



ORACLE PUSHES THE CLOUD AT HCM WORLD

ANALYST

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THE BOTTOM LINE

At Oracle HCM World this year, the major focus was on Oracle HCM Cloud, which now has an established customer base.

Sessions focused on highlighted stories of both enterprise and mid-market sized organizations that have moved from on-premises to the full cloud suite.

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OVERVIEW

The main talking point of Oracle HCM World was the cloud. After years of work and implementation with customers, Oracle is now able to not only tell how its cloud suite is going to be successful, but show end users real-life examples of customers that have moved to Oracle HCM Cloud (Nucleus Research *r160 - HCM Technology Value Matrix*, August 2017). A strong mix of both mid-market and enterprise organizations presented, reflecting a diversity of industries. Nucleus spoke with customers who were in various deployment stages, and their overall sentiment was that of excitement moving forward.

While the cloud was the talk of HCM World, however, many customers remain committed users of Taleo (Nucleus Research *r184 - Talent Management Technology Value Matrix*, October 2017). Some that Nucleus spoke with noted that despite a general interest in moving to the cloud, there was some hesitation to start a new implementation process. The most common rationale these customers gave for staying with Taleo was their level of satisfaction with the solution—an “if it isn’t broken, don’t fix it” mentality. Oracle is aware of these customers and their preference for Taleo, and, not wanting to force customers into the cloud, has committed to a parallel roadmap development.

CUSTOMER REACTIONS

More than 2,200 Oracle HCM customers were at HCM World this year, in addition to a number of other stakeholders, such as analysts, partners and Oracle employees. Nucleus noted users' feedback on their use of Oracle HCM solutions. Following are examples of customers' experience.

INTERNATIONAL AIRLINE

This international airline, based in Asia, had more than 5,000 employees and flies to more than 100 domestic and international destinations. The organization is currently on a legacy on-premises system that required significant IT resources and hardware. While initially hesitant to make a switch, the HR team realized that their current system was not operating as efficiently as it could. The company worked with Oracle to understand what switching over to HCM Cloud would entail. The employer's initial hesitation was overcome by working with Oracle to understand the value the cloud would deliver.

Currently at the beginning stages of the process, the team is also working with Oracle to study previous cloud deployments, trying to take best practices and lessons learned from those that have gone before them. The organization's staff noted that the customer-led presentations at HCM World had been particularly helpful and informative. Additionally, as an international organization, the employer does not have the same union-driven data requirements that U.S.-based airlines have. Elsewhere, Nucleus has spoken with airline personnel that have noted that because of data protection requirements in union contracts, U.S. airlines have been forced to keep this data on-premises (Nucleus Research *s1 – Kronos versus Infor*, January 2018). This is not something that an international airline would necessarily have to deal with, a fact that will potentially help this airline achieve a higher ROI from its deployment.

NORTH AMERICAN-BASED UNIVERSITY

This university has more than 4,000 full- and part-time academic staff in addition to salaried and hourly employees, plus 40,000 students at the undergraduate, master's, and PhD level. The University's HR staff are also responsible for adjunct professors and student employees, as well as other university staff and tenure-track faculty.

In addition to the regular core HR responsibility that comes with having part-time, full-time, and hourly employees, the university is also responsible for federal work-study student employees. These students are employed at the university, but reimbursed by the federal government as part of federally funded financial aid packages. Under the university's old system, students had to receive hard copy

forms from the federal government, bring these forms to a location on campus, have these forms certified, and bring the forms to their on-campus work site for managers to fill out. Finally, the HR staff would enter this information into the university's payroll system. This process was time consuming, to say nothing of a student losing the physical copy of the paperwork on this journey.

By moving to Oracle, the university has been able to digitize this entire process. When students are hired, an electronic version is automatically sent to the manager and then uploaded into the HR system. This has saved time for students, managers, and HR staff as well.

GOING FORWARD

Going forward, it is clear that Oracle remains focused on not only moving its existing installation base to the cloud, but increasing marketing share with net-new wins, particularly in the mid-market range. Mid-market customers are reporting the clear benefits that a full cloud suite can provide, as customers are able to leverage functionality such as onboarding and e-learning to increase productivity. These areas have the potential for significant ROI.