



City of Boston's Lisa Calise Signori, Director of Administration and Finance, and Bill Oates, CIO

# Leadership Strategies for Success

IT LEADERS CONFRONT ECONOMICALLY UNCERTAIN TIMES WITH SMART STRATEGIES.

How are savvy IT leaders dealing with uncertainty and preparing themselves for success when the recovery starts? In March, Oracle sponsored the Oracle CFO Forum, an event that dealt with this exact topic, bringing together finance leaders and Oracle executives to share their experiences and strategies. In the pages that follow, find out how one enterprise, the City of Boston, is using data-driven decision-making to improve government operations; get insight into the strategies that were recommended at the CFO Forum; and learn how Jeff Epstein, Oracle's new CFO, is getting results from finance automation and access to better business intelligence (BI).

## Connecting with Citizens

THE CITY OF BOSTON USES SAVVY IT STRATEGIES TO GET THE MOST VALUE FROM EVERY TAXPAYER DOLLAR.

BY MOLLY ROSE TEUKE

Like most U.S. cities, the historic city of Boston, Massachusetts, is facing unprecedented fiscal challenges. Overall revenue sources are shrinking as fixed costs rise. Healthcare costs alone have risen 128 percent since fiscal year 2001, and other costs have increased 34 percent, while net state aid has shrunk from 29 percent of revenue in 2001 to 19 percent projected for 2010. A projected US\$140 million budget shortfall for 2010 has been remedied in part by dipping into the city's financial reserves.

With an outspoken and engaged customer base—the taxpaying residents of Boston—such woes are a source of high anxiety for many elected officials.

Not so for Lisa Calise Signori, Boston's director of administration and finance. Observing the maxim "If you can measure it, you can improve it," she has championed data-driven decision-making and spearheaded a variety of initiatives to make city government hum in spite of budget pressures. Encouraged by Mayor Thomas Menino, who has made improving performance, responsiveness, and customer satisfaction the cornerstones of his administration, Signori is leading a by-the-numbers campaign for excellence supported throughout city government, from top-level managers to finance people to frontline public workers. She recently shared the Menino administration's strategies for achieving management excellence at the Oracle CFO Forum.

### IT'S ALL ABOUT RESULTS

Collecting and publishing performance data is nothing new for Boston. Performance measures have been included in the mayor's budget book since the 1980s, but only recently has that data been collected and utilized in such a robust manner. In 2002, the city shifted from manual data collection to electronic collection. In 2006, it raised the bar again by adopting an online performance management system under an umbrella program dubbed Boston About Results (BAR). Relying on the Oracle

Hyperion Performance Scorecard application, BAR is the central mechanism used by the city for setting, measuring, and revising performance criteria. City department managers set their own performance standards, integrating their specific mission with available resources, strategies, and measurable outcomes. It's a good example of how cities, like savvy corporations, are using IT strategies to work smarter, not harder.

It's a process of continuous improvement, says Signori, who notes that departments are given the opportunity each year to revise their performance measures. "It's never a status quo environment," she notes. "We're constantly striving to improve data capture and feedback loops from the data capture we already have, and that process keeps getting better with the use of better tools, like Oracle Hyperion Performance Scorecard. The goal is to use information and analytics to squeeze the most value out of every taxpayer dollar."

The result is a sustainable performance management infrastructure that engages decision-makers and helps them marshal scarce resources to provide efficient and effective services.

Signori cites a public works pilot program launched in 2008 to divert a portion of residential solid waste into single-stream recycling (with all recyclable materials collected in a single bin). Based on Oracle Hyperion data from pilot neighborhoods, the program will improve service while cutting costs, and Signori expects to see it rolled out citywide by the end of 2010.

## TWO-WAY STREET

Tools such as a customer relationship management (CRM) system and advanced call center technology are starting to make a huge difference in the way the City of Boston benefits from the multitude of data it collects every day. "The original approach of BAR was a terrific concept that made the city focus on data to make decisions," says Bill Oates, the city's CIO. "We've now reached another level with some critical enterprise systems for gathering that data and integrating it with BAR, which is enabling us to go down the path toward additional BI tools that are going to be really helpful."

