Oracle® Euro Business Support

Implementation Guide

Release 11*i*

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Oracle Euro Business Support Impementation Guide, Release 11*i*

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Preface

Welcome to the *Oracle Euro Business Support Implementation Guide*.

This guide includes information you need to work with the Euro Business Support functionality of the Oracle Applications. It contains information about the following:

- Overview of Euro Business Support

- Euro Business Support for Procurement

- Euro Business Support for Sales

This preface explains how this guide is organized and introduces other sources of information that can help you.

Intended Audience

This guide assumes you have a working knowledge of you business area's processes and tools. It also assumes you are familiar with the basic concepts of the European Union's conversion to the common euro currency. It also assumes you have a working knowledge of the Oracle Applications in the functional area that you need to perform the conversion (for example, Oracle Purchasing and Oracle Payables for procurement conversion or Oracle Recievables and Oracle Order Entry for sales conversion). If you do not have a working knowledge of the application we suggest you attend one or more of the application training classes available through Oracle University.

Related Information

Online Documentation

All Oracle Applications documentation is available online on CD-ROM, except for technical reference manuals. There are two online formats, HyperText Markup Language (HTML) and Adobe Acrobat (PDF).

All user's guides are available in HTML, PDF, and paper. Technical reference manuals are available in paper only. Other documentation is available in PDF and paper.

The *content* of the documentation does not differ from format to format. There may be slight differences due to publication standards, but such differences do not affect content. For example, page numbers and screen shots are not included in HTML.

The HTML documentation is available from all Oracle Applications windows. Each window is programmed to start your web browser and open a specific, context-sensitive section. Once any section of the HTML documentation is open, you can navigate freely throughout all Oracle Applications documentation. The HTML documentation also ships with Oracle Information Navigator (if your national language supports this tool), which enables you to search for words and phrases throughout the documentation set.

Related User's Guides

Oracle Euro Business Support shares business and setup information with other Oracle Applications products. Therefore, you may want to refer to other user's guides when you use Oracle Euro Business Support.

If you do not have the hardcopy versions of these manuals, you can read them online using the Applications Library icon or Help menu command.

Country-Specific User's Guides

These manuals document functionality developed to meet specific legal and business requirements in more than 25 countries. You should use the appropriate user's guide, such as the Oracle Financials for Germany User's Guide, for more information about using Oracle Financials in a specific country. Consult your country-specific user's guide, Oracle Financials Regional User's Guide, and your financial product's manual to effectively use Oracle Financials in your country.

Global Accounting Engine

Use the Global Accounting Engine to replace the transfer to General Ledger and create subledger accounting entries that meet additional statutory standards within some countries.

The Accounting Engine provides subledger balances, legal reports, and bi-directional drill-down from General Ledger to the subledger transaction.

Oracle Applications User's Guide

This guide explains how to enter data, query, run reports, and navigate using the graphical user interface (GUI) available with this release of Oracle Internet Procurement (and any other Oracle Applications products). This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent processes.

You can access this user's guide online by choosing "Getting Started with Oracle Applications" from any Oracle Applications help file.

Oracle Applications Demonstration User's Guide

This guide documents the functional storyline and product flows for Vision Enterprises, a fictional manufacturer of personal computers products and services. As well as including product overviews, the book contains detailed discussions and examples across each of the major product flows. Tables, illustrations, and charts summarize key flows and data elements.

Oracle Financials Regional User's Guide

This manual describes functionality developed to meet specific legal and business requirements that are common to several countries in a given region. Consult this user's guide along with your country-specific user's guide and your financial product's manual to effectively use Oracle Financials in your country.

Oracle Inventory User's Guide

This guide describes how to define items and item information, perform receiving and inventory transactions, maintain cost control, plan items, perform cycle counting and physical inventories, and set up Oracle Inventory.

Oracle Order Entry/Shipping User's Guide

This guide describes how to enter sales orders and returns, copy existing sales orders, schedule orders, release orders, plan departures and deliveries, confirm shipments, create price lists and discounts for orders, and create reports.

Oracle Purchasing User's Guide

This guide describes how to create and approve purchasing documents, including requisitions, different types of purchase orders, quotations, RFQs, and receipts. This guide also describes how to manage your supply base through agreements, sourcing rules and

approved supplier lists. In addition, this guide explains how you can automatically create purchasing documents based on business rules through integration with Oracle Workflow technology, which automates many of the key procurement processes.

Oracle General Ledger User's Guide

This guide explains how to plan and define your chart of accounts, accounting period types and accounting calendar, functional currency, and set of books. It also describes how to define journal entry sources and categories so you can create journal entries for your general ledger. If you use multiple currencies, use this manual when you define additional rate types, and enter daily rates. This manual also includes complete information on implementing Budgetary Control.

Oracle Payables User's Guide

This guide describes how accounts payable transactions are created and entered in Oracle Payables. This guide also contains detailed setup information for Oracle Payables.

Oracle HRMS User's Guide

This manual explains how to enter your employees. It also explains how to set up organizations and site locations. Even if you do not install Oracle HRMS, you can set up your employees, site locations, and organization using Oracle HRMS forms.

Oracle Receivables User's Guide

Use this manual to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, banks, invoices, and payments windows.

Oracle Workflow Guide

This manual explains how to define new workflow business processes as well as customize existing Oracle Applications-embedded workflow processes. You also use this guide to complete the setup steps necessary for any Oracle Applications product that includes workflow-enabled processes.

Reference Manuals

Oracle Technical Reference Manuals

Each technical reference manual contains database diagrams and a detailed description of database tables, forms, reports, and programs for a specific Oracle Applications product. This information helps you convert data from your existing applications, integrate Oracle

Applications data with non-Oracle applications, and write custom reports for Oracle Applications products.

You can order a technical reference manual for any Oracle Applications product you have Oracle Applications Message Reference Manual

Oracle Applications Message Reference Manual

This manual describes all Oracle Applications messages. This manual is available in HTML format on the documentation CD-ROM for Release 11.

Installation and System Administration

Multiple Reporting Currencies in Oracle Applications

If you use the Multiple Reporting Currencies feature to record transactions in more than one currency, use this manual before implementing Oracle Applications. This manual details additional steps and setup considerations for implementing Oracle Applications with this feature.

