
Soma Bay's stunning luxury resort on the Egyptian coast of the Red Sea attracts visitors who enjoy golf and a variety of water sports—to name just a few.



DESTINATION:

CLOUD

Soma Bay gets lofty results by moving its JD Edwards EnterpriseOne system to Oracle Cloud IaaS.

BY DAVID BAUM | PHOTOGRAPHY BY DAVID DEGNER/THE VERBATIM AGENCY

PHOTOGRAPH: COURTESY OF SOMA BAY



Soma Bay Company CFO Mohammed Serry credits JD Edwards EnterpriseOne solutions as a key factor in executing “a very aggressive turnaround plan” over the last four years.

Start with an unspoiled coastal peninsula, ringed by a coral reef and cooled by an azure sea. Add a championship golf course, five hotels, a world-class spa, and luxury vacation homes. It all adds up to Soma Bay, a massive resort community on the Egyptian shore of the Red Sea.

Built on the warm desert sands of Hurghada, Soma Bay’s 10-million-square-meter property is a luxury holiday and sporting destination attracting visitors who

enjoy golf, scuba diving, snorkeling, or just relaxing by one of its many swimming pools. A steady offshore wind makes for excellent wind surfing and kite surfing. With the added draw of limousine services, facilities management, and water sport facilities, the resort’s founders appear to have thought of everything in their quest to create a first-class vacation paradise—a place where everything is carefully managed.

Well, almost everything.

SNAPSHOT

SOMA BAY DEVELOPMENT COMPANY
somabay.com

Location:
Hurghada, Egypt

Industry:
Real estate and hotel development

Employees:
More than 2,000

Revenue:
More than E£700 million

Oracle products:
JD Edwards EnterpriseOne 9.2, including its Financials, Procurement, Inventory

Management, Job Cost, Real Estate Management, Homebuilder Management, Capital Asset Maintenance, Service Management, and Time and Labor modules; Oracle SaaS applications, including Oracle Customer Experience Cloud, Oracle Hospitality Suite, Oracle Human Capital Management, and Oracle Procurement Cloud; Oracle Cloud IaaS; and Oracle Profitability and Cost Management Cloud Service

MOHAMMED SERRY

CFO, Soma Bay Company

Length of tenure:
Five years

Education:
CPA, Colorado State Board of Accountancy

Personal quote/mantra:
“Creativity is just connecting things. When you ask creative people how they did something, they feel a little guilty because they didn’t really do it, they just saw something. It seemed obvious to them after a while.”
—Steve Jobs

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JD Edwards EnterpriseOne helps us maintain a stable operating environment. We have a solid understanding of costs and profitability, even though revenue comes from different markets.

—Mohammed Serry, CFO, Soma Bay Company

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Soma Bay can't control exchange rates or mitigate political upheavals. The resort opened its doors in 1998, and it was just over a decade later that President Hosni Mubarak was overthrown during the Egyptian revolution of 2011, which caused a sharp devaluation of the Egyptian currency. And while the economy recovered as the political situation stabilized, the tourism industry took a US\$1.3 billion hit after the downing of a commercial airliner

over the Sinai Desert in 2015.

"2016 was a difficult year for the Egyptian tourism industry and the economy in general," confirms Mohammed Serry, CFO of Soma Bay Company. "Our hotel occupancy rates dropped from more than 50 percent in 2015 to 25 percent in the first quarter of 2016."

But what Soma Bay's management team can do is react intelligently during volatile times, thanks to the nimble information system that carefully monitors the

Soma Bay Development Company is in the process of building 500 vacation homes in six seaside communities, and occupancy rates are rising at its five hotels: Kempinski, The Westin, Sheraton, Robinson Club, and The Breakers.

operation and controls costs: a JD Edwards EnterpriseOne enterprise resource planning (ERP) system from Oracle that is connected to applications and data residing in Oracle Cloud. Following the sudden downturn in 2016, Soma Bay used JD Edwards EnterpriseOne profitability and cost management capabilities to provide detailed financial data to general managers. "This allowed us to carefully manage the fixed operating expenses, so we could minimize losses on the bottom line," says Serry.

Soma Bay's JD Edwards EnterpriseOne applications and data reside in Oracle Cloud Infrastructure as a Service (Oracle Cloud IaaS), which makes it easy for Soma Bay's distributed organization to create cash flow reports, accounts receivable aging reports, project management reports, facility management reports, and key performance indicator reports that measure a business unit's performance (see sidebar "Migrating JD Edwards EnterpriseOne to Oracle Cloud IaaS").

MIGRATING JD EDWARDS ENTERPRISEONE TO ORACLE CLOUD IAAS

Soma Bay Development Company is the first company in Egypt to move its JD Edwards software to Oracle Cloud IaaS. According to Sameh Karim, database administrator section head at the company, using Oracle Cloud IaaS to host their JD Edwards EnterpriseOne system saves time, saves money, and improves business continuity. "Oracle Cloud IaaS maximizes the productivity of our workforce and stabilizes our data," Karim notes. "We can access the data from anywhere, anytime. We can run any type of workload yet keep our capital and operating expenses to a minimum."