The mayor's office has had a 24-hour constituent service hotline for more than 20 years, but follow-up wasn't always reliable. In October 2008, the city rolled out a CRM tool—in this case, constituent relationship management—encompassing a work order management system that is directly linked to Oracle Hyperion Performance Scorecard in BAR. Today, when call center agents field calls, the data goes into the CRM system, and if necessary, a work order is created and distributed to the department responsible for that service. The result is a system that integrates general data about a department's activities and how the city is responding to specific constituent complaints and requests for service. Automating the process reduces the opportunity for an

issue to slip through the cracks and go unresolved.

"If you call us because you've driven over a pothole, a street-light is burned out, or a piece of playground equipment is damaged, we want to be able to give you a tracking number—a ticket number—so you can get the status for that service request and we can let you know when that ticket's been resolved," says Oates. "Just as importantly, we now have that full cycle of data, which gives us a better understanding of how long it takes to actually complete the service request. When we send that data directly into Oracle Hyperion for posting on the scorecard—which is the performance measure—we can now get into a continuous improvement program using real-time data to benchmark and set expectations. It lets us look at a macro level to see where we have issues, where we have challenges, where we have process change opportunities."

In the early days of BAR, gathering the information necessary to populate the measurements was time-consuming because it came from many different sources. "With current resource constraints, we aren't in a position to have people

running around gathering data," says Oates. "Now we have a core system that will let workers gather data as it appears and will then populate the Oracle Hyperion system without any human intervention. From an integrity and consistency of data perspective, it takes us light-years ahead in terms of transparency of the data."

## GOING MOBILE

Initially, key department heads gathered work order data from the city departments that deliver public works, parks, and transportation services. Now there's a clamor to get the tools closer to the actual point of delivery. The city's health inspectors and code enforcement personnel

already take handheld terminals into the field, and Oates would like to see the same for workers in more-basic public services. The closer the frontline workers are to the system, he says, the more quickly they can get the work done and close out the ticket. He expects to have mobile units equipped with global positioning systems widely deployed by the end of 2009. This means that work order management results can be tracked on a measurement scorecard and in some cases made available with a mapping capability. Citizens will be able to track what types of service requests are being made in their neighborhood and how quickly they're being resolved. The mobile tool will help crews organize their work—pruning trees, changing street lights, or responding to some other citizen concern—and add visibility to what they do. "It will let them get credit for all the work they're doing, not just when they respond to a service ticket generated by a constituent call. It's also going to give us a much finer view of how long it takes and who is actually delivering the service," says Oates.

**>>SNAPSHOT**

**City of Boston**  
**Location:** Boston, Massachusetts  
**Budget:** US\$2.4 billion for FY 2010  
**Population:** 600,000  
**Employees:** 17,000

**Oracle products and services:**  
PeopleSoft Financials, PeopleSoft human capital management, PeopleSoft Enterprise Portal, Oracle Hyperion Planning, Oracle Hyperion Performance Scorecard, Hyperion Web Analysis, Oracle Identity and Access Management Suite, Oracle Insight, Oracle Consulting

## “We’re constantly striving to improve data capture and feedback loops from the data capture we already have, and that process keeps getting better.”

—Lisa Calise Signori, Director of Administration and Finance, City of Boston

“There’s a nice ripple effect across the city as the value of the tools and the importance of the data is becoming highlighted in the minds of city employees.”

### HANDS-ON DEMONSTRATION

Enthusiasm for a data-driven system gained momentum in 2006, when Signori invited her BAR steering committee into a computer lab for a hands-on introduction. The top-level managers who made up the committee got a preview of the dashboard created by integrating budget data from Oracle Hyperion Planning with performance data from Oracle Hyperion Performance Scorecard. “Our sole purpose was to show them how easy this information is to get, to use, and to absorb. They didn’t need to fully understand the tool or understand how the data got into the tool,” Signori says. “We just wanted them to know how to be users of the information.”