Multiple Organizations in Oracle Applications

If you use the Oracle Applications Multiple Organization Support feature to use multiple sets of books for one Oracle Applications installation, this guide describes all you need to know about setting up and using Oracle Applications with this feature.

Oracle Applications Implementation Wizard User's Guide

If you are implementing more than one Oracle product, you can use the Oracle Applications Implementation Wizard to coordinate your setup activities. This guide describes how to use the wizard.

Oracle Applications Developer's Guide

This guide contains the coding standards followed by the Oracle Applications development staff. It describes the Oracle Application Object Library constituents needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards*. It also provides information to help you build your custom Developer/2000 forms so that they integrate with Oracle Applications.

Oracle Applications Flexfields Guide

This guide provides flexfields planning, setup and reference information for the Oracle Applications implementation team, as well as for users responsible for the ongoing

maintenance of Oracle Applications product data. This manual also provides information on creating custom reports on flexfields data.

Oracle Applications Product Update Notes

If you are upgrading your Oracle Applications, refer to the product update notes appropriate to your update and product(s) to see summaries of new features as well as changes to database objects, profile options and seed data added for each new release.

Oracle Applications Upgrade Preparation Manual

This guide explains how to prepare your Oracle Applications products for an upgrade. It also contains information on completing the upgrade procedure for each product. Refer to this manual and the *Oracle Applications Installation Manual* when you plan to upgrade your products.

Other Sources

Training

We offer a complete set of formal training courses to help you and your staff master Oracle Applications and reach full productivity quickly. We organize these courses into functional learning paths, so you take only those courses appropriate to your job or area of responsibility.

You have a choice of educational environments. You can attend courses offered by Oracle Education Services at any one of our many Education Centers, or you can arrange for our trainers to teach at your facility. In addition, Oracle training professionals can tailor standard courses or develop custom courses to meet your needs. For example, you may want to use your organization structure, terminology, and data as examples in a customized training session delivered at your own facility.

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Applications working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle8 server, and your hardware and software environment.

About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support, and office automation, as well as Oracle Applications, an integrated suite of more than 45 software modules for financial management, supply chain management, manufacturing, project systems, human resources and sales and service management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers and personal digital assistants, allowing organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and applications products, along with related consulting, education, and support services, in over 140 countries around the world.

1

Overview of Euro Business Support

This chapter presents an overview of the Oracle Euro Business Support Release 11*i* processes and includes an introduction to the following topics:

- Overview on page 1-2

- Euro Support for Business Processes on page 1-3

Overview

This guide provides the information you need to update data in Oracle Applications on behalf of your suppliers and customers as they transition to the euro currency. If you have trading partners in any of the European Monetary Union countries, you must perform a variety of tasks in order to continue doing business with them in an uninterrupted fashion.

These tasks include updating master records, such as bank accounts, customer and supplier files, and price lists. You may also need to redenominate existing open orders to the euro unit.

Unitl December 31, 2001, parallel local currencies - national and euro - will coexist in each country comprising the European Monetary Union (EMU). These countries include: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. At the end of this period, the euro (EUR) will become the sole currency of the EMU and the national currency units of the euro will cease to exist.

Converting your books to Euro

If you are interested in information about converting the currency of your internal set of books to the euro, please see the manual *Euro as Functional Currency.*

Euro Support for Business Processes

Why should you be concerned about converting orders?

- Your suppliers may ask you to redenominate existing orders into euro to accommodate their internal switch to the euro.

- Your suppliers may ask you to update their supplier records, including their default currency to euro.

- Your customers may ask you to redenominate existing orders into euro to accommodate their internal switch to the euro.

- Your customers may ask you to update their customer records, including their default price list to euro.

Using flexible concurrent programs, Oracle Applications enables you to respond to the needs of each of your trading partners during their euro transition process. By tailoring your approach to the unique circumstances of each trading partner, you can manage the euro transition in a manner that is least disruptive to your on-going commercial relationships in the euro zone.

Supporting the Procure to Pay Cycle

You need to update information in your Oracle Purchasing and Oracle Accounts Payable application systems when your suppliers convert to the euro currency. Concurrent programs are provided to convert:

- Suppliers and supplier sites
- Open purchase orders

Supporting the Quote to Collect Cycle

You need to update information in your Oracle Order Management and Oracle Accounts Receivable application systems when your customers convert to the euro currency. Concurrent programs are provided to convert:

- Customers and customer addresses
- Price lists, discounts
- Open sales orders
- Customer credit checking rules

2

Euro Support for Procurement

This chapter discusses the steps that must be performed in the Oracle Purchasing and Oracle Accounts Payable systems to support your suppliers who have converted to euro. Topics covered include:

- Converting Master Data with the Euro Supplier Conversion Program on page 2-2
- Converting Purchase Orders with the Euro Supplier Conversion Concurrent Program on page 2-6
- Viewing the Conversion Output File on page 2-10
- Other Tools to Support the Procurement Process on page 2-12

Converting Master Data with the Euro Supplier Conversion Program

When a supplier converts to the euro currency, you need to update pertinent data in your system. You may automate this process by using the Euro Supplier Conversion concurrent program. With this program, you can:

- Convert supplier and supplier site default currency

- Convert the supplier and supplier site primary bank account currency

- Convert open purchase orders of any type

- Perform conversion for supplier and supplier site(s) in one operation

- Perform conversion for supplier and supplier site(s) incrementally through successive runs

Euro Supplier Conversion Process Parameters

Description of Euro Supplier Conversion Parameters

Parameter	Valid values	Description / Purpose
Supplier	Supplier Name	Supplier that needs to be converted to Euro. The Euro conversion process can convert the Master, Site, and purchase orders attached with this Supplier. This information is Mandatory for the conversion process.
Supplier Site	Supplier Site belonging to the entered supplier	If provided, the conversion program will only convert this site. If left Null or Blank, the conversion program will convert all sites.
Supplier Site Initial Currency	National Currency Units	If provided, the conversion program will only convert the sites that use the entered currency. If left Null or Blank, the conversion program will convert all sites.
Convert Standard Purchase Orders	Yes or No	If Yes is entered, the conversion program will convert standard purchase orders (purchase orders of type Standard). If No is entered, the conversion program will ignore standard purchase orders (purchase orders of type Standard).
Convert Blanket Purchase Agreements	Yes or No	If Yes is entered, the conversion program will convert blanket purchase agreements (purchase orders of type Blanket). If No is entered, the conversion program will ignore blanket purchase agreements (purchase orders of type Blanket).
Convert Planned Purchase Orders	Yes or No	If Yes is entered, the conversion program will convert planned purchase orders (purchase orders of type Planned). If No is entered, the conversion program will ignore planned purchase orders (purchase orders of type Planned).
Convert Contract Purchase Agreements	Yes or No	If Yes is entered, the conversion program will convert Contract purchase agreements (purchase orders of type Contract). If No is entered, the conversion program will ignore contract purchase agreements (purchase orders of type Contract).

