EXECUTIVE STRATEGY SERIES

ORACLE ERP CLOUD SERVICE

Back-Office Solutions that Keep You in Front
Executive Summary

Today’s businesses face unprecedented challenges and changes. Technology advances, such as cloud computing, are accelerating the pace of change, and driving many companies to transform the way they operate. The cloud offers a way for organizations of all sizes to change the mix of IT spend so more resources are devoted to innovation and fewer on maintaining current systems. But without an enterprise-grade cloud, organizations may find themselves falling short of their cloud computing transformation goals. Oracle ERP Cloud Service, an enterprise-grade cloud offering, combines the power of Oracle ERP applications with the simplicity of the cloud so that companies can fully transform their back-office operations.

Harness Information Technology to Drive Innovation

Every company wants to be more innovative, whether it’s entering entirely new markets with new offerings or bringing improvements to existing products. The winners in today’s economy are using technology to power innovation in their organizations, whether it’s harnessing data to make better decisions, implementing changes into business processes, or quickly disseminating innovations throughout their business.¹

Despite the fact that 71 percent of companies say technology innovation increases competitive advantage, in most industries, up to 90 percent of companies aren’t even close to leveraging IT in this way.² So what is holding them back? Companies are spending the majority of their IT budgets on maintaining current systems, rather than on adding new capabilities or innovating. In 2012, organizations estimate that they will spend 63 percent of their IT budget to run day-to-day operations; in contrast, only 21 percent expect IT spend to support the organic growth of the business; and only 16 percent will go towards supporting major new business transformations, new products, services or business models.³

What if you could change the mix of your IT spend and shift more of your resources towards growth and innovation?
Cloud Computing Enables the Shift of More IT Resources from Maintenance to Innovation

We’ve seen the evolution of systems and technology from the mainframe to client server to the internet. Today, the evolution continues to delivering applications and platforms as a service through the cloud. The cloud radically transforms business by promising lower IT spend, greater agility, and more innovation—all of which are factors for increasing cloud adoption. For example, in a recent survey by the Economist Intelligent Unit, 35 percent of executives are planning to use the cloud to drive innovation by 2015, nearly double the percentage from the prior year.¹

By leveraging the cloud, a company can free its IT staff to spend more time on strategic initiatives and innovation, and re-direct more resources to value-creating activities from lower-value activities.²

Not All Clouds are Created Equal

Not all clouds are created equal, and one size does not necessarily fit all. Unfortunately, many organizations are finding out the hard way that the value of lower up-front costs is often overshadowed by the inherent problems with most first-generation cloud applications. Customers who entrust their business to multiple niche cloud providers are not realizing the full promise of the cloud in terms of functionality, control, and flexibility. While almost 9 out of 10 companies expected more IT agility with the cloud, only 47 percent are actually achieving it.³

Having one cloud provider for customer relationship management (CRM) and another for human capital management (HCM)—and then trying to glue these proprietary systems together while integrating to an ERP system—can add to complexity and long-term costs. Integration and data complexities are amplified when it comes to core business operations such as financial accounting, risk and control management, procurement, and project portfolio management. Completing a business process or obtaining performance metrics from multiple and often separate systems is cumbersome and worse, results in inaccurate information. Security and operational performance are also critical concerns. Your financial, customer and company information must be safe, secure, and highly available. More often than not, niche cloud providers will outsource the management of their cloud applications to a third party and rely on multiple partners to complete their solution.

What organizations need today is an enterprise-grade ERP cloud solution—a complete suite of cloud applications that incorporate best practice, end-to-end business processes, and dynamic reporting that integrates with cloud and on-premise systems. A solution that is flexible and modern, and reliable and secure—a solution called Oracle ERP Cloud Service.

“Most SaaS systems are pretty good about reporting within the application, but dynamically analyzing data from multiple services is a whole different story.”

*Information Week, “Return of the Cloud Silos”, July 2011*
Three-quarters of finance executives (76 percent) agree that a solid cloud-computing strategy will be important for their company’s success within the next 12 to 18 months.


Transforming Back-Office Solutions with an Enterprise-Grade Cloud

At Oracle, we have been delivering cloud services to organizations around the globe for more than a decade, giving us proven expertise in delivering applications on the cloud with the highest levels of security, performance, and scalability. We’ve built the world’s most complete suite of enterprise-grade cloud applications so organizations can enjoy the benefits of the cloud without having to compromise on functionality, security, or flexibility.

Providing the full breadth of business operations, including financial accounting, risk and control management, procurement, inventory, and project portfolio management, Oracle ERP Cloud Service is a complete and integrated enterprise suite that transforms your back office into a collaborative, efficient, and intuitive hub. And, with the latest in social, mobile, and analytic technologies, organizations can optimize the collaboration and innovation across their enterprise.