A similar approach was taken for the CRM deployment. Early in the project, Oates and his team identified key liaisons in each department who had deep knowledge of their department’s business. In the past, work crews were often frustrated by incomplete or ambiguous work order information. By taking a stake in the project early on, liaisons were able to help configure the way call center agents asked questions. The outcome is more-comprehensive service tickets with little need for back-and-forth clarifications, making it easier for crews to do their jobs.

As key people within the departments began to see the value of the systems and understand that their department’s performance was now going to be measured in a systematic way, they became leaders in drilling the concept into every level of their organization. “From the top,” says Oates, “the mayor was saying, ‘This is a critical function for us to improve customer service and be more efficient.’ Putting all those things together made everybody take this seriously and see the value in it.”

Proof of improvements in the effectiveness and efficiency of city services isn’t hard to find. In the past, one of the city’s most common citizen complaints concerned abandoned vehicles. Last year, after crunching data on the problem, the transportation department rolled out a strategy using neighborhood newspapers and flyers to inform residents about alternatives for disposal. The result has been a decrease in abandoned vehicle calls. That’s good for neighborhoods, and it’s good for the transportation department’s budget, by reducing the cost of towing and disposing of abandoned vehicles.

The Boston Public Library is another good example of improvement, says Signori. Using BAR, library managers can see changes in the way citizens get information from the library. For example, in the second quarter of fiscal year 2009 (October 1 through December 31, 2008), digital downloads of books, music, videos, and maps exceeded the goals they had set, and

public wireless internet sessions exceeded target measures by almost 50 percent. Visits to the library’s newly revamped Web site fell short of the target, but overall library use had jumped, with a significant increase in the number of people using library cards, particularly among teenage patrons.

That kind of data, says Signori, is what managers need in these tough economic times. “It’s about deploying resources based on the needs of the people you serve. We’re in the human capital business. When departments are determining service levels or outcomes or results, they’re really looking at the resources they have in place to deliver those services and deciding how they’re going to deploy those resources.”

In addition to tracking department-specific service and program data, several administrative measures that track employee demographics such as attendance, overtime, and injury incidence span departments. The new BI capabilities haven’t yet been embedded in every function of city government, but for the larger departments, measuring such cross-functional administrative performance results as staffing levels, workforce composition, lost time, and absent hours per employee has been standard since 2006. That’s why the BAR system is so widely accepted, says Signori: people are used to it. Even as BAR gains traction among new users, Signori believes that the implementation will be an ongoing process. “I don’t know that we’re ever going to be fully done,” she says, “because as we improve our ability to analyze data and create standard administrative measures that help us manage the organization, we’re going to be working with departments in new ways. I hope it will be an evolving process.”

In the meantime, the data revealed by administrative workforce measurements can help managers identify potential trouble spots before larger staffing issues arise. Broad trends revealed by lost-time data, for instance, might prompt a deeper look by the city’s Office of Human Resources to identify underlying issues in a department.

### GOING ONLINE

Gathering and presenting timely, consistent information that allows management teams and frontline workers to do their jobs better is just the first layer of BAR, says Oates. The second layer, he says, is how to share that information with constituents. This past February, the city used Oracle’s Hyperion Web Analysis tool to launch [www.cityofboston.gov/bar](http://www.cityofboston.gov/bar). Using color-coded performance indicators, easy-to-read reports and summaries give citizens ready access to facts and figures about the delivery, use, and cost of city services. Drawing on data from Oracle Hyperion Planning and Oracle Hyperion Performance Scorecard, BAR presents information on hundreds of budget and performance measures spanning a cross section of city departments and functions, populating a centralized system.