Parameter	Valid values	Description / Purpose
Purchase Order Initial Currency	National Currency Units	If entered, the conversion program will only convert the purchase orders that use the entered currency. If left Null or Blank, the conversion program will convert the Purchase Orders that belong to any National Currency Units that are part of the Euro Zone. NOTE: This parameter value will become irrelevant if no purchase order types are selected for conversion.
Convert Partially Transacted Purchase Orders	Yes or No	If Yes is entered, the conversion program will convert the partially transacted purchase orders. If No is entered, the conversion program will ignore the partially transacted purchase orders. NOTE: This parameter value will become irrelevant if no purchase order types are selected for conversion.
Update Database	Yes or No	If Yes is entered, the changes made for conversions will be saved to the database and committed. If No is entered, the changes made for conversions will not be saved to the database and will be rolled back. Use the No setting to simulate the conversion process.

Converting Default Currency

Using the Euro Supplier Conversion concurrent program, you can change the default currency of any supplier at any time. You can convert individual supplier site, choose multiple sites based upon a National Currency Unit default, or convert all sites during one run of the concurrent program. The concurrent program will only convert those master records to euro that contained a National Currency Unit before the run, and that have not been converted in a previous run of the concurrent program.

Viewing Supplier Balances

To see supplier balances in both National Currency Units and euro, you must install Multiple Reporting Currencies for Oracle Payables. To examine purchase order data in multiple currencies, you must install Multiple Reporting Currencies for Oracle Purchasing. This must be done before the conversion process.

Setting up an MRC Reporting Book in the euro is a required step for companies who will convert their functional currency to the euro. See the *Euro As Functional Currency* manual for more information.

Modifying Supplier Bank Accounts

Whenever you convert a supplier or supplier site default currency to the euro, the Euro Supplier Conversion program will automatically convert the supplier or supplier site currency to the euro. There are two important restrictions: if the supplier or supplier site has a euro bank account already established or if the national currency bank account is shared among multiple suppliers, the national currency bank account will not be converted.

We recommend that you discuss euro payments with your supplier before running the conversion program. If the supplier's national currency bank account will be converted to the euro, then you do not need to perform any additional steps before running the conversion program. If the supplier will use a separate euro bank account for settlements, then you should enter this information before running the conversion program.

Modifying Payment Methods

You must manually update payment methods if required.

Converting Purchase Orders with the Euro Supplier Conversion Concurrent Program

If your supplier requires that you re-denominate National Currency Units purchase orders to process your purchases expediently, you may use the Euro Supplier Conversion concurrent program to perform this task automatically. The concurrent program processes these open orders according to the parameters that you define, using established conversion rules. Refer to the table of the conversion parameters detailed earlier under supplier conversion.

The Euro Supplier Conversion program will convert open orders using one of two methods:

- Conversion in place

- Close short

Conversion In Place Method

The best way to convert an order is to redenominate the document currency in euro, changing all the purchase order line amounts into their euro equivalent. This method is called conversion in place because all of the necessary changes occur on the source document without the creation of a new purchase order.

This method is used unless a purchase order is partially transacted. A partially transacted purchase order has completed an accounting event. It has either been matched to an invoice or it has been received in part or in full.

A partially transacted purchase order must be converted by closing short the document, as described below.

Close Short Method

The close short method is used whenever a document cannot be converted in place. This is because the purchase order being examined has been partially transacted. You may choose to convert or ignore partially transacted orders when running the Euro Supplier Conversion concurrent program.

The close short method involves a two step process:

- Each purchase order line is evaluated to determine the greater of received quantity and invoice matched quantity. This quantity must remain on the original National Currency Units document, and the ordered amount is reduced to this quantity.

- For each purchase order line, the quantity reduced from step 1 is placed onto a new order and the unit price is converted to euro. That new purchase order is reflected in the conversion output.

- If the shipment quantity received or invoiced falls within tolerance limits (i.e. is closed for receiving or invoicing then the quantity will remain on the original order.

Restrictions:

- For each line that is evaluated, if the quantity received is greater than the quantity delivered, then the line is ignored. You should first complete delivery on receipts if you desire to convert the untransacted quantities on these lines.

- If a partially transacted line contains multiple distributions on a given shipment and invoices have been applied against the shipment, the entire shipment is ignored.

- Any purchase order line created in conjunction with a WIP outside processing operation is given a line type of Outside Processing. Such lines are ignored during conversion since they must remain in the original order.

- Any purchase order line that is created to support OM drop shipments (via Purchase Release) is ignored during the euro supplier conversion process.

- Amount based lines are handled in a special way by the conversion process. The unit price of an amount based line is changed by applying the fixed rate between the National Currency Units and the euro. For example, suppose that a purchase order is raised in DEM with an amount based line dollars, quantity = 1000. The unit price will be changed to 0.5112, totaling the line to 51.12 EUR.

Note: Open purchase order conversion is not available for operating units using encumbrance accounting, as selected in the Financials Options window.

Converting Standard Purchase Orders

If you select the parameter Convert Standard Purchase Orders, the concurrent program will convert all open standard purchase orders denominated in a National Currency Unit, according to established conversion rules. You may further restrict the conversion to orders of a given currency by enter a National Currency Unit in the parameter Order Currency.

When you convert a standard purchase order, any line referencing a contract must remain in the National Currency Units currency of the original order. The concurrent program will ignore all such lines.

Converting Blanket Purchase Agreements

If you select the parameter Convert Blanket Purchase Agreements the concurrent program will convert all open blanket purchase agreements denominated in a National Currency Unit, according to established conversion rules. You may further restrict the conversion to orders of a given currency by enter a National Currency Unit in the parameter Order Currency.

Generally, a blanket purchase agreement is subject to the conversion in place method if it contain no releases or contains only releases with no invoicing or receiving activities present. Otherwise, the close short method must be used.

