ORACLE

Oracle Value Realisation Finance and HR Unified in the Cloud

This whitepaper outlines the value local authority customers expect from integrating finance and workforce solutions deployed on Oracle Cloud

ORACLE

Contents

Introduction

Even before the pandemic, local authority finances were under pressure following a period of funding reductions, growth in service demand and delayed reforms to the local finance framework. To be ambitious for their communities now and into the future, councils need to have insight to plan for vital services, build a workforce for the future and have the flexibility to adapt.

Council-wide finance operations need to link with critical human capital data. After all, local authorities employ over 1.5 million staff (FTE) with staff accounting for half of all spending as many services are labour intensive. Yet, many councils view finance and HR as contrasting and distinct entities – finance accounting for the facts of business and HR the people side. As finance teams get more involved in defining corporate strategies, they need a better understanding of their council's talent and resourcing needs. At the same time, HR teams need a clearer view of each department's budgets and strategic priorities to recruit and retain the right people. We believe there is a need for converging finance and HR automation, processes and data.

The purpose of this white paper is to highlight the value customers can achieve by integrating Oracle ERP and HCM solutions deployed on Oracle Cloud. This white paper provides a point of view on where we expect customer benefits to come, in advance of more formal customer value realization engagements, in which we help customer's target, track, measure and promote business outcomes throughout a cloud transformation journey.

Overview

Councils have made significant steps to improve their internal efficiency, with gains translated into improved services or to manage council tax levels. However, like other parts of the council, finance and HR teams must continue to evolve and innovate. It is no longer enough to be efficient in terms of cost. Finance and HR teams must also continue to add value in terms of greater transparency, deeper business insight and improved decision-making. It is more important than ever for councils to demonstrate that their investments deliver tangible public benefits - both now and in the future.

Oracle continually works with our customers, across government and commercial industries, to gather evidence from finance and HR teams on the types of benefits they have experienced with Oracle cloud solutions. This evidence is captured in the ERP Benchmark paper and the HCM Benchmark paper. And explains how our customers have transformed their organisations through streamlined and automated processes, improved access to more information, greater analytical insight and real-time reporting. Which has resulted in improved end-to-end financial management processes, drawing on data from across the organization to create an agile, scalable and insight-driven finance function.

ORACLE

ERP Cloud Benchmark Paper - Highlights

50% faster closing process
- Customers improved the speed and accuracy of all aspects of the financial close

Typical 25% improvement in staff productivity

50% improvement in reporting productivity

1. Modernization
2. Influence Business Outcomes
3. Enhanced Productivity
- Top 3 Themes for choosing Oracle ERP Cloud

Data Driven Decision Making & Optimizing Financial Close and Reporting
- Areas where customers want to continue achieving business value

- Simplify & improve purchasing decisions with **Oracle Procurement Cloud**
- **Integrate Oracle ERP Cloud with other areas** to derive cross-functional insights
- Future Plans

Improved Financial Reporting Productivity
- Capability with greatest value

Improvements in **Financial Close**, Improved **Reporting Productivity** and **Account Payables** Related to Vendor Management
- Capabilities achieved the soonest

Key highlights from the Value Realization ERP Cloud Benchmark Paper - published July 2018

With Oracle HCM Cloud, customers were able to think strategically about building a workforce that can meet future challenges through real-time insight. Evidence shows that customers were able to control costs while addressing strategic recruitment and retention challenges and evaluating their impacts.

HCM Cloud Benchmark Paper - Highlights

68% reduction in payroll processing time
- By using dashboards to monitor processes and automating with payroll flows and checklists

30% improvement in staff productivity with automated performance management
- With Oracle HCM Cloud Implementation

79% improvement in reporting productivity
- With innovative self-service reporting that eliminated process inefficiencies and manual reports.

1. Modernization
2. Data Security
3. Process Efficiency
- Top 3 Themes for choosing Oracle HCM Cloud

Increase staff productivity by streamlining core HR processes
- Areas where customers want to continue achieving business value

Leverage dashboards and progressive reporting techniques and **manage talent acquisition and retention easily**
- Future Plans

Global alignment of goals
- Capability with greatest value

Improvements in **Reporting Productivity, Better Performance Management process** and **Reduced Training Costs**
- Capabilities achieved the soonest

Key highlights from the Value Realization HCM Cloud Benchmark Paper - published September 2018

ORACLE

Unified Finance and HR

The need for closer collaboration between finance and HR has never been more important. 94% of chief finance officers in a recent National Audit Office (NAO) survey from single tier and county councils expect to make cuts in service budgets in 2021-22. At the same time, there are serious difficulties recruiting and retaining staff in key areas such as adult social care.

