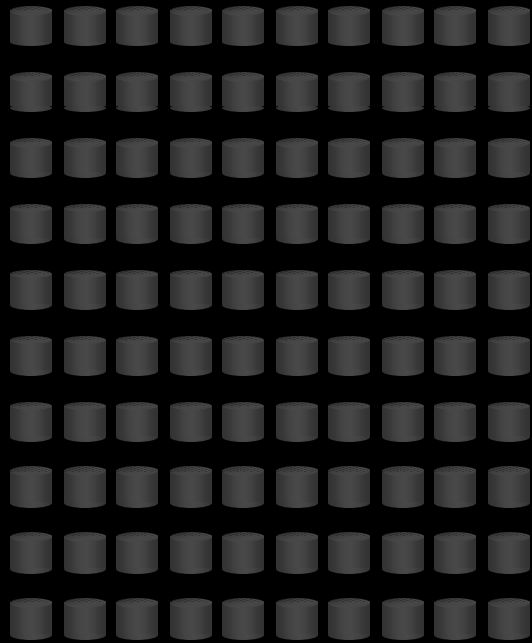


Data Center

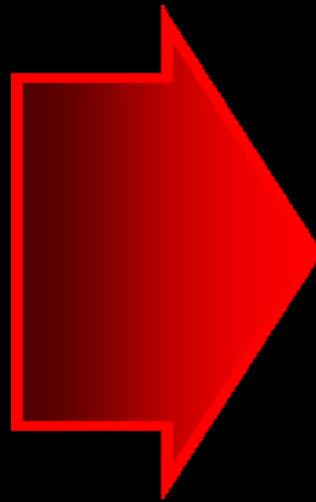
Application and Data

**Result:
Lower Cost
Administration and
Management**

Consolidate Your Data



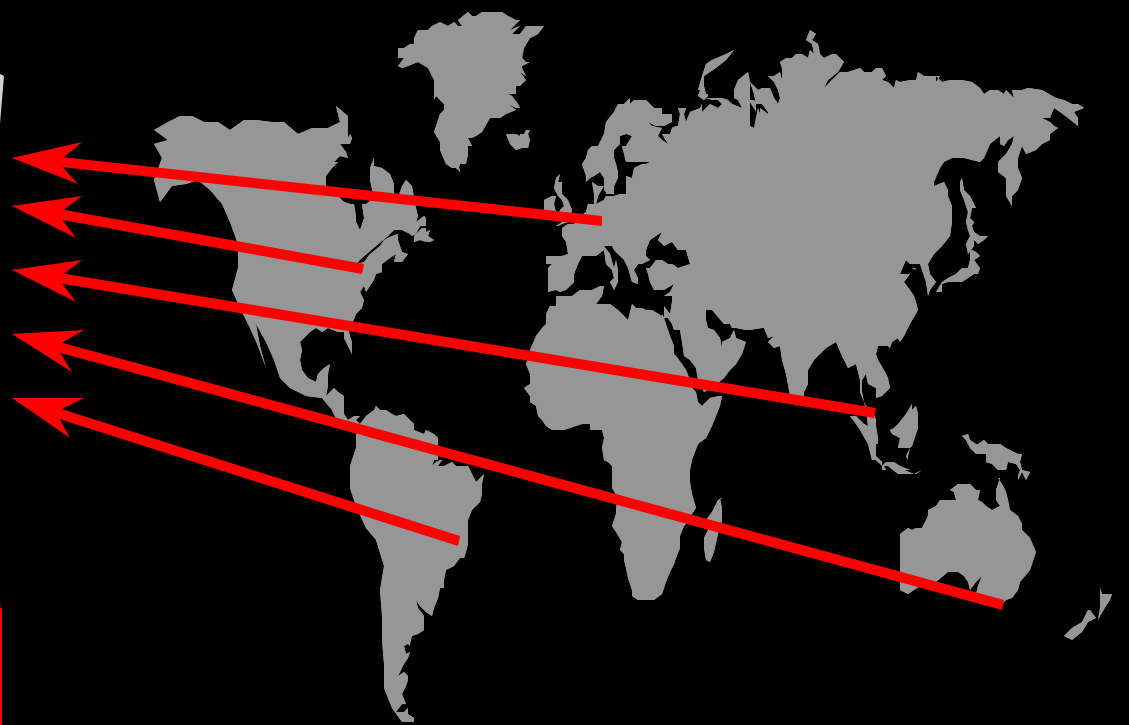
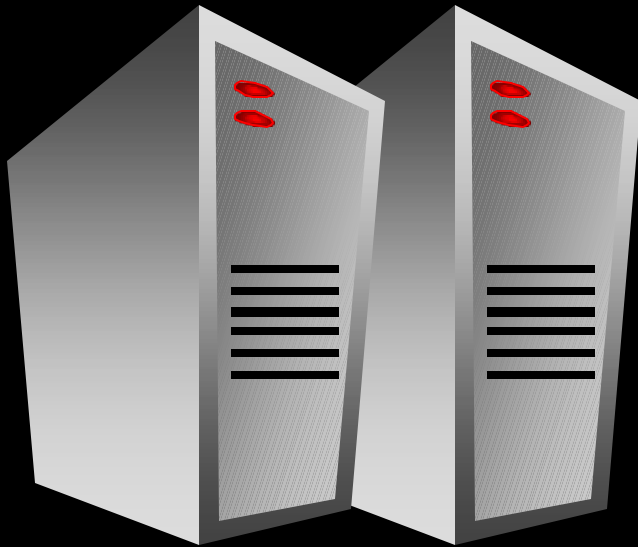
**100 Sales
Databases**