For example, a blanket order is created for a total of 600,000 FRF. The amount released on the order totals 300,000 FRF, but no invoicing or receiving has taken place. In this case, the blanket purchase agreement will be converted to EUR, including all releases such that the blanket order totals 91,469 EUR (600,000 ∕ 6.55957) and releases totaling 45,735 EUR (300,000 ∕ 6.55957).

In the above example, let us assume that 200,000 FRF has been invoiced or received. In this situation, the blanket purchase agreement must be converted using the close short method. The blanket order will be closed at 200,000 FRF (the maximum of invoiced or received), and the remaining amount 400,000 (600,000 - 200,000) will be converted onto a separate blanket order, denominated in EUR. The agreement will total 60,980 EUR (400,000 ∕ 6.55957). This new order will contain releases totaling (300,000 - 200,000 = 100,000), or 15,245 EUR.

The concurrent program will convert price breaks, amount limits and minimum release amounts when converting blanket purchase agreements. You should manually review price breaks after conversion, since these amounts will be formed strictly by conversion. The conversion routine will set the amount limit to the amount agreed.

If you convert a blanket purchase agreement that is an automatic source for requisitions, the concurrent program will automatically update the reference in ASL attributes.

Restrictions:

■ Any blanket agreement that does not contain an amount agreed will not be converted.

Converting Planned Purchase Orders

If you select the parameter Convert Planned Purchase Orders, the concurrent program will convert all open planned purchase orders denominated in a National Currency Unit, according to established conversion rules. You may further restrict

the conversion to orders of a given currency by entering a National Currency Unit in the parameter Order Currency.

Generally, a planned purchase order is subject to the conversion in place method if scheduled shipments have not been released or invoiced. Otherwise, the close short method is used.

Converting Contract Purchase Orders

If you select the parameter Convert Contract Purchase Orders, the concurrent program will convert all open contract purchase orders denominated in a National Currency Unit, according to established conversion rules. You may further restrict the conversion to orders of a given currency by enter a National Currency Unit in the parameter Order Currency.

A contract purchase agreement is converted using the conversion in place method when the order contains no releases. If releases are present, the close short method is used.

Restrictions:

- A contract agreement containing releases in a different currency than the original contract will not be converted, since no currency control exists on the contract

Simulating the Conversion Program Run

You may run a simulation of the euro Supplier Conversion program by setting the parameter Update Database = No. When you simulate the conversion, you can examine the results of the conversion before any changes are made to system data.

Viewing the Conversion Output File

Whenever you run the Euro Supplier Conversion program, you can review the changes to supplier records by opening the concurrent request output file. The output file enables you to trace changes to master records, such as default currency, bank account, and orders.

We recommend that you examine the output file each time you run the concurrent program, since this file indicates actions taken on each order and includes a reference to new orders created during the run. This file provides an audit trail for changes made to your order documents.

Supplier Conversion Sample Output:

Descriptions of Report Output Messages

Message Text	Description
Convert	Supplier (or Supplier Site) invoice currency and payment currency were converted to Euro
Copy	National Currency Unit purchase order was closed short, and new Europurchase order was created for remaining quantity or amount.

Ignore	Conversion was ignored
Already EURO	Supplier, supplier site, or purchase order was created in EURO originally.
Converted Previously	Supplier, supplier site, or purchase order was created in National Currency Units originally, then converted by Euro Supplier Conversion Concurrent Program, and then currency was changed back to National Currency Units manually.
Closed Short	National Currency Units purchase order was closed short, and new Euro purchase order was created for remaining quantity or amount
Contains Contract Reference	Standard Purchase Order has a line, that references to the Contract Purchase Agreement.
Drop Shipment Order	Purchase order created as a part of SO Drop Shipment process.
User exchange rate	Purchase order has exchange rate set to User when the set of books currency is not in EMU zone.
Project attached	Purchase order is attached to the project.
Currency not in Euro Zone	Supplier, supplier site, or purchase order currency is not Euro.
Convert in Place	Purchase order currency was converted to Euro, all prices and amounts, rates were converted, rate type was converted to EMU FIXED.
Nothing to convert	Purchase order was fully transacted or its lines can't be converted because of the above mentioned restrictions (see Restrictions), so the purchase order in result has nothing eligible to be converted.
Documents differ in currency	Contract PO has Standard PO attached with different currency.
Encumbrance is ON	The conversion program will not convert PO information because the Operating Unit is using encumbrance accounting.

Other Tools to Support the Procurement Process

Converting Purchase Order Amounts

You can now convert purchase line amounts in one currency to another currency through automatic recalculation. This conversion is available when you change the order currency with a line amount present. Upon changing the header currency, you will see the following message:
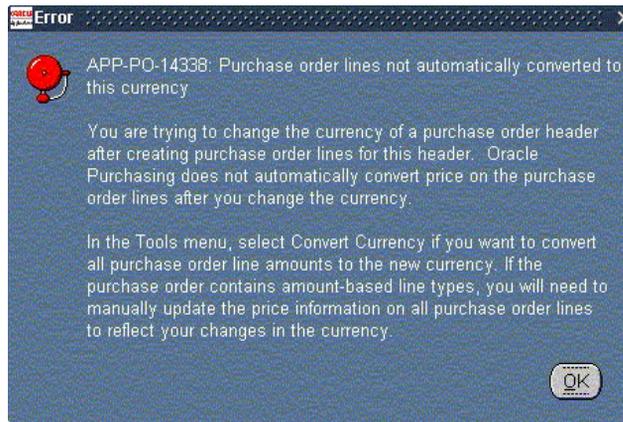
At this prompt, you can automatically recalculate the lines in the new currency. You do this by choosing Convert Currency from the Tools menu.

Note: this function is not available for orders containing amount based lines.

Converting Requisition Amounts using Autocreate

You can create purchase orders and RFQs in one currency based upon requisition lines in other currencies using autocreate.

Example: Berlin Company GmbH uses the DEM as functional currency. Most of Berlin Company GmbH's suppliers are domestic DEM companies. Assume that Berlin Company GmbH performs its own internal conversion to the euro (using Oracle's EFC approach) late in the transition period, after many of its domestic trading partners perform their conversion to the euro.