The Oracle ERP Cloud Service solution transforms your business in three ways:

- Provides a global enterprise solution, not just a siloed, departmental offering
- Moves beyond simply accessing information to taking action with information
- Addresses how people work, not focusing solely on transaction efficiency

Moving from Departmental to a Global Enterprise Solution

While first generation clouds focused on specialized solutions that met the needs of a single department, Oracle ERP Cloud Service delivers a complete and comprehensive suite that provides the full breadth of capabilities that global organizations demand today, including full-featured financial accounting, project management, procurement, and risk and controls management. Designed using a 100% open standards-based platform, Oracle ERP Cloud Service is easily configurable and enables business process standardization across the global enterprise.

Whether you’re a rapidly growing organization or a large multinational, Oracle ERP Cloud Service is designed and engineered for your global needs including full multi-GAAP, multi-currency, multi-language, and multi-subsidiary capabilities. Easily conduct business across subsidiaries using complete, cross-functional business processes including automated intercompany. Be up and running in weeks versus months with Oracle’s complete implementation lifecycle offering of pre-implementation, implementation and optimization services. For customers focused on speed and value, Start-up Packs deliver a ready-to-use instance quickly, easily, and cost-effectively through an approach that emphasizes an out-of-the-box philosophy and adoption of the best practices inherent in our products.

Only four percent of organizations have fully integrated their SaaS deployments with enterprise-wide business processes. Forty percent of them say technology limitations are the reason for not integrating them.

*CRN*, “Apprio Shatters Cloud Silos with Cloud Broker Technology”. September 2010
As companies increasingly organize themselves around collaborative and flexible business networks, those who fail to adopt new technologies in time—not just the cloud, but also, for instance, the shift to mobility and connectivity—are likely to suffer as a result.


Taking Action with Information

Information is critical for business and cannot be stale, siloed, or static. And probably one of the biggest challenges is not having the right technology to match the job for employees to be the most effective. Oracle ERP Cloud Service lets knowledge workers move beyond accessing information to actually taking action in three ways:

- Within a transaction using embedded analytics
- About a process using role-based dashboards and work areas
- Across processes using a multi-dimensional reporting platform

Embedded analytics deliver actionable information to users within a transaction relevant to their task at hand. For example, recommendations and visual cues help users match a receipt to an invoice, or a purchase-order line to an invoice. Similarly, reminders inform users of items that require their attention, for example if a supplier has prepayments that haven’t been applied.

Role-based dashboards and work areas actively monitor processes to provide a consolidated view of timely and relevant information. For example, a buyer’s work center directs a buyer’s attention to key actions and problematic hotspots using graphical views of key performance indicators (KPIs), dynamic summaries of required actions, role-based alerts, and personalized watch lists and work lists.

Underlying the Oracle ERP Cloud Service is an innovative reporting model that provides immediate access to all accounting and project information. Built on Oracle’s award-winning Essbase technology, this native multi-dimensional reporting platform fulfills transactional and analytical information needs. For example, single-step posting automatically updates general ledger balances in a multi-dimensional data model to provide consistent, timely, and accurate information to all users for both external and internal reporting. By utilizing a multi-dimensional model at the heart of the ERP solution, the Oracle ERP Cloud Service enables users to answer critical business questions and take action in real time.

Shift Focus from Process to People

Traditional ERP systems have focused on how best to optimize business processes across the enterprise. While this is still important, the bar has been raised with the introduction of social networking and mobile technologies. These technologies have had a tremendous impact on how workers perform their jobs and on their productivity.
Oracle ERP Cloud Service shifts the focus from process to people, and is designed for how knowledge workers like to work today. Capabilities include a consumer-driven user experience that is proven to increase user productivity, as well as applications natively built for mobile devices. Today’s mobile workers can use voice capture to record expenses, photo-capture their receipts, and submit expenses for approval from their mobile device. The mobile experience is modern, secure, and robust—supporting both real-time or offline data access.

Embedded tools and work spaces facilitate and encourage collaboration between team members through activity streams, forums, tagging, chat, wikis and blogs. Oracle ERP Cloud Service increases productivity by encouraging collaboration across teams and allows for sharing of information in a secure environment.

Conclusion

Moving your ERP applications to the cloud can deliver both short- and long-term benefits, including cost savings, improved agility, and faster innovation—but only if your cloud is enterprise-grade. Only Oracle provides enterprise-grade ERP cloud services that give you the most complete and advanced capabilities engineered on a platform you can trust. With Oracle ERP Cloud Service, you can confidently transform your business by directing more of your IT investment to drive innovation.

Oracle ERP Cloud Service: back-office solutions that keep you in front.

For more information on Oracle ERP Cloud Service, please contact your Oracle representative or visit oracle.com/cloud.

Footnotes:

1 “Competing for growth: Winning in the new economy”, Ernst Young, 2010
2 “Using IT to Drive Innovation”, Erik Brynjolfsson, MIT Technology Review, 2011
4 Economist Intelligence Unit, 2011

Ninety-six percent of CFOs surveyed believe that, “cloud computing provides their business with quantifiable benefits.”

Google, Google Survey, 2012