**1 Sales
Database**

- Fewer Computers
- Less Software
- Less People to manage it
- Better Information at lower cost

Consolidate Your Data Centers



Result:
Lower cost and
more efficient

Technology Change Results

**Oracle
Savings
\$200M**

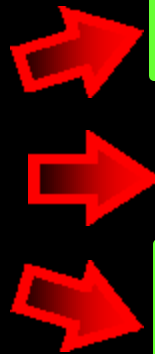
Oracle Global IT Operating Expense

	<u>May '99</u>	<u>May '00</u>	<u>Dec. '00</u>	<u>May '01</u>
Approx. Costs	\$600M	\$500M	\$450M	\$400M
People	1500	1200	1000	800

Process Change

Provide Customers with Self-Service

**Oracle
Savings
\$550M**



Information



Sales



Service

**Result:
Improved Customer
Satisfaction and
Loyalty at Lower Cost**

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Provide Employees with Self-Service

Oracle
Savings
\$150M

- Expenses
- Orders
- Hiring
- Travel bookings
- Benefits
- Holiday approvals

Action

Approve

Manager

Submit

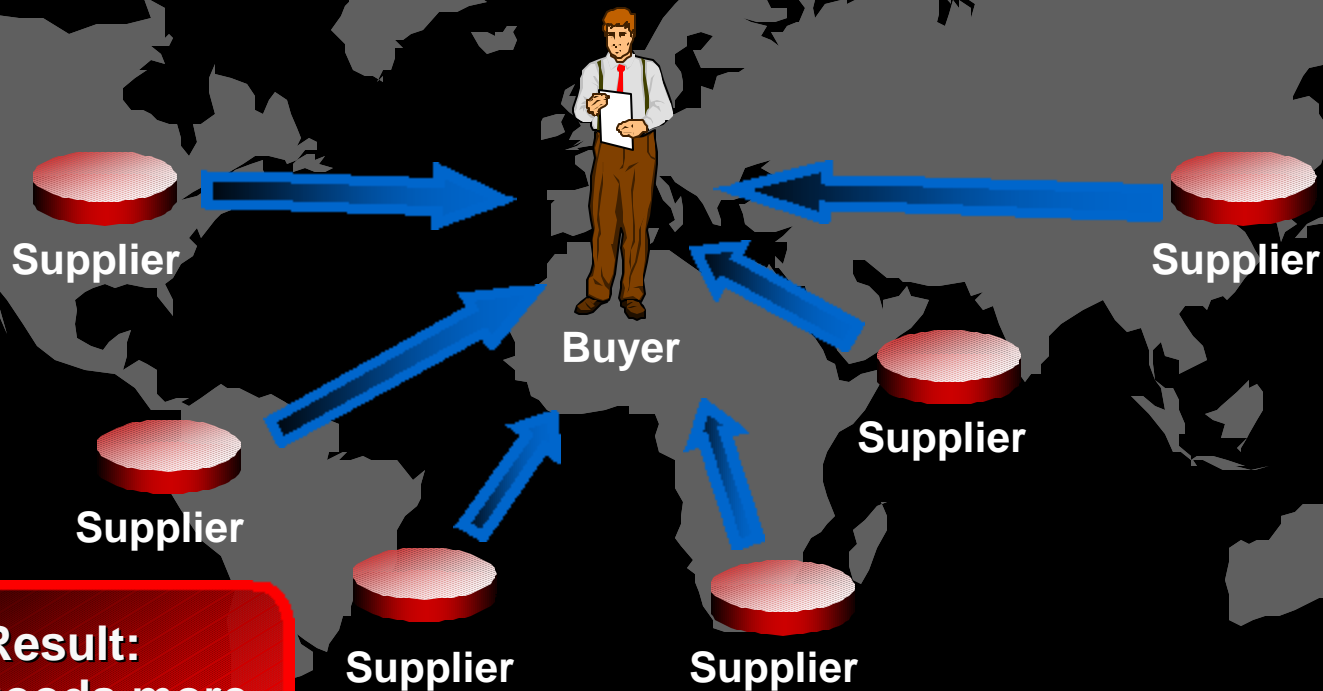
Employee

Result:
Faster, More Accurate
Transactions at
Lower Cost

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Make Suppliers Compete for Business

Oracle Savings
\$50M

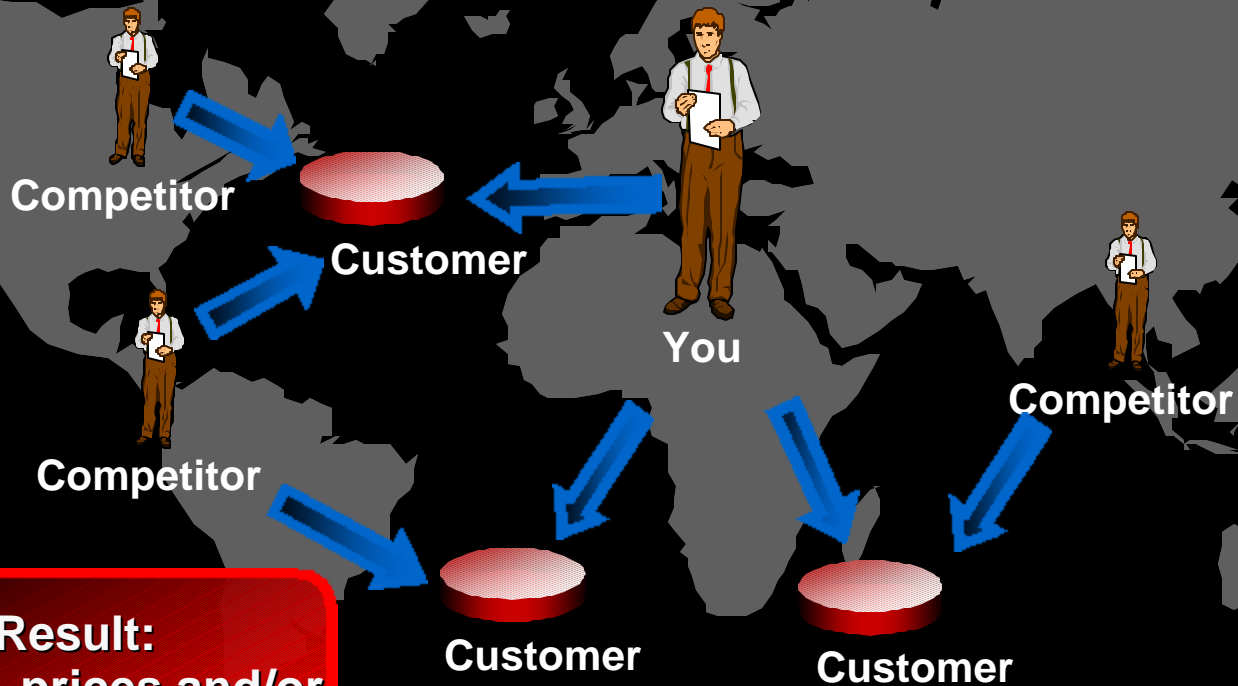


Result:
Buy goods more competitively at lower cost

Reverse-Auction

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Compete for Your Customer's Business

