Measuring the Value of Oracle Enterprise Performance Management Cloud
Outdated Tools Are Depressing Growth—and Employees

Everybody talks about making business processes faster and more streamlined, but what’s the most efficient way to make it happen? For finance teams, the evidence points to Oracle EPM Cloud, according to new research. A better, more streamlined close is one of the top benefits identified by individuals in the survey, and 72 percent of these individuals say they have received significant benefits overall from the solution.

At the same time, survey results show that finance groups using outdated technology tools are falling behind competitors that use modern cloud services and applications. Business planning and close processes are two key areas where the performance gap is wide.

In our Value of EPM research, we surveyed more than 900 finance technology consumers—Oracle customers and noncustomers. We asked about barriers to better planning and what they would need for faster, more effective close processes. Many participants expressed frustration at not being able to work faster and more effectively because of old systems and limited desktop applications that prevent collaboration and data sharing among finance peers. As one survey respondent summarized: “Accounting close delays the start to the forecasting process. Streamlining the process would assist the overall timeline.”

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To transform the business, finance teams need to be able to work at their full potential. According to the survey:

- 70% want closer integration between planning and ERP systems.
- 72% think it’s valuable to share an EPM platform between financial planning and analysis and controller teams.
- 71% agree that the financial close would be more effective if tax and finance worked from the same software.
- 31% cannot effectively incorporate financial planning and analysis into line-of-business planning due to disparate systems.

When looking only at responses from Oracle EPM Cloud customers who participated in the research, a different experience emerges.

These individuals have:

- Vastly reduced the use of spreadsheets and can forecast faster
- Improved forecast accuracy and are using fewer administrative resources across planning processes
- Achieved dramatic efficiency and accuracy gains in the close process: 79 percent said their closings are less complex

Let’s take a closer look at how modern cloud applications can position finance professionals to make better use of their skills and knowledge for business strategy and insight.

**Value of EPM Survey**

Respondents to the Value of EPM survey hold a variety of roles, including CxO, VP, EVP, SVP, senior director or manager, director or manager, and individual contributor. All company sizes are represented, and more than one-third are companies with $1 billion-plus in revenue. A wide variety of industries participated in the global survey pool.
Planning Is More Challenging Than Ever

The pace of business change is accelerating, and every organization needs more insight to plan and move faster. Financial planning and analysis teams need comprehensive, current operations data to perform analysis and create plans more rapidly. This requires the forecasting and control functions to work more closely together with connected applications and integrated data.

Without the cloud to enable this, it’s a struggle to change how planning is done because financial planning and analysis specialists can’t collaborate with and connect to financial control teams using shared applications. This missed connection causes multiple challenges for planners:

- **51%** don’t have the right tools for predictive planning.
- **68%** struggle to connect HR and finance planning due to siloed processes and limited automation.
- **31%** can’t effectively incorporate financial planning and analysis into line-of-business planning due to disparate systems.
- **51%** lack synergy between financial planning and analysis and the controller organization.

Financial planning and analysis teams want better data.

“Our planning process would improve if we had more-accurate data sets and validation of data across our business units.”

—Survey Participant
Financial planning capabilities and performance.

Compared with the research participants overall, there’s a dramatic contrast in responses from Oracle EPM Cloud customers.

Transformation: Oracle EPM Cloud customers.

- **27%** more time spent on analysis
- **18%** less time spent on data gathering
- **15%** better forecast accuracy
- **36%** fewer days spent on monthly forecasting
- **53%** achieved 12 new benefits
- **47%** fewer admin resources for planning, budgeting and forecasting

"With Oracle EPM Cloud, we removed a major hindrance to business growth. Now we control our strategy by having full visibility into agent productivity and branch office margins. This enables us to make forecasts using multiscale modeling and make better-informed decisions."

—Deputy Finance Director, European Insurance Company
Customers also told us that they are adopting more best practices that contribute to better performance, such as zero-based budgeting, long-range planning, rolling forecasts, driver-based inputs, and trend-based inputs.

Percentage of Oracle EPM Cloud customers who have adopted best-practice processes:

- Increased use of zero-based budgeting: 52%
- Increase in more frequent long-range planning: 38%
- Increased use of rolling forecasts: 33%
- Use of driver-based inputs: 28%
- Use of time-based inputs: 28%

They also are achieving:

**Better alignment.**

- 62% of Oracle EPM Cloud planning customers increased visibility into, and flexibility of, planning and forecasting processes.
- 57% have more people contributing to plans and forecasts.
- 53% improved communication and collaboration by driving more accountability into lines of business.
Time and resource savings.