Karim particularly likes the built-in disaster-recovery capabilities that Soma Bay gets with Oracle Cloud IaaS, especially after expe-

riencing a near-catastrophe a couple years ago, when water from an upper floor flooded Soma Bay's Cairo data center. The IT team was able to restore data and resume operations quickly, thanks to a backup stored in Oracle Cloud IaaS.

Today, with all of its JD Edwards EnterpriseOne data and applications in Oracle Cloud IaaS, Soma Bay has improved its business continuity even further. "We have minimized risk and maximized performance for our critical business applications," says Karim. "We can run any type of workload in the cloud, and we have the flexibility to add or subtract resources based on our company needs. We no longer need to maintain hardware, which is perfect for our company."

Karim used JD Edwards

EnterpriseOne ready-made preinstalled virtual machines (VMs) to simplify the migration of Soma Bay's on-premises JD Edwards EnterpriseOne assets from their data center to Oracle Cloud IaaS.

It was easy to establish the account details and orchestrate the deployment plan—he simply used the JD Edwards EnterpriseOne components: elastic compute services, storage services, and network services. Then he migrated the applications and data into Oracle Cloud IaaS. "Oracle Cloud Marketplace has a ready-made template for JD Edwards EnterpriseOne 9.2 that includes pre-installed images of the VMs," he explains. "It was a simple lift-and-shift migration using Oracle Cloud IaaS migration tools."



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—Sameh Karim, Database Administrator Section Head, Soma Bay Development Company

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“We went through a very aggressive turnaround plan over the last four years, and Oracle’s JD Edwards EnterpriseOne solutions were a key factor in this plan,” Serry continues. “We have a solid understanding of costs and profitability, even though revenue comes from different markets and currencies. JD Edwards EnterpriseOne helped us to determine the effect of falling

Sameh Karim, database administrator section head at Soma Bay, says using Oracle Cloud IaaS to host the company’s JD Edwards EnterpriseOne system saves time and money.

occupancy rates on the business, excluding the foreign exchange effect to measure overall performance by legal entity. I believe we have the right platform for the future.”

CLOUD CONTROL

Increasingly, it’s a future based on Oracle Cloud. Soma Bay is in the process of rolling out Oracle software as a service (SaaS) appli-

cations for customer experience management, human capital management, and procurement. In addition, Oracle Profitability and Cost Management Cloud Service streamlines financial reporting and financial planning for the company. Serry says this cloud app reveals cost and profitability drivers on a consolidated basis as well as by individual business unit (hotels, home

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Being able to track every penny we spend on a project has revolutionized our business.

—Cherif Samir, Financial Controller for Soma Bay Facility Management Company

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builders, laundry, golf, limousine service, and so on), increasing transparency into Soma Bay’s allocation-based business processes. The software includes prebuilt dashboards and analytical screens that apprise him and other managers of the profitability and cost drivers under their purview. This system gives Serry and other managers a versatile platform to connect their widespread and fast-moving operation. “JD Edwards EnterpriseOne helps us maintain a stable operating environment,” he adds.

If the tourism business is slow, Soma Bay can count on its real estate business, and vice versa, explains Cherif Samir, the financial controller for Soma Bay Facility Management Company.



RAPID TURNAROUND

Thanks to quick thinking and insightful reactions by Serry and his team, Soma Bay has weathered the recent downturn and created a more stable operating model. Occupancy rates are rising at its five hotels (Kempinski, Sheraton, Robinson Club, The Westin, and The Breakers). In addition, Soma Bay Development Company is in the process of building 500 vacation homes in six seaside communities—with 120 units completed and 380 more under construction.

“We decided to implement JD Edwards EnterpriseOne to establish standardized business processes across business lines and to obtain timely reporting that clarifies and explains the profitability of each business unit via a standard chart of accounts,” Serry states. “Oracle offered a complete solution that reveals the profitability drivers and growth drivers of the business. We now have fast, accurate, and timely information about profitability and costs, along with JD Edwards EnterpriseOne One View Reporting to present

this information to management and ExCom.”

For example, they used the JD Edwards EnterpriseOne software to create currency-neutral financial reports, helping to reconcile revenue from Soma Bay’s home sales division (which is mostly aimed at Egyptians) and its tourism division (which caters to Germany and other parts of Europe) to neutralize the effect of different currencies on the financial results.

This mixed-revenue model is particularly valuable to Soma Bay’s home building division, which currently supplies about 25 percent of corporate revenue from the sale and maintenance of vacation homes, and that number is growing each year.