Each set of departmental measures is integrated with that department's mission, strategies, and resources. For managers and policy makers, the data—updated quarterly—can be used to identify trends, raise questions, and devise new management strategies and practices to keep pace with changing constituent needs. For constituents, BAR creates a new level of transparency and accountability in terms of how their tax dollars are being spent.

With BAR live on the Web, the next discussion for Signori and Oates was how to encourage citizens to access and make use of the data. They recently went live with a feedback feature inviting Web site visitors to e-mail a question or a comment, and they've created an e-mail tickler system to notify site visitors when the quarterly updates are posted. Another strategy under consideration is producing print copies of the online reports—which Signori notes are colorful, attractive, and easy to read—and placing them in public waiting areas, lobbies of the Boston Public Library system, and other key locations where they can be available as reference tools for the public.

Newly established Neighborhood Response Teams add another dimension to the momentum created by BAR. Representatives from the mayor's office and city departments—each departmental representative having decision-making power in his or her respective department—join with

representatives from neighborhoods, community groups, and media to create a coordinated, two-way stream of communications between the city and its residents. It's one more way to disseminate and make use of the rich information made accessible by BAR.

Looking ahead, Signori and Oates expect to build on the success of their use of the Hyperion tools and deploy an easy-to-use, constituent-focused data hub on the Web by the end of 2009. Supported by the city's enterprise geographic information system capability, the data hub will add more data to the basic BAR information already available on the Web, this time presented with check boxes enabling viewers to choose the information they want to view. Included will be summaries of real-time transactional data, such as site-specific complaints about late trash pickup or snow removal problems, data on public health and safety, and information such as demographic data and the location of schools and hospitals. "The end result is that if you're a constituent and you're being touched by the city in a lot of different areas—public safety, public health, education, human services—you'll be able to get a much clearer view of information that's important to you, and you won't have to go to a lot of different places to get it," says Oates. <>

MOLLY ROSE TEUKE is a frequent contributor to *Profit*.

BOB ADLER

## Fine-tuning Oracle's Finance Organization

ORACLE'S NEW CFO, JEFF EPSTEIN, TALKS ABOUT HIS GOALS FOR ORACLE'S FINANCE ORGANIZATION.

BY PATRICIA WADDINGTON

**I** *Imagine this. Just two weeks after you become Oracle's new executive vice president and chief financial officer, Wall Street suffers its biggest meltdown since the Great Depression. That was Jeff Epstein's introduction to Oracle when he joined the company in September 2008. Profit recently talked to Epstein about his first year at the helm of Oracle's finance organization and the strategies he's putting in place now to support the next phase of Oracle's growth.*

**PROFIT:** What were the first few months like for you at Oracle, after the financial crisis hit?

**EPSTEIN:** I was fortunate to step into a finance organization known to be one of the best in the business, as measured by operating efficiency, profit margins, and quality of results. Having a world-class finance team supporting me during those first few months was a tremendous help. [Oracle CEO] Larry Ellison, [Oracle President] Safra Catz, and [Oracle President] Charles Phillips had also seen the signs of instability in the markets well before the meltdown and had begun preparing the company by scaling back expenses and establishing a strong balance sheet, so we were better positioned than many other companies when the crisis hit.

**PROFIT:** What are your goals for Oracle's finance organization?



Oracle CFO Jeff Epstein helps his team manage administrative functions at peak efficiency to free up resources for critical projects.

## Smart Strategies to Prepare for the Recovery

Building on its work with leading management consultants and some of the world's best-managed companies, Oracle has identified five high-impact strategies that companies can pursue to strengthen their competitive position today and get ready for the recovery.

**1. Conserve cash.** Cash provides the flexibility that companies need now to make acquisitions, expand into new geographies, invest in new products, and hire new employees. Oracle recommends that companies conserve cash by eliminating excess inventory, optimizing collection efforts, and improving cash forecasting processes. Optimizing collection efforts using best practices and advanced collection tools can improve days sales outstanding by 3 to 5 days, lower costs by 35 to 45 percent, and greatly reduce credit turnaround times.