In this case, unsourced requisition lines are denominated in DEM and must be converted to EUR when the supplier source is determined. Using the autocreate

window, you can name the supplier and supplier site and automatically convert between the requisition currency and the supplier's new default currency.

3

Euro Support for Order Management

This chapter discusses what steps must be done in the Oracle Order Management, Advanced Pricing and Accounts Receivable systems for you to be able to support your customers who have adopted the euro as their functional currency. The topics included are:

Introduction

"Any amount denominated either in the euro unit or in the national currency unit of a given participating Member State and payable within that Member State by crediting an account of the creditor, can be paid by the debtor either in the euro unit or in that national currency unit". (Article 8(3) of the 109L(4) Regulation).

According to the European Monetary Union's framework for introduction of the euro currency (EUR), customers have the legal right to settle their open orders in either a national currency unit of the euro or the euro currency before January 1, 2002. This phase-in approach enables companies to gradually move to the euro, thereby avoiding business disruption when the euro replaces the national currency units as the sole legal currency in the Euro Zone.

You should carefully consider the effects of the transition to the euro currency *if you do business in a country adopting the euro*. You do not have to legally reside in one of these countries for the euro transition to affect your business. This chapter indicates important activities you need to perform if you sell in a country adopting the euro.

The following list summarizes certain procedures in the quote-to-collect cycle that you will need to consider:

- You should re-examine your Pricing in countries adopting the euro, since you will no longer be able to price in a national currency unit of the euro after January 1, 2002. See ***Converting Price Lists Using the Euro Customer Conversion Program*** on page 3-14.

- You should determine your own plans to convert to the euro currency if your functional currency is a national currency unit of the euro.

- You should discuss with your trading partners their plans to convert to the euro. Your customers may require you to re-denominate sales orders to accommodate the needs of their internal conversion to the euro. You should co-ordinate the conversion of customer records according to their schedule.

Please refer to the Metalink Technical Library regarding Euro Functionality.

You should run the euro customer conversion program on sample (non-production) customer data including open orders, so that you are familiar with the euro conversion methodology used in Order Management. The euro conversion methodology is the primary subject addressed in this guide.

Converting Price Lists Using the Euro Customer Conversion Program

The Euro Customer Conversion program will convert the following price lists:

■ Default price lists in the customer and customer bill-to sites, if these price lists use a national currency of the euro

■ Price lists used for orders converted by the concurrent program

Example: Customer X is a Germany company and contains a DEM price list called Germany in the customer and customer address bill-to Site. When you run the Euro Customer Conversion program for this customer and customer address, a new price list will be created by converting the Germany price list into EUR. This price list will be used as the default in the customer file.

Suppose that you choose to convert open orders for a given customer, and that two orders exist, using price list Belgium (BEF) and France (FRF), respectively. These price lists will be converted while running the program.

Managing Price Lists During the Transition

National Currency price lists and all associated modifiers are copied and converted once, the first time they are detected by the concurrent program. With each successive run of the concurrent program, any price list used in a customer file or on an open order will be attached to the appropriate converted euro price list, if one exists. If you make changes to national currency price lists and modifiers after they have been converted to euro, such changes will not be made to the euro price lists and modifiers.

The following suggested practices will help you manage price lists:

■ Consider how the adoption of the euro will impact your pricing in the Euro Zone. Since a single currency across borders creates greater transparency about your pricing practices, you may choose to enact common pricing throughout the Euro Zone, rather than using country-specific pricing. You can create price lists with future effectivity dates and end-date price lists that you will no longer use after December 31, 2001.

■ You can redenominate existing orders in national currency units by manually reassigning euro price lists. You can perform this task on unbooked and booked orders and run the pricing engine to modify the line amounts.

■ If you sell directly to consumers, or you can dictate your euro conversion date for all customers, you may wish to run the euro customer conversion for all customers in a single batch process. This feature enables you to perform a mass change to customer default price lists and open orders without naming an

individual customer in the concurrent program. This method may not be appropriate in all customer circumstances.

- You should evaluate your defaulting rules and modify them if necessary. If you default price lists from a source other than the Customer or Customer Site, new orders will not necessarily default the appropriate euro price list. For example, if the Transaction Type defaults the price list on orders, then you should manually reassign the default euro price list in the Transaction Types that you use.

- If you choose to continue using euro price lists created by the customer conversion program, you should evaluate any price breaks that you developed in national currency units. Price breaks are converted using the fixed conversion rate between the national currency unit and the euro currency and are not rounded to whole currency amounts. You may wish to manually change these to whole amounts.

- If you regularly modify price lists, you should consider closing any national currency price lists that have already been converted by the concurrent program. By performing this task, you eliminate the need to update prices in both the national currency price lists and the converted euro price lists. If you update only the national currency price lists, those revisions are not carried to a previously euro – converted price list. This is acceptable only if you do not re-price orders once they have been converted to euro.

Repricing an Order after Conversion

You can re-price an order after it has been converted to euro, but you should be aware of circumstances where recalculated prices may differ from performing the same task in national currency units. Since Oracle Advanced Pricing enables you to create complex pricing scenarios, it is not possible to enumerate all of the possible reasons this change. Those that are directly caused by converting an order to the euro currency are as follows:

If you elect to convert partially transacted orders, the program will split such orders into two: a national currency order and a euro order. If you grant a line level discount for item B when a customer also orders item A, this line dependency may be removed if the order is split. A recalculation of Item B will not yield the discount granted when both items existed on the same order. Refer to the section entitled "Converting Sales Orders with the Customer Conversion Program" for more information about the conversion process.

Similarly, suppose you elect to convert partially transacted orders and you grant price breaks based on a quantity or amount of an item ordered. Repricing a split

order will result in a calculation of price breaks internally to the order; no reference is made to the original order quantity or amount when the price break is determined.

It is important that you understand how your prices are being calculated. The customer conversion program will always set converted Modifiers to Inactive, so that modifiers will not affect on pricing unless you explicitly set them to Active after conversion. In addition, the program enables you the option to set the calculate price flag to No when you convert price lists, so that you can enforce prices that have been established. If you set this flag to No, your converted orders cannot be altered by re-pricing.

Viewing Customer Balances

To see customer balances in both National Currency Units and the euro, you must install Multiple Reporting Currencies for Oracle Receivables.

Setting up an MRC Reporting Book in the euro is a required step for companies legally required to convert their functional currency to the euro. See the *Euro As Functional Currency* manual for more information.