Finance must become a strategic partner to the council - providing the guidance needed to turn a local vision into a meaningful corporate plan, while HR plays an essential role in ensuring that the council has the talent it needs to execute on the plan and create a change-ready culture.

Integrating finance and HR data means improved transparency and productivity across multiple back office functions and the wider council. A unified view shares financial and HR data for deeper insights. Operations are simplified, streamlined, and are better able to support service delivery. Elected members and managers have access to joined-up data for better decision-making, while staff are more productive as they access services through a modern and unified user experience.

Listed below are few questions to help explore the unique capabilities that an integrated, unified ERP and HCM cloud solution can enable:

- Are you able to plan and manage your workforce recruitment, development and retention strategically?

- Do members, chief executives and heads of service engage strategically in finance and workforce issues?

- Has your council adopted a strategic approach to recruitment and retention, to deliver statutory duties and key services, avoid unnecessary temporary staff and meet local and national objectives?

- Can you provide clear evidence that effective approaches to workforce planning lead to efficiency gains and clear service improvement (such as reductions in sickness absence, managing turnover, etc)?

- Are you able to respond more effectively to future challenges by working with partners and across areas to address financial and workforce issues?

Oracle has identified 34 critical touchpoints between ERP and HCM cloud systems where integration can speed up operations and eliminate manual tasks across departments. We regularly see the following benefits that organizations can achieve through integrated finance and HR solutions deployed on an Oracle cloud platform:

- **Value** – management has time to focus on future threats and opportunities rather than transactional problems

- **Agility** – lower cost, faster to respond to organisational change and volatility, with no shortage of talent and the best possible skills mix

- **Control** – excellent data quality, one version of the truth, and data processes, with no question of leadership competence and control

- **Performance** – excellent understanding of citizens and service users, with measurably better business insight, and understanding of 'what works'

ORACLE

Customer Perspective

❝ One of the reasons for moving to Oracle Cloud was to eliminate the cumbersome customisations in our on-premise legacy environment. Now, everything is standardised. There are fewer processes to learn so managers and staff can devote more time to supporting residents' needs. ❞

Hamant Bharadia, Assistant Director of Finance, Lambeth Council

Improved Operational Efficiency and Effectiveness

Increasingly governments are seeking to unify data and processes on a single platform to increase responsiveness and promote innovation. According to Gartner, by 2025, 95% of new IT investment made by government agencies will be made as a service solution.

A single data model breaks down operational silos and provides a shared understanding of service delivery, delivering greater control and consistency. By moving to integrated finance and HR applications deployed on the Oracle Cloud, customers can gain greater insight from one single data model and integrated ERP and HCM systems. As a result, they:

- **Reduce Costs** - With an integrated finance and HR solution deployed on Oracle cloud platform, customers can reduce customizations, save on application support and upgrade costs, IT maintenance staff and infrastructure costs.

- **Staff Productivity** - Customers can reduce repetitive work by eliminating the need for manual data entry at multiple points across systems, thereby enabling staff to have greater focus on strategic activities like spend analysis, employee engagement and training, increasing staff productivity.

- **Reporting Productivity** - With a unified single master data set, customers can improve reporting with standardised and automated reporting with improved tracking providing granular insight, eliminating time intensive efforts of assembling information from multiple sources and enhancing decision-making.

- **Streamline Processes** - Customers can maximize productivity with automated workflows, leveraging the information in the integrated ERP and HCM systems to determine the approval routing for business processes such as expense approvals and implement policy changes easily, resulting in significant process improvements.

Align the workforce to strategic priorities

The finance and HR directors must be directly involved in the council's corporate management. This involves making sure that financial management and HR arrangements are in line with both broad policy objectives and the council's overall management approach. They are increasingly called upon to tackle cross-council issues and develop the way in which the council is structured and run.