Cherif Samir, the financial controller for Soma Bay Facility Management Company, says having a dual revenue stream helps the company expand aggressively while mitigating risk. If the tourism business is slow, Soma Bay can count on the real estate business, and vice versa, explains Samir. But now, managers have the data

UNIQUE CAPABILITIES FOR REAL ESTATE MANAGEMENT FIRMS

One of the things that attracted Soma Bay IT leaders to the JD Edwards EnterpriseOne environment was its unique Homebuilder Management and Real Estate Management modules. JD Edwards EnterpriseOne Homebuilder Management helps coordinate activities and analyze profitability throughout Soma Bay’s home-building cycle all the way down to the lot level. JD Edwards EnterpriseOne Real Estate Management comes into play for finished properties by streamlining financial, operational, and facilities management processes. It coordinates tasks among teams and provides a comprehensive management view of each unit. (As of September 2017, Soma Bay has gone live with JD Edwards EnterpriseOne Real Estate Management and is in

the process of implementing JD Edwards EnterpriseOne Homebuilder Management.)

These JD Edwards EnterpriseOne applications will automate the flow of information and revenue from the time a homeowner signs a contract all the way through development, sale, and maintenance of the properties. “Since we went live with the facility management functions, we have started to capture operational KPIs [key performance indicators] and financial KPIs for all open job orders,” says Cherif Samir, the financial controller for Soma Bay Facility Management Company. “Having a complete workflow makes it easier for Soma Bay and more seamless for the homeowners. They can select services, request maintenance, and pay invoices online.”

Once JD Edwards EnterpriseOne Homebuilder Management comes online, Soma Bay’s connected workflows will extend throughout the development, sale, and maintenance of the properties as well. “The homebuilder module will provide a bridge between the real estate front-office business and the facility management side of the business,” Samir adds. “It will link the construction team and the sales team and the finance team, with complete transparency into the data. This will be much better than the manual process of working through papers. Everything will be controlled and everything will be connected, giving us visibility from the initial feasibility studies through development, sale, and ongoing management of the properties.”



10 MILLION
Size, in square meters, of
Soma Bay's resort property

ness, which helps Samir and his team allocate expenses for materials, labor, and other needs, as well as track expenses against the budgets and forecasts established at the start of each facilities management project.

Managers can add codes to projects and merge them with the financial account numbers for budgeted expenses versus actual expenses. This helps them verify that complex projects are on track, and enables them to share expense data among divisions, even when there are no physical connections. "Being able to track every penny we spend on a project has revolutionized our business," Samir says.

ENTERING THE MODERN AGE
Samir and his team are currently implementing the JD Edwards EnterpriseOne Real Estate

they need to carefully track costs. "This year we spent E£100 million on new construction. Without the insights about cash management and cash flow that we obtain from the JD Edwards EnterpriseOne system, we would have had a hard time sustaining this level of expansion. But now we can carefully monitor cash flow and payments to contractors."

These standard functions of the

After years of volatility, during which nimble management helped to minimize losses on Soma Bay's bottom line, Egypt's tourism industry is on the mend.

software are also valuable to line-of-business owners, as well as to rank-and-file employees. Samir says 95 percent of Soma Bay staff members use the JD Edwards EnterpriseOne software in some capacity, and its "connected information flows" boost productivity in many parts of the business. For example, the Job Cost module reflects the ongoing costs incurred by the real estate busi-



Management and JD Edwards EnterpriseOne Homebuilder Management modules, which could help them integrate their two major business lines (see sidebar [“Unique Capabilities for Real Estate Management Firms”](#)).

Previously Soma Bay depended on manual Excel-based systems, which made it difficult to roll up information to determine profitability drivers and to compile information in time to make proper decisions. Managers had to manually manipulate spread-

“Visitors come for the privacy on the beach, as well as for the very high-quality services and foods in the hotels,” says Soma Bay CFO Mohammed Serry.

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Number, in kilometers, of Soma Bay’s pristine coastline, which is ringed by an unspoiled coral reef.

sheets merely to understand the basic drivers of profitability. The business was too reliant on the IT department for custom reports, and it was difficult for the company to confidently manage their aggressive growth trajectory—which includes the construction of 1,000 new homes over a five-year period. Serry and his team selected the JD Edwards EnterpriseOne system because they wanted an ERP solution that would allow them to take ownership of allocation-based business processes by seamlessly combining data from the general ledger and other financial systems with data from operational systems.

A SUSTAINABLE FUTURE

Soma Bay has leveraged technology to survive, and even

thrive, during difficult times as they deployed the JD Edwards EnterpriseOne software and systematically moved their information systems to the cloud. The company’s nimble information systems help insulate it against future disruptions to the business, ensuring an outstanding experience for visitors and residents.

“Soma Bay has 11 kilometers of beautiful coastline, and it’s a very exclusive destination,” Serry concludes. “Visitors come for the privacy on the beach, as well as for the very high-quality services and foods in the hotels. The quality of their experience is partially due to the way we handle information to make sure everything contributes to a premiere guest experience.” □

David Baum is a freelance business writer specializing in science and technology.

ACTION ITEMS

[Oracle Cloud Starter Kit](#)
[JD Edwards EnterpriseOne](#)