**2. Drive down cost of goods sold.** Rather than cut general and administrative expenses across the board, Oracle recommends that companies look to achieve long-term cost savings by improving supply chain efficiencies and reducing operational complexity.

High-impact strategies include minimizing product costs and risks, reducing spending on goods and services, and lowering logistics costs. New solutions such as Oracle Sourcing can help companies reduce sourcing cycle times and administrative costs by more than 50 percent and speed the launch and delivery of new products.

**3. Maximize customer value.** During good times, 20 percent of the average company's customers drive most of the company's profits, but in a downturn this ratio falls to 5 percent. That's why building loyalty with the best customers is essential to retaining and expanding market share. Other strategies to maximize customer value include adopting customer self-service and improving sales force effectiveness. Customer self-service solutions let customers resolve their own issues on their own timeline. These solutions are 14 times less expensive than phone interactions and 35 times less expensive than in-person interactions.

**4. Manage risk and performance.** Mitigating risks from the credit crunch

and managing new compliance and regulatory requirements are top business issues right now. Oracle recommends that companies adopt a consolidated approach to compliance and a flexible approach to planning to better manage risk and performance. Oracle's governance, risk, and compliance (GRC) solutions, for example, help companies reduce GRC costs and meet requirements, safeguard their brand reputation, and proactively manage risks and opportunities.

**5. Optimize workforce performance.** During downturns, an engaged and productive workforce is especially important. Oracle recommends that companies achieve this goal by automating HR service delivery, taking an active approach to talent management, and using learning and performance systems to engage and develop their workforce. Companies using solutions such as Oracle's PeopleSoft Enterprise Learning Management can reduce employee turnover by 10 percent and reduce training travel and instructor costs by as much as 30 percent.

**EPSTEIN:** I inherited an incredible organization from Safra Catz and [Oracle Chairman and former CFO] Jeff Henley, so I'm focused now on fine-tuning the foundation they put in place. Jeff Henley did most of the heavy lifting in the earlier part of this decade, moving to simplify, standardize, centralize, and automate our processes, in part by establishing a shared services model to support our worldwide operations. Safra continued that effort, rolling out new performance management and business intelligence programs like the company's global enterprise reporting initiative to help our finance team partner more effectively with the business through better access to the right information.

My goal is to help my teams manage administrative functions at peak efficiency, so we can free up resources to invest further in R&D, acquisitions, sales and service, and world-class customer support. That means continuing to invest in the latest Oracle tools and technologies to lower our operating costs, lower our risks, and deliver higher value to customers. That also means continuing to invest in our people, giving them the resources they need to grow professionally. In addition to that, in fiscal 2010, integrating the Sun acquisition, when it closes, will be a major priority, and automating the Oracle and Sun finance processes will be an important part of that effort. As we

continue to make acquisitions and develop new products, business requirements are growing at an accelerating pace. We need to continue to automate processes wherever we can, deploying products such as Oracle's Hyperion strategic finance applications; Oracle's governance, risk, and compliance products; and Oracle's Primavera project portfolio management applications to free up the finance team to concentrate more on in-depth analysis and decision support.

**PROFIT:** Right now many companies are curtailing their investments in IT. Have your deployment plans changed?

**EPSTEIN:** Continued IT investment is a proven way to lower your operating costs and improve your competitive capabilities. It all goes back to Oracle's strategy of providing solutions that are complete, open, and integrated. Oracle uses this strategy to help our customers save money and operate effectively. I think it's very important that we continue to "drink our own champagne" by deploying Oracle products internally to demonstrate to customers how they can achieve significant returns on their IT investments by following our best practices. When I sign Oracle's quarterly financial statements as the CFO, knowing that we're using Oracle technology for our reporting gives me confidence and assures me we're doing what's right when we recommend

the same strategy to our customers.