Modifying Customer Bank Accounts

To manage the conversion of customers, you should manually add euro bank accounts for customers who convert to the euro.

Modifying Payment Methods

Payment methods should be updated to support the euro payments. You should manually modify payment methods in your system.

Converting Customer Information with the Euro Customer Conversion Program

When a customer adopts the euro currency as their primary unit of account, you need to update certain data in your system. You may automate this process by using the Euro Customer Conversion concurrent program. With this program, you can:

- Convert price lists and modifiers (such as discounts, freight charges, and surcharges) from any national currency unit of the euro to the euro currency.

- Attach converted price lists as customer and customer bill-to site price lists

- Convert open sales orders, including drop shipments

- Perform conversion for customer and customer addresses in one operation

- Perform conversion for customer and customer addresses incrementally through successive runs

Euro Customer Conversion Process Parameters
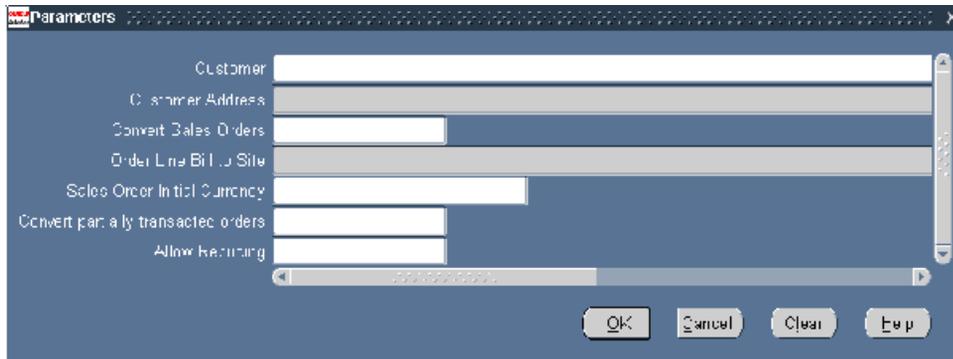
Description of Customer Conversion Parameters

Parameter	Valid values	Description / Purpose
Customer	Customer Name	Customer that needs to be converted to Euro. The conversion process will convert the Master, Site, and sales orders attached with this Customer. This information is mandatory for the conversion process.
Customer Address	Customer Address belonging to the Customer entered for conversion	If provided, the conversion program will only convert the sites belonging to this address. If left Null or Blank, the conversion program will convert all the sites belonging to all addresses of the customer.
Convert Sales Orders	Yes or No	If Yes is entered, the conversion program will convert the customer sales orders. If No is entered, the conversion program will ignore the customer sales orders.
Order Line Bill - To Site	Order Line Bill - To Site for processing lines	If provided, the conversion program will only convert lines that belong to the named bill - to site
Sales Order Initial Currency	Any national currency unit of the euro	If a currency is entered, the conversion program will only convert the sales orders that belong to this currency. If left blank, the conversion program will convert the sales orders that belong to any currency that is part of the Euro Zone. NOTE: This parameter value will become irrelevant if the Convert Sales Orders parameter is entered as No.
Convert Partially Transacted Orders	Yes or No	If Yes is entered, the conversion program will convert partially transacted orders. If No is entered, the conversion program will ignore partially transacted orders. NOTE: This parameter value will become irrelevant if the Convert Sales Orders parameter is entered as No.

Parameter	Valid values	Description / Purpose
Allow Repricing	Yes, No, Blank	If Yes is entered, then the repricing flag on the euro order lines will be switched to Yes, regardless of their status prior to conversion. If No is entered, all euro lines will be prevented from repricing after conversion. If Blank, the values for this field will be maintained in their pre-converted state.

This concurrent program performs a number of important euro conversion tasks on your Customer file. The remainder of this section describes in detail how the concurrent program operates on sales orders, Pricing Information, and the customer master records.

Converting Sales Orders with the Euro Customer Conversion Program

If your customer requires that you redenominate Orders into euro, you may use the Euro Customer Conversion concurrent program to perform this task automatically. The concurrent program processes these open orders according to the parameters that you define, using established conversion rules. Refer to the parameters description for the Customer Conversion program in the section above.

Conversion In Place Method

Sales order conversion in place is performed in the same manner as purchase orders. The source document is re-denominated from national currency unit to euro, and the creation of a new euro sales order is not necessary.

Qualifications for Conversion in Place

The conversion in place method is used *unless* the order contains lines that have been shipped or placed on hold, or contains both restricted and unrestricted lines. The system will always attempt to convert an entire order using the conversion in place method; if the order does not qualify for this treatment and you choose to convert partially transacted orders, the order may be split using the short-close method described below.

An order is said to qualify for conversion in place if the following hold true:

1. The order does not have any lines on hold, and

2. The order does not contain any shipped lines

Lines with Holds: Lines that have been placed on hold must remain on the source order. If you want to convert such orders in place, you must release the line holds before running the concurrent request.

Order Containing Shipped Lines: Shipped lines can never be converted by the program, since shipping is an accounting event in the system. Once you have shipped a line, you must invoice the line in the order currency. Changing the line's currency after shipping would in effect eliminate the possibility of matching a customer invoice (in national currency) with a sales order (converted to euro).

Order Contains Restricted Lines: A restricted line is a line that cannot be moved to a separate document under any circumstance. Generally, a line is restricted when it contains a reference to activities, processes, and documents which cannot be transferred to a new order in the Order Management system.

The following types of lines must remain on the source document:

- Lines which contain a WIP reference
- Lines that are associated with an Agreement
- Lines which have been Pick Released
- Lines that have been Reserved
- ATO, PTO, Models and Options
- Service Lines
- Drop ship lines after purchase release
- Returns linked to an order or invoice

If a line is restricted it can still be converted, provided that the conversion in place rules apply for the entire order, see Qualifications for Conversion in Place on page 3-9.

Close Short Method

If the conversion in place method cannot be used, then the sales order should be converted in two steps:

1. Each sales order line which can be converted is cancelled on the original document.
2. These lines are transferred to a new order stipulating the euro currency, and using the euro version of the price list(s) appearing on the original document.

You may choose to convert or ignore orders requiring the use of the close short method.

