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## **Macs Software Drives Organizational Profitability with Oracle® E-Business Suite**

### **Products Combine to Provide Customer & Product Contribution Margin Analysis, Accurate Costing & Integrated Business Planning**

PITTSBURGH, PA, -- Macs Software, a member of the Oracle PartnerNetwork, today announced that it has integrated its software to the Oracle® E-Business Suite.

Macs' ability to assign customer specific costs and differentiate between fixed and variable components complements Oracle Gross Margin Reporting. This allows clients to create contribution margin statements at the customer and product level. Contribution margin is the difference between net sales revenue and variable costs. The depth of the customer contribution margin statement is expanded by Macs software's ability to associate customer service costs like freight, rebates, commissions, cost of holding inventory, claims, and customer specific R&D directly to a customer. All this is performed without extending the general ledger.

The Macs Software product income statement leverages Oracle's sub elements, split between fixed and variable components creating a product contribution margin statement at standard. Production order variances are brought into the contribution statement enabling the contribution margin statement at actual.

### **Ranking Your Customers & Products**

Contribution margin ranking of customers and products assist clients in focusing its production and sales and marketing efforts. Should capacity in a certain area be limited, (bottleneck) the organization knows which products/customers should receive higher scheduling priority – as it is clear which products and customers ultimately contribute the most to overall organizational profitability.

“In today's business environment, contribution margin ranking is imperative. Clients need to know where their customer and product contribution margin (profits) are coming from so that they can focus their efforts with laser sharp precision,” says Chris Meyer, CEO, Macs Software North America. “Working with Oracle allows us to provide the added business intelligence clients require to increase organizational profitability”

### **Flexed Performance Reporting**

Macs complements Oracle resource prices by being able to calculate the resource rates split between fixed and variable components. The relationship between fixed and variable is maintained enabling “flexing” of the standard. (Flexing is where variable cost is adjusted based

on actual volume of output). This is of particular relevance in the production and support departments where flexing of the standard can take place at the general ledger account level enabling more accurate performance analysis. Using Macs Software, general ledger accounts can have both a fixed and variable portion (i.e. semi variable). This eliminates the need for having a general ledger account be defined as solely fixed or variable. Variance analysis comparing actual costs to a flexed standard (flexible budget) provides a higher quality of performance evaluation than merely comparing actual costs to a static budget.

### **Integrated Business Planning**

The benefit of Macs Software's integrated business planning functionality is that it allows customers to create a sales and operation plan, exploding the bill of materials and routings, plan for departmental resource demand, plan costs both fixed and variable at the account level, calculate resource rates and product costs and then combine the plan sales volume/sales prices to arrive at a planned profit and loss statement. This process can be repeated multiple times. The same process can also be used for simulations, forecasts and scenario building. The Result is that organizations are better able to quantify the forecasted outcome of a set of differing scenarios.

Macs Software will be exhibiting their Costing & Profitability Solutions at Oracle OpenWorld 2006 in San Francisco, October 22-26.

### **About Oracle PartnerNetwork**

Oracle PartnerNetwork is a global business network of 17,700 companies who deliver innovative software solutions based on Oracle software. Through access to Oracle's premier products, education, technical services, marketing and sales support, the Oracle PartnerNetwork program provides partners with the resources they need to be successful in today's global economy. Oracle partners are able to offer their customers leading-edge solutions backed by Oracle's position as the world's largest enterprise software company.

<http://oraclepartnernetwork.oracle.com>

### **About macs Software**

macs Software focuses on *Advanced Costing Software* assisting organizations:

- identify more accurately contribution margin potential of it's products, services and customers through it's profitability analytics capabilities based on improved costing accuracy
- improve the quality of financial planning using an integrated business and scenario planning process
- enabling sound corporate performance management.

<http://www.macssoft.com>

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