- 70% of Oracle EPM Cloud planning customers decreased the time needed to plan and forecast per cycle.
- 71% reduction in the use of spreadsheets for budgeting.
- 28% fewer administrative FTEs required for planning.

Accelerated growth.

- 68% of Oracle EPM Cloud planning customers improved their organization’s ability to scale alongside growth.
- 58% said automated updates to the system’s latest features is a top benefit.

These results reflect the changing role of finance and how equipping finance teams with the right tools can directly change business results. Although the Value of EPM survey was anonymous, Oracle customers regularly speak about the transformative power of cloud-based EPM applications.
Lengthy, Friction-Filled Close Processes Are Outdated

Organizations expend enormous resources for the period close, and with good reason: These processes are the foundation of compliance reporting and business planning. But what happens when systems and processes are not aligned with the pace and demands of modern business?

Overall, respondents to the Value of EPM survey paint this picture: Finance teams working with inefficient, out-of-date technology are stuck in yesterday’s performance bracket, doing manual work and rework.

Common challenges that respondents faced in the close include:

- 52% of survey respondents take six or more days to close their books.
- 95% have to make manual adjustments in the close process.
- 60% still use spreadsheets to create cash-flow statements.
- 34% take more than four days to produce management reporting.
- 38% take more than six days to produce external financial reporting.
Wanted: More automation, less manual work.

“If we improved automated reconciliations, it would lead to a reduced number of reconciliations for our team to handle manually.”

— Survey Participant

But, as with financial planning and analysis processes, there is a dramatic contrast when looking only at responses from Oracle EPM Cloud customers.

Transformation: Oracle EPM Cloud customers.

- 71% gained more visibility across the close process.
- 20% less time closing the books.
- 79% had a less complex close.
- 44% less time to produce reporting.
- 73% reported more flexibility in reporting.
- 71% fewer manual adjustments.
Additionally, 72 percent of Oracle EPM Cloud customers said they have received significant benefits within their financial close and consolidation processes:

- A less complex financial close process: 79%
- Improved the flexibility in our reporting: 73%
- Reduced the number of days to close per cycle: 72%
- Able to automate more tasks and improve efficiency: 71%
- Better visibility and status tracking: 71%
- More automation and fewer manual adjustments: 71%
- Reduced workload during close: 68%
- More accessibility because of the cloud: 61%

70%+ have realized the top six benefits.
50%+ have realized at least 10 benefits.
How the cloud changes the close.

The gap between teams with a high-performance close and the rest of the survey group surfaced not just in metrics, but also in qualitative comments. We asked participants what would be “the one thing” that would improve the financial close process. Essentially, they described the features of a cloud-based finance suite:

What would improve the close processes?

- Faster data validations of source systems
- Enterprise data management
- All business on the same general ledger system
- Fully integrated system
- Easier report creation and edits
- Improved automated reconciliation
- Better reporting in place of spreadsheets

A cloud-based EPM suite brings scalability, automation, and standardization to period-close and reporting processes—and to all of the data within those processes. EPM in the cloud raises data quality and accelerates its availability to the wider organization. And because data has become one of the most valuable assets that any business owns, a modernized close becomes a driver of value instead of just a back-office function.

Oracle EPM Cloud customers have shared how different types of organizations can move faster and with more confidence: By using the cloud to help automate the data consolidation, financial analysis, and month-end close, a large regional bank is also able to complete external audits 10 percent faster than before, translating into tens of thousands of dollars saved each year in auditors’ fees.
The Cloud: Better Tools, Teams, and Performance

Looking at the results, it becomes clear that an integrated cloud-based EPM suite helps make connections and accelerate processes. It transforms how finance teams work and helps them add more value to the business—far more than is possible with outdated tools and processes.

Top five Reasons for moving EPM to the cloud.

1. Improve collaboration and communication
2. Get automatic updates for new software features and functions
3. Rationalize multiple EPM systems
4. Lower the total cost of ownership
5. Avoid on-premise upgrades

The cloud gives organizations the power to streamline operations, raise data quality, and invest more resources in growth strategies rather than IT maintenance. It enables a new way of working that is more human, productive, and profitable. For finance teams that want to leave disconnected processes, manual spreadsheets, and complex close processes in the past, Oracle EPM Cloud can be the path to transformation.

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