Other Conversion Issues

Conversion of Drop Shipments Drop shipment orders or lines will only be converted by the system if they have not been Purchase Released. When you run the Purchase Release program for a drop shipment, a link is maintained between Order Management and Purchasing for the drop shipment and this link must be maintained. You must manually re-assign a euro price list to all Drop Ship orders that have been purchase released.

Conversion of Returns Returns will be converted by the customer conversion program provided that they do not contain a reference to an invoice or a sales order

in the system. Order Management ensures that returns are never recorded in a different currency than the originating order or invoice. This measure is designed to prevent adjustments to an invoice that are stipulated in a currency other than that of the invoice.

If you process returns, your customers will have the ability to return goods purchased prior to January 1, 2002 after the national currencies have lost their legal force. For this reason it is highly recommended that you denominate orders in the euro as early as possible, so that any returns you process after the mandatory adoption date can be processed in the customary fashion.

However, if you do have orders denominated in a national currency unit which are returned after the mandatory euro adoption date, the Oracle Order Management affords you the possibility of processing these orders in the euro. You can process the return in euros without reference to the originating national currency order or invoice, but you cannot adjust a national currency invoice with a return denominated in euros.

Converting Orders with Multiple Bill - To Sites The Euro Customer Conversion program enables you to run conversions based on the Bill - To sites named on the order header and order lines. If you have orders which contain line level Bill - To sites that differ from the header level Bill - To site, you can run the concurrent program multiple times, converting each Bill-to site as needed. In order to see the effects of line level Bill – To site conversion, consider the following examples, illustrated in Figure I.

Case 1. Suppose that you have three orders for a German customer, as shown in the figure below. These orders all qualify for Conversion in Place. If you name the Customer Address as "Frankfurt" and do not select a line level Bill – To site to convert, all three orders will be converted according to the general conversion rules.

Case 2. Suppose that you have the same three orders, but you name Frankfurt as the Customer Address and Frankfurt as the line level Bill – To site that you want to convert, the program will behave in the same manner. However, only Order #1001 will be converted since it is the only order with lines that meet the line level criterion.

Orders to be Converted

Order #1001 : DEM		Order #1002 : DEM		Order #1003 : DEM	
Frankfurt Address		**Frankfurt Address**		**Frankfurt Address**	
line 1	Frankfurt Address	line 1	Berlin Address	line 1	Frankfurt Address
line 2	Frankfurt Address	line 2	Berlin Address	line 2	Berlin Address
line 3	Frankfurt Address	line 3	Berlin Address	line 3	Berlin Address

Case 3. Again, using the same three orders, suppose that you had chosen Frankfurt as the Customer Address and Berlin as the line level Bill – To site to convert. In this example, Order # 1001 would be ignored, since the line level criteria is not met for any line on this order. Order #1002 would be converted in the same way as in the first two cases. Order #1003 would be handled differently, since some (but not all) lines meet the line level criterion. Since line 1 has a Frankfurt Address, it remains on the original order. Lines 2 and 3 are moved to a new order, using the next sequence number. This order is converted to euro.

Order Conversion with Multiple Bill – To Sites

Order #1002 : EUR		Order #1003 : DEM		Order #xxxx : EUR	
Frankfurt Address		**Frankfurt Address**		**Frankfurt Address**	
line 1	Berlin Address	line 1	Frankfurt Address	line 1	Berlin Address
line 2	Berlin Address	line 2	<<Canceled>>	line 2	Berlin Address
line 3	Berlin Address	line 3	<<Canceled>>		

In Case 3, you may run the concurrent program again, either leaving the line level Bill – To site parameter blank, or stipulating Frankfurt. In either case, the second run will convert Order #1001 and the remaining line in order #1003. Thus, the program examines each order multiple times for qualifying lines. The results of the conversion are presented in Figure II above.

Note: if your pricing of any line is conditional upon the purchase of another line, be aware that repricing the orders after conversion may yield different results.

Order Conversion: Effects on Workflow

When an order is converted using the conversion in place method, there is no effect on the status of the order. Simply continue to process your orders in euro in the usual way.

When orders are converted using the close short method, you must book newly created euro orders. Quantities removed from national currency orders are canceled from the lines. Those quantities remaining on the old order contain a line status unchanged by the conversion program.

Order Conversion: Effects on Planning

When an order is converted by the close short method, the newly created euro order must be demanded or reserved as for any new order. If you have placed a reservation on an order item before conversion, this reservation will always be preserved. You will never need to re-instate a reservation as part of the conversion process.

Example: Order #10002 is converted using the close short method, resulting in a new Order #100047 denominated in EUR. Before the conversion Order #10002 contained three internally sourced lines. The first line had been shipped, the second line had been Reserved, and the third line had been Demanded. After the conversion, Order #10047 will contain only one line since one had been shipped and one had been Reserved. The status Demanded will not be carried to the new order. You must schedule the new order, to demand or reserve the quantity.

Viewing the Conversion Output File

Whenever you run the Euro Customer Conversion program, you can review the changes to master records by opening the concurrent request output file. The output file enables you to trace changes to master records, such as price lists, customer currency, and orders.

We recommend that you examine the output file each time you run the concurrent program, since this file indicates actions taken on each order and includes a reference to new orders created during the run. It provides an audit trail for changes to your sales order documents.

Euro Customer Conversion Report Output Messages

Conversion Messages and Their Meaning

Message Text	Message Description
Encumbrance Accounting On	Drop shipment orders will be ignored for conversion if Encumbrance Accounting is ON.
Process Order API Failed	The order was not converted because one or more errors were encountered in the OM Process order API. See the Order Management User Guide for more information
Already in Euro	Price Lists, Discounts, Orders, and Deliveries will be ignored if already in Euro.
Order on Hold	Sales orders that has order level Hold will be ignored for conversion.
Convert in Place	Sales orders with no transactions (Invoices, Shipments, Line level holds, Purchase Released Drop ship lines in a sales order with INTERNAL lines).
Converted Previously	Sales Orders, Price Lists, Discounts etc. that has a prior conversion will be ignored. In other words, if an order currency has been manually changed to National Currency Units, which was originally to euro, will be ignored for further conversions.
Nothing to Convert	Sales orders with no remaining quantity to be converted to euro.
Project Attached	Sales orders with Project attached will be ignored.
Return Attached	Sales orders which has Returns will be ignored for conversion.
User Exchange rate	Sales orders that have User Exchange rate entered against a non Euro Zone SOB, will be ignored.