**PROFIT:** How are you achieving ROI on your IT investments?

**EPSTEIN:** When I asked the Oracle finance team for ideas for improving finance automation, we came up with almost 300 projects. We asked ourselves, "How can we determine which ones have the biggest return?" With the help of the Oracle Insight team, under the direction of Harry

Ghuman, we were able to prioritize our IT investments. Harry and his team did a fabulous job leading us through this process. For each process improvement project, we're creating a business case and saying, "What's the cost to automate? What are the benefits in terms of lower cost of operations, faster speed, better information, faster cash collection, and fewer errors?" Then we'll be able to evaluate the cost and benefits and prioritize.

**PROFIT:** What Oracle technologies have you deployed recently?

**EPSTEIN:** We've had great success with our enterprise reporting initiative, which is based on the Oracle Business Intelligence Suite, Enterprise Edition Plus, analytic applications. For example, I now have on my desktop a dashboard showing every dollar

### The Value of Business Insight

The Oracle Insight program was created to bring Oracle's deep industry experience, technical skills, and extensive knowledge of business and IT issues directly to customers in a one-on-one collaborative setting. Through Oracle Insight, Oracle helps customers identify the critical objectives and challenges for their unique business needs and understand how technology can address them. For more information, visit [oracle.com/services/insight](http://oracle.com/services/insight).

of travel and entertainment expense spent in the company, by person and by department. I can review what we spend overall, what we spend in North America versus Europe, and so on, and drill down all the way to what an individual spent last month. We're disseminating this throughout the organization so managers can understand the investment they're making in travel and entertainment and decide whether

it's worthwhile. We started with travel, and now we're rolling it out to telecommunications and other expenses as well.

**PROFIT:** What plans do you have for meeting with customers?

**EPSTEIN:** Face-to-face meetings with customers—especially those at the CFO level—are especially valuable. I spend about 10 percent of my time with customers, either in sales teams meeting with a single customer or at events and presentations to groups of customers. In 2010, I'll be hosting events to explain our strategy to our CFO customer base and gather their feedback on our products, services, and strategic direction. <>

PATRICIA WADDINGTON is a frequent contributor to *Profit*.

BOB ADLER

## Getting Ready for the Recovery

ORACLE CFO FORUM LOOKS AT HOW COMPANIES ARE POSITIONING THEMSELVES NOW FOR BETTER TIMES.

BY ANNE OZZIMO

**O**ptimism is a force multiplier." Those words of wisdom, attributed to Colin Powell, were among the strategies that *Fortune* Senior Editor at Large Geoffrey Colvin shared with attendees at the Oracle CFO Forum in Boston, Massachusetts. The CFO Forum brought together luminaries such as Colvin, who discussed the importance of leadership during uncertain times, and finance executives from Staples, Hologic, and the City of Boston with strategies for managing through the downturn and investing in the recovery.

Colvin, author of *Fortune's* Value-Driven column and "The World's Most Admired Companies" series, described the characteristics of best-managed companies that are able to stay on top in good times and bad, from balancing optimism with realism to redefining how they deliver value to customers. "The best companies communicate like crazy with their employees, their investors, and their communities, but you just can't tell people that everything is great," explained Colvin. "You need to tell the truth but also remind people of the victories your company is experiencing daily, no matter how small they are. If you can give people a good reason to hope, it is unbelievable how effective they can be."

Another perspective on leadership was provided by Sonny



Sonny Singh, senior vice president of Oracle's Industries Business Unit and host of the CFO Forum, outlined five high-impact IT strategies.

# “The best companies realize that their customers face new problems, and provide them with new solutions that address those problems.”

—Geoffrey Colvin, Senior Editor at Large, *Fortune*

Singh, senior vice president of Oracle's Industries Business Unit and the host of the Oracle CFO Forum. Singh reviewed the five high-impact business strategies Oracle is recommending to ensure a competitive position for the recovery (see sidebar, page 45), from conserving cash and driving down the cost of goods sold to maximizing customer value, managing risk and performance, and optimizing workforce performance.

