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NUCLEUS
RESEARCH

GUIDEBOOK
CONNECTING FINANCE &
HUMAN RESOURCES IN
ORACLE CLOUD

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THE BOTTOM LINE

The cost and complexity of enterprise resource planning (ERP) and human capital management (HCM) pose two of the most serious challenges facing large companies today. As business technology develops, organizations must adopt new tools and processes to meet the ever-increasing expectations of both employees and external regulators. To satisfy these needs, many companies deploy a combination of different best-of-breed solutions that deliver disparate results according to their individual directives. This siloed approach is problematic and produces a lack of visibility across the organization, leading to uninformed decisions, expensive errors, and wasted time. By deploying a unified platform such as Oracle Cloud, companies can facilitate collaboration and shared insights, thus improving efficiency, incorporating best business practices and assessing emerging technologies.

To better understand how companies are leveraging joint ERP and HCM software deployments, Nucleus spoke with customers using both Oracle ERP Cloud and Oracle HCM Cloud. Nucleus found that customers chose Oracle because of its innovative product roadmap and common data model. Nucleus also observed that customers achieved productivity gains, improved data accuracy through standardization, and increased organizational visibility.

A customer reduced the time required for its monthly close by more than 80% after deploying Oracle Cloud applications.

THE SITUATION

As technology enables employees to collect massive amounts of data, users have struggled to adapt to multiple systems that fail to properly gather and analyze new streams of information. To manage and leverage the data produced, some organizations are focusing on how to better integrate systems and solutions. In doing so, they are confronting the continued shortfall in functionality, the difficulty of aligning master data, and the expense and difficulty of managing multiple linked systems. To address this problem, more

businesses are moving towards single vendor solutions, choosing market suites from one firm to ensure a user experience that delivers more complete organizational visibility. ERP and HCM users will benefit from this unification since their responsibilities each influence the other department's mission and the company's bottom line.

Moving to a single provider allows organizations to collaborate and share data instantly. This real-time integration enables organizations to leverage connected workflows between the finance and human resources (HR) departments, improving data visibility and delivering higher returns for organizations that support this type of infrastructure. As the volume of organizational data increases, it is critical for those entities to understand the data that is available to them and how to use that information efficiently. Companies can achieve this goal by moving towards a single provider for the majority of current and future operational software requirements.

A customer increased the productivity of its payroll and benefits staff by more than 20% after deploying Oracle HCM Cloud.

THE SOLUTION

Oracle is a leading provider of cloud software with business solutions for enterprise resource planning, human capital management, customer relationship management, supply chain management, analytics, and corporate performance management. Oracle covers the offices of finance and HR through two of its cloud solutions:

- **Oracle ERP Cloud:** Oracle ERP Cloud is a finance and operations management system and covers all parts of the enterprise: accounting, consolidation, planning, procurements, projects, analytics, and risk management. With 140 applications in its suite, Oracle ERP Cloud addresses more than 20 industry verticals.
- **Oracle HCM Cloud:** Oracle provides a complete HCM solution built natively on a single, intelligent cloud platform. The application encompasses HR processes from hire to retire including payroll, time and attendance, recruiting and onboarding, compensation, benefits, work life, talent management, and workforce management. Oracle's intuitive user experiences and real-time workforce insights help customers increase their operational efficiency.

WHY ORACLE CLOUD

Dated legacy software is a common problem facing enterprise IT professionals and the challenge of replacing that software can be just as daunting. Nucleus has observed that companies are often reluctant to undertake software replacement projects out of a rational fear that a failed implementation will cripple their business. As a result, proofs of concept and value are necessary tools for convincing customers to change (either switch or upgrade) their software deployments. Customers cited two primary factors for adopting joint Oracle ERP Cloud and Oracle HCM Cloud solutions: business process management and operational best practices.

BUSINESS PROCESS MANAGEMENT

A significant challenge facing enterprises that deploy multiple solutions for ERP and HCM is the amount of work required to access and analyze data from solutions and databases. By selecting Oracle Cloud, a company can implement connected workflows that enable finance and HR employees to collaborate directly with one another using newly available data. The resulting solution reduces time spent on managing interdepartmental communication and data exchanges and improves the quality of analysis and strategic work.

OPERATIONAL BEST PRACTICES

Because Oracle has extensive experience with finance and HR, they have established and integrated finance and HR best practices into their respective solutions. Nucleus observed that customers who modified their implementations expressed regret that they had not adopted Oracle's suggested business process configurations. The customers noted that the benefits of having a business process done "their way" in the software were less than expected. For enterprise companies looking to carry out complex change management projects, commitment to best practices established by the software provider saves time and money and simplifies the deployment process.

