Introduction

Cloud technology is fast becoming mainstream and decision makers are realizing huge benefits from Enterprise Performance Management (EPM) services in the Cloud. Many CFOs are now successfully leveraging cloud technology for their EPM processes to digitally transform their finance organizations and generate value for the business. Oracle surveyed over 400 decision makers to learn more about their experiences with EPM in the Cloud in 2016, and their plans for 2017 / 2018. Respondents to the survey include Oracle customers and non-Oracle customers – all providing feedback on their current cloud-based EPM technologies and future plans. Of the 400+ organizations surveyed, 74% have now, or will have within 12-24 months, one or more EPM processes in the cloud. The survey was carried out in December of 2016 and January of 2017.
EPM Cloud is the Remedy for the Insidious Spreadsheet

Seemingly, since the dawn of time, spreadsheets have been the prime tool for EPM processes, especially for planning and reporting. Many Finance professionals have had to come to terms with the inevitability that this situation will never change. But, this research shows otherwise. So, what has changed? Answer: EPM in the cloud.

Across a full range of EPM processes, reported use of spreadsheets dropped by nearly half when cloud applications are in place. The biggest reduction in spreadsheet usage was in Financial Planning and Budgeting with a 55% of organizations citing a decrease. When organizations are able to get off of disconnected, manual spreadsheets, the potential for streamlined processes and more time for analysis increases significantly. And who doesn’t want that for their organization?

### Decrease in Spreadsheet Use with EPM Cloud

- **Financial Planning & Budgeting**: 55%
- **Sales Planning & Forecasting**: 46%
- **Ad Hoc Reporting**: 40%
- **Workforce Planning**: 36%
- **Financial Reporting**: 35%
- **Financial Consolidation**: 34%
- **Tax Provisioning**: 33%
- **Profitability & Cost Management**: 31%
Cloud Refreshes EPM by Alleviating Upgrade Fatigue

As with previous EPM trends studies, the top reason for moving EPM to the cloud is to reduce IT infrastructure cost (49%). But this year it is clear that organizations are looking more closely at the complexity of upgrading their current on-premises software, as the second most stated reason by 42% of respondents was ‘to avoid an on-premises upgrade’. This has risen from 3rd last year and significantly overtaken the desire to take advantage of new features available in the cloud (25%).

Top Five Reasons for Moving EPM Applications to the Cloud

- Want to Avoid Infrastructure Investment: 49%
- Want to Avoid On-premises Upgrades: 42%
- Provide Social, Mobile and Analytics Capabilities: 25%
- Shared Services Initiative: 24%
- Global Expansion: 19%

With 71% of respondents indicating that faster deployments are a key benefit of moving to the cloud, it’s no wonder organizations are looking to cloud to alleviate upgrade fatigue.

We get new features without having to wait for the bi-annual upgrade cycle

Cloud User - Survey Comment
Two thirds of EPM cloud users describe their experience across the full range of EPM process as either ‘very satisfied’ or ‘satisfied’ with just 6% stating they are ‘dissatisfied’ or ‘very dissatisfied’. For organizations who already have one or more EPM process in the cloud, we asked them how likely are they to move additional EPM processes into the cloud and 78% said they would be likely or very likely to do this.

What are some of the top benefits that EPM Cloud users are seeing? Consistent with last year’s survey, improvement in service received ranked highly (66%), along with improved flexibility (62%) and faster deployments, as stated above. The top benefit reported by EPM Cloud users was staying current on technology (75%).
Hey, Hey, You, You, Get ON the EPM Cloud!

Cloud continues to be an enabler for the widespread adoption of EPM in organizations. Last year 50% of the organizations surveyed said the cloud had enabled them to increase the number of users who have access to their EPM system. This year that figure is up to 61%.

The Wisdom of Crowds, written by James Surowiecki, is a book about the aggregation of information from groups resulting in decisions made that are often better than those made by any single member of the group. This idea is often discussed with respect to Enterprise Performance Management (EPM) – getting more people involved in the EPM process will yield better results. More users, better decisions.

We can access systems and data from anywhere
Cloud User - Survey Comment

We can easily add new branch operations and service programs to our forecasting tool
Cloud User - Survey Comment
Organizations want a SaaS ‘Full House’

Best-of-Breed applications versus a Full Suite solution has been a dilemma that organizations have wrestled with over many years with the trend switching back and forth. From this year’s trend study, it has dramatically shifted to the Full Suite solution. 86% of respondents indicated it is important to have a connected set of cloud services across HR, EPM and ERP from one vendor.
Reporting is the important insight into both transactional (ERP) and management (EPM) processes, particularly in highlighting issues that need to be addressed and resolved. Our study shows that in-the-cloud organizations have their biggest reporting issues with operational reports, with half stating this to be the case whereas just 14% have issues with financial and regulatory reporting.

This could be where Finance can partner with other lines of business (LOBs) to share their experience and expertise in reporting that has been driven by both internal and external pressures to provide accurate, timely, concise and easily understandable reports for a wide range of stakeholders.

"We get consolidated financial reports of all the subsidiaries faster and a fewer meetings"

Cloud User - Survey Comment
Journey to the Cloud by ‘Innovating at the Edge’ with EPM

When asked how EPM fits with Finance’s journey to the cloud, 39% of respondents stated they chose an EPM Cloud solution to fill a gap or replace an existing manual process, and 31% said they saw EPM cloud solutions as a way of adding high value extensions to their core financial systems.

‘Innovating at the edge’ with EPM cloud solutions gives organizations quick wins without turning their systems and organization upside down, and gives them confidence in the cloud before making major investments and embarking on major change programs. This is why processes like planning and forecasting, profitability and cost management and account reconciliation are proving to be extremely popular cloud choices across a wide range of organizations.

And indeed, moving to the cloud has enabled EPM Cloud users to innovate and adopt best practices such as rolling forecasts, driver-based planning, and faster reporting and close.

Which of the Leading EPM Practices Shown Below has Moving to the Cloud Enabled You to Better Deploy?

<table>
<thead>
<tr>
<th>Practice</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faster External Security</td>
<td>41%</td>
</tr>
<tr>
<td>Rolling Forecasts</td>
<td>41%</td>
</tr>
<tr>
<td>Faster Financial Close</td>
<td>39%</td>
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<tr>
<td>Driver-Based Budgeting</td>
<td>58%</td>
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<tr>
<td>Include Qualitative Commentary in Management Reporting</td>
<td>28%</td>
</tr>
<tr>
<td>Detailed Profitability and Cost</td>
<td>25%</td>
</tr>
<tr>
<td>None of the Above</td>
<td>11%</td>
</tr>
</tbody>
</table>
Conclusion

The availability of EPM solutions in the Cloud is providing many organizations with the opportunity to improve their EPM processes, and to do things that they were not able to do before. As they experience EPM in the Cloud, their understanding of what the Cloud can offer and their concerns change dramatically.

Planning is the leading EPM application in the Cloud and, given the results and insights provided here, should be considered by all organizations as their ‘beachhead’ to the adoption of the Cloud for their EPM processes.

It’s easy to operate, results are very effective, and the operational environment is both successful and transparent

Cloud User - Survey Comment