“Every downturn produces winners and losers, with companies twice as likely to change industry rankings during a recession,” notes Singh. “Our goal at the Oracle CFO Forum was to give customers some high-impact, proven strategies that could make a difference right now in their ability to compete in today's economy. We also wanted to showcase the role technology can play in helping companies differentiate themselves today and over the long term, whether that's leveraging supply chain technologies to drive down the costs of the goods or services they produce or adopting new CRM loyalty management tools to interact more intimately and effectively with their customers.”

## A SMARTER WAY TO CUT COSTS

When funds are tight, the best way companies can afford to keep investing in their core business is to cut costs elsewhere. During times of economic uncertainty, companies tend to focus on cutting large variable costs that can have an immediate impact, such as IT spending, travel, and administrative staff. Research by the Corporate Executive Board, a leading provider of corporate best practices and analysis, shows that nearly 90 percent of companies fail to sustain these types of across-the-board cost reduction efforts for more than a couple of years at best. Cutting general and administrative expenses across the board also can impair a company's ability to survive a downturn, especially one that is as long-lasting as the current recession.

“Here at Oracle, we believe that a better strategy to achieve long-term cost savings is to focus on reducing costs of goods and services sold by improving supply chain efficiencies and reducing operational complexity,” notes Singh. “Manufacturers, for example, should think about identifying and prioritizing supply chain technology initiatives that can drive quick ROI and have an immediate impact on profitability, cash flow, and risk but can also help companies sustain gross margin expansion over the long term.”

One high-impact solution in this area is Oracle's Agile product lifecycle management (PLM) applications, designed to minimize product costs and risks by involving designers and suppliers earlier in the product development process. “Many companies don't realize that designers usually make the majority of all parts and supplier sourcing decisions, typically locking in up to 80 percent of a product's costs very early in the product lifecycle,” explains Singh. “Using Agile PLM, you can engage designers earlier in the design process and have them

leverage corporate sourcing strategies, downstream manufacturing plans, and supply chain constraints. Using a PLM solution such as Oracle's Agile software can improve product margins at launch by 5 to 15 percent.”

Another ROI strategy to drive down the cost of goods sold is to lower logistics costs through transportation management solutions. With transportation costs accounting for half of all logistics spending, many companies are turning to technology to lower logistics costs before energy prices rise again. Solutions such as Oracle Transportation Management can save most companies 5 to 25 percent of their logistics costs, and typically pay for themselves in less than twelve months. Savings come from improvements in carrier bids, expedited shipment reductions, improved shipment execution, inventory reductions, and lower freight payment and billing transaction costs.

## A BETTER WAY TO REWARD YOUR CUSTOMERS

At the Oracle CFO Forum, Colvin also spoke about the need for companies to rethink their approach to delivering value to customers during recessionary times. “The best companies realize that their customers face new problems, and provide them with new solutions that address those problems,” explained Colvin. He encouraged companies to think creatively about how they can redefine value for customers in today's environment, such as offering consumers a slightly lesser experience at a lower price.

Redefining value for customers can also come in the form of strengthening bonds with your most loyal customers, who often account for the majority of profits during tough times. In his keynote, Singh cited Alaska Airlines as a great example of a company that is successfully leveraging technology to help redefine its value proposition to customers. The carrier, already a leader in customer satisfaction surveys, recently implemented Oracle's Siebel Loyalty Manager solution to provide more-personalized service to its frequent fliers through multiple distribution channels, including mobile phones.

“Using Siebel Loyalty Management, frequent fliers on Alaska Airlines can get alerts on their mobile phones when service disruptions happen, or receive promotions based on personal information gathered from their profiles or travel history,” Singh explained. “Alaska Airlines is taking a proactive approach to increasing its market share during the downturn, using Siebel Loyalty Management solutions to improve the traveling experience of its customers.” <>

ANNE OZZIMO is senior director of applications product marketing at Oracle.

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