Message Text	Message Description
Currency not in Euro Zone	Sites, Price Lists, and Modifiers that are not in national currency units of the euro will be ignored.
Closed Short	Sales orders that will be split into two, with the remaining quantities moved to a new Euro sales order.

Converting Euro Data with the Euro All Customer Conversion Program

The Euro all Customer Conversion program allows you to convert all customer and customer addresses from national currencies of the euro to the euro currency in a single operation. In addition, you can:

- Optionally convert open sales orders to the euro

- Optionally assign a default euro price list to customer and customer addresses

Converting Open Sales Orders

If you choose to convert open sales orders, the program will follow the existing order conversion logic used in the customer specific euro conversion program. The all customer conversion program retrieves all sales orders that use a national currency unit and processes them all, customer site by customer site. When all bill-to sites have been examined for open national currency orders, the concurrent program completes. You can look at the results of the program by examining the output file, which details all actions taken on orders. This output file is identical to the file produced by the customer specific euro conversion program.

You should be familiar with the limitations of the euro customer conversion program, since those limitations also apply to this program.

For instance, the concurrent program will never convert in place an order with existing transactional activities such as shipments and/or billings. Further, any sales order line which contain complex references to other applications "such as ATO, PTO, Models, and Options must remain on the source (national currency) order.

Orders and order lines that cannot be converted into euros using the All Customer Conversion program must nevertheless be closed through completion of the ordinary order cycle or converted manually to euros before January 1, 2002. If a system restriction affects your ability to automatically convert orders, it is very important that you begin to take new orders in euros as soon as possible. If you have scheduled ship dates past the mandatory transition date, you will need to cancel these lines manually and create new orders in euros. By taking proactive steps you can avoid manual work and potential disruptions to your operations at the end of the transition period.

Assigning a Standard Euro Price List

As part of the transition, you should consider your pricing policies in the euro zone. In the past there has generally been a lack of pricing uniformity in Europe, but the

adoption of the euro and the upcoming elimination of national currencies may call for a reexamination of your pricing practices in the region.

The customer conversion programs always converts national currency price lists attached to customers and customer sites, so that you maintain a replica of all the national currency price lists in use. Now you can reassign customers and customer sites to a standard euro price list, if this is appropriate for your business. By using a standard list, you can reduce the amount of manual price list management you may need to perform.

Euro All Customer Conversion Process Parameters
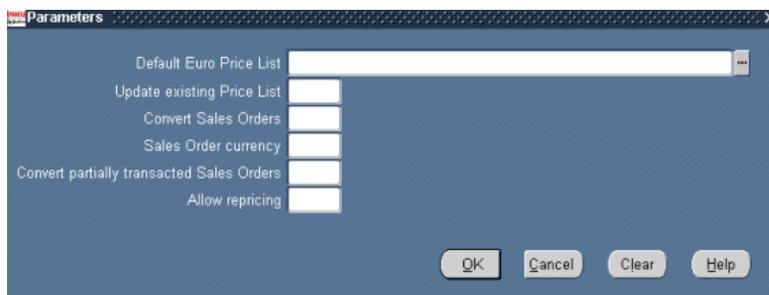
Order Management > Run Requests > Euro All Customer Conversion

Euro All Customer Conversion Process Parameters

Parameter	Valid values	Description / Purpose
Default Euro Price List	Euro Currency Price List	If entered, all national currency price lists for customers and customer sites will be replaced with the specified euro price list.

Euro All Customer Conversion Process Parameters

Parameter	Valid values	Description / Purpose
Update Existing Euro Price List	Yes or No	If Yes, any euro price list currently set as a customer or customer site default will be overwritten by the price list indicated in the above parameter.
		NOTE: this parameter value will become irrelevant if the default euro price list parameter is blank.
Convert Sales Orders	Yes or No	If Yes is entered, the conversion program will convert all customer sales orders. If No is entered, the conversion program will ignore all customer sales orders.
Sales Order Initial Currency	National currencies that are part of the Euro Zone	If a currency is entered, the conversion program will only convert the sales orders that are denominated in, or stipulate a currency. If left null or blank, the conversion program will convert the sales orders that are denominated in, or stipulate any national currency that is part of the Euro Zone.
		NOTE: This parameter value will become irrelevant if the Convert Sales Orders parameter is entered as No.
Convert Partially Transacted Orders	Yes or No	If Yes is entered, the conversion program will convert partially transacted orders. If No is entered, the conversion program will ignore partially transacted orders.
Convert Drop Shipments	Yes or No	If Yes is entered, the conversion program will convert Drop shipment lines in a partially transacted order. If No is entered, the conversion program will ignore Drop shipment lines in a partially transacted order.
		Note: This parameter value will become irrelevant if the Convert Partially Transacted Orders parameter is entered as No.

Glossary

E

ECU

The ECU was the average value of a collection of European currencies, most of which are no longer in existence as currencies, before December 31, 1998. It was abolished on that date.

EFC Conversion Date

The date established by management for conversion to the EURO. This conversion applies to a company's fiscal accounting records only. This date may be any date on or before the mandatory conversion date established by the EU, December 31, 2001.

euro

The euro is a currency which replaced the currencies of Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain effective January 1, 1999. Greece is now in EMU, bringing the membership to 12 member states.

The currency code for the euro is EUR.

EMU

The Economic and Monetary Union - also known as European Monetary Union, which includes: Austria, Belgium, Denmark, France, Finland, Germany, Ireland, Italy, Luxembourg, Portugal, Spain.

F

Fixed Rates

One Euro Equals:

- 13.7603 ATS (Austrian Schilling)
- 40.3399 BEF/LUF (Belgium Francs)
- 1.95583 DEM (German Deutsch Marcs)

- 166.386 ESP (Spanish Pesetas)
- 5.94573 FIM (Finnish Marc)
- 6.55957 FRF (French Franc)
- 0.787564 IEP (Irish Pound)
- 340.75 GRD (Greek Drachmas)
- 1936.27 ITL (Italian Lira)
- 2.20371 NLG (Dutch Guilder)
- 200.482 PTE (Portuguese Escudo)

P

Partially Transacted Orders

Orders containing a line that has completed an accounting event. In purchasing, a partially transacted order is an order that has been received in whole or in part, or which has been invoiced in whole or in part. In Order Management, a partially transacted order is an order that has been shipped or invoiced in whole or in part.