KEY BENEFITS

INCREASED END USER PRODUCTIVITY

Oracle's cloud applications promote automation, most significantly by eliminating the need to exchange data between separate solutions. New data security capabilities can automatically flag anomalous or missing information, resulting in fewer errors and higher

quality of information. Data drill-down and visualization functionalities are also simplified and easier to use in Oracle Cloud applications than in their on-premises predecessors: E-Business Suite, JD Edwards, and PeopleSoft. As a result, end users spend less time on manual tasks such as report creation and data entry and more time contributing to their company's long-term goals.

Customer Profile: Advertising Services Provider

The company is an outdoor advertising company that specializes in large format static and digital billboards, bus and tram advertising displays, and advertising panels on trains and railways. The company wanted a software-as-a-service (SaaS) product that didn't require on-site infrastructure or maintenance. They chose Oracle because of its strong security and data integrity protocols. Legacy system tasks were constructed with spreadsheets and caused differences in data quality and formatting errors.

With the Oracle solution, data that is not correctly formatted is rejected, reducing errors and improving data quality. Additionally, Oracle Cloud applications have automated workflows for many processes that were previously manual, allowing users to save time and commit fewer errors. For example, accounting processes and invoice scanning can all be handled automatically by the system. Additionally, the tools for data visualization are more intuitive than those of the legacy system, allowing users to drill down into data more easily and better understand how the company is performing.

"Oracle's data security and visualization capabilities have reduced the time end users spend on verification and report creation, allowing those employees to spend more time on other value-add tasks for the company."

IMPROVED STANDARDIZATION

By choosing the same vendor to handle both ERP and HCM processes, customers will eliminate costly and time-consuming integration projects and break down data silos. This simplifies the environment from an IT management perspective and reduces the number of vendor relationships the company needs to maintain. With integrated workflows, HR and finance data will both contribute to a high-level view of the company's performance that was previously impossible to assemble because of the disconnected nature of old data silos.

Report types and user interfaces can be standardized across both applications for continuity and increased productivity, allowing HR and finance employees to use the same tools to see how their actions affect common company data.

Customer Profile: Logistics Specialist

The customer is a holding company for global freight shipping brands. It offers shipping of industrial, retail, and commercial goods. The company made the decision to move from an on-premises deployment to the cloud and decided to purchase HCM and ERP software from the same provider to ensure proper interoperability and standardized practices across the company. The company selected Oracle due to its experience as an enterprise application provider and its flexible timeframe for implementing software upgrades.

The company executed a phased deployment with the first ERP applications for general ledger and accounts payable going live in October 2016. It continued to roll out HR applications approximately every two weeks throughout 2017 and went live with payroll functionality in the last week of 2017. The company's users required some training and getting used to the differences, but there were no functionality gaps that caused major problems. The main benefit was standardization of the IT environment. Deploying Oracle as an end-to-end joint ERP and HCM solution removed the need for data integration and streamlined reporting because data and processes were no longer siloed by vendor and department. The company also redeployed three full-time employees (FTEs) who were previously responsible for managing its legacy HCM solution.

"Oracle's out-of-the-box interfaces helped us standardize many business processes that had been at odds with each other and enabled us to retire inefficient legacy software solutions that were slowing us down."

INCREASED DATA VISIBILITY

By eliminating information silos created from multiple solutions, Oracle ERP Cloud and Oracle HCM Cloud streamline business processes that require input from both HR and finance employees. This seamless integration facilitates close collaboration between the two departments, as well as better decision making since more people can analyze all available

data in real-time. With better insights into departmental performance, companies can proactively manage their day-to-day operations.

Customer Profile: Construction Management Company

The customer is a subsidiary of an international communications conglomerate that specializes in construction and management of wireless communications infrastructure in major US cities. Its products expand connectivity for various services including public safety, emergency services, transit operations, and various business applications.

The company deployed Oracle ERP Cloud and Oracle HCM Cloud to consolidate company procurement, financials, inventory, project, invoicing, and HR into a single platform. Nucleus found that deploying Oracle's cloud ERP and HCM solutions helped the company transform business operations, reducing administrative costs and increasing employee productivity. Decision makers now have full visibility of their current inventories and upcoming needs based on project pipelines while the embedded workflows of the solutions save time and reduce errors, enabling the company to improve its planning capabilities.

"The Oracle platform's consolidated nature enabled us to avoid many complex customizations and helped us better allocate resources to different projects, which has saved thousands of dollars for the company."

CONCLUSION

As companies plan for the future, they must ensure that their departments share the same goal to achieve success through collaboration across finance and HR. Unifying different teams through a single software platform is a competitive edge that companies can leverage if they have resources to support the necessary hardware and software. By combining the employee experience with corporate finance, joint deployments of Oracle ERP Cloud and Oracle HCM Cloud contribute to improving a company's internal performance and connectivity. As a result, those companies will be able to modernize their business practices and add emerging technologies such as artificial intelligence, blockchain, and digital assistants to their deployment's roadmap. Centralizing critical operations within

the Oracle Cloud platform has enabled multiple companies and industries to equip themselves with the tools they need for future growth and success.



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