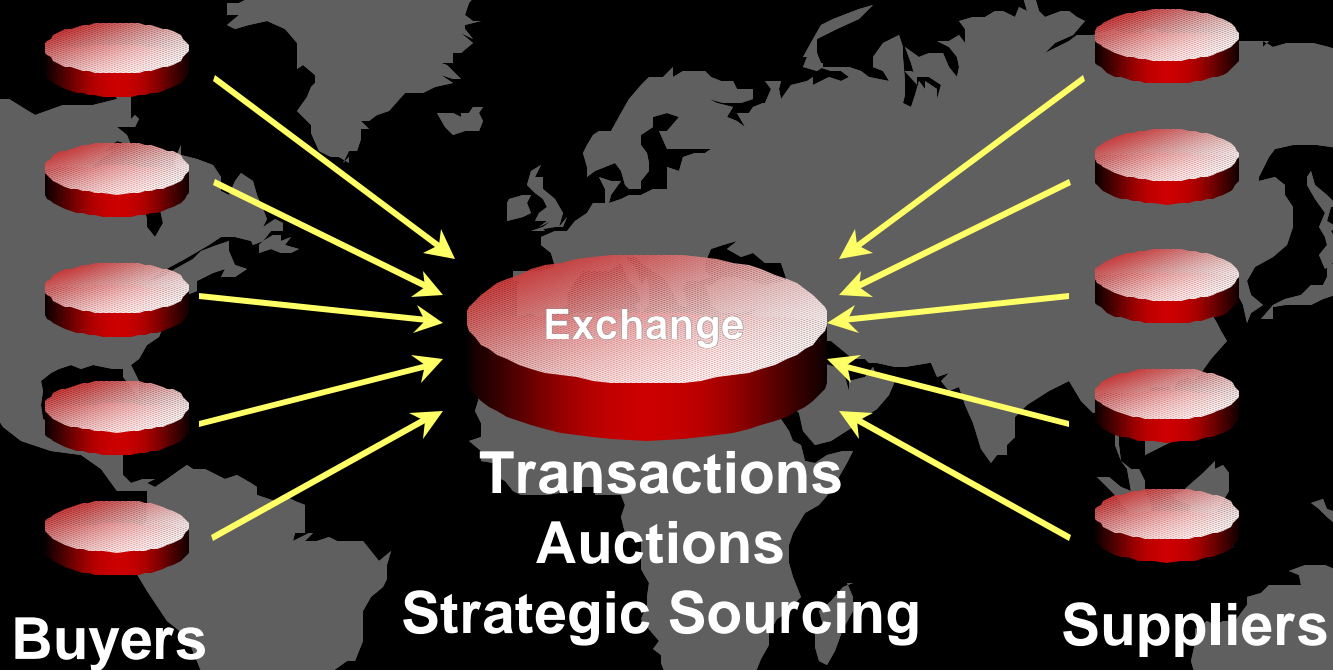


Result:
Quality, prices and/or
speed of delivery
enable you to win

Forward-Auction

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Join or Create Internet Marketplaces for your Industry



Result:
Increased sales and
lower cost purchasing

Structure Change

Restructure for Global Efficiency

- **Restructure country infrastructure**
 - Sales
 - Support
- **Restructure administrative functions**
 - Human Resources
 - Legal
 - Marketing

Result:
More efficient way of
doing business
at Lower Cost

Manufacture Based On Demand

- Deliver the fastest at the lowest cost
 - Plan and schedule to meet demand
 - Optimize suppliers globally
 - Manufacture personalized products
 - Distribute products efficiently

**Result:
Deliver personalised
products faster and at
lower cost**

Culture Change

Think Global



www.<your company>.com

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Think Web First

Oracle
Savings
\$50M



Marketing, Sales, Service, Purchasing, Manufacturing,
Human Resources, Financial Management, etc.

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Think Internet Time



**e-business
Transformation**

**Technology
Change**

**Structure
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**Process
Change**

**Culture
Change**

Oracle e-business Blueprint

Customer-side

20%

Cost Reduction in
Customer Interaction

with

Increased

Sales Effectiveness
and
Customer Satisfaction

Internal

20%

Reduction in
Operating Costs

with

Increased

Efficiency
and
Product/Service
Quality

Supply-Side

20%

Reduction in
Supply Costs

with

Increased

Efficiency and
Lower Inventory

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SOFTWARE POWERS THE INTERNET