A unified cloud platform promotes co-operation across finance and HR teams. With an integrated solution deployed on the Oracle cloud platform, customers can improve collaboration by standardizing processes and simplified change management, redirecting resources based on business priorities and enhance workforce engagement.

- **Workforce Engagement** - When organizations build engagement with their employees, not only does customer satisfaction levels improve, but so does employee turnover ratios. With happy and engaged employees, an organization reduces the need to "buy" talent to fill gaps and opens more opportunities to retain and re-deploy top talent. Reduced hiring needs can be seamlessly reflected in financial forecasts and plans, while savings from the recruiting budget can be reallocated to service delivery.

- **Employee Onboarding** – With an integrated cloud solution, HR can bring in the right candidates to fill talent gaps and streamline the on-boarding process. Customers can facilitate quicker onboarding of new employees via automatic population of employee information across the entire system. To immediately enable required activities, such as assigning user roles and requisitioning needed assets. Reducing onboarding costs and promoting hybrid working models.

Enhance decision making to improve local service outcomes

Councils need to be able to make informed decisions swiftly about how to adapt to new opportunities and threats that test their capacity and skills. In addition to meeting increasing customer needs, councils and other public sector organisations must confront new and complex issues such as climate change, the costs and implications of an ageing population, violent extremism and other "wicked issues".

These issues demand fresh thinking that needs to be at the heart of future plans. Which comes with a fundamental challenge to leadership, capacity and focus. With access to accurate, consistent data and analytics capabilities across ERP and HCM systems, elected members and managers can make faster, smarter decisions. With an unified finance and HR cloud, customers can improve their decision-making and gain real-time insights that help in driving the council forward.

- **Financial Close** - With an integrated finance and HR solution deployed on the Oracle cloud platform, customers can improve closing processes with automatic transfer of payroll journal entries into the general ledger, catch issues and variances early and resolve them quickly before the formal period close. This ensures data quality, improved accuracy, and significantly reduced workloads.

- **Planning and Performance** - Customers can incorporate key HR data into operational decision-making including examining the links between the organization's ability to develop the future workforce and their ability to achieve their strategic objectives. And find practical ways to deliver good quality services that meet the needs of local people.

ORACLE

Adapt quickly to threats and future opportunities

Councils need a plan to realise opportunities, such as the economic benefits of business growth, alongside getting the basics right, and providing a focus for where future investment is needed. This includes fundamentally shifting the focus from crisis to prevention, helping and supporting individuals and families at the early stages of an issue or crisis in their lives before it manifests as a statutory need. At its heart this is about working with people differently, drawing on the support that exists in the community, as well as joining up professional disciplines on the frontline.

Investing in an integrated cloud-based ERP and HCM system provides new insights into how business change influences budgets, forecasts, talent, resource allocation, and makes it easier to implement new strategies to respond effectively to change.

- **Strategic business planning** - Organisations can augment business decisions by integrating disparate finance and HR data sources with Oracle Cloud. To gather the detailed workforce and financial insight, enabling them to make informed decisions, that manage and influence demand to protect services, generating income wherever it makes sense and adapting the organization to equip and support a modern workforce. With an integrated solution, HR can model the organizations, including reporting lines, resource levels/profiles, all within defined costs. In addition, new operating models and budgets can be easily created and approved, to support changing business strategies.

- **Budgeting and Forecasting** – With a single integrated dataset, HR leaders can perform workforce trend analysis and use prediction techniques to recommend changes to workforce and headcount. Collaborating with their finance counterparts, they can create insightful and timely financial reports, rolling forecasts, and sandbox "what- if" scenarios to plan future services and determine the best course of action.

Implement robust security and governance

With separate ERP and HR systems, organisations are required to invest in rigorous security models and continuously work on areas to reduce risk, eliminate manual errors and enable better compliance and auditing. With a shared master data across the integrated ERP and HR cloud, organisations can drive standardization and greater control across departments, eliminating the need for multiple sets of employee records. As an employee moves throughout the organization, the unified cloud knows exactly where that person is in the organization and manages workflows, approvals and access, to address all governance and compliance requirements.

- **Audit and Compliance** - With Oracle Cloud, organisations can implement the same security and controls across the integrated ERP and HCM reporting environment to identify all transactions which need attention and require adjustment, immediately take appropriate action and meet all statutory and legal accounting requirements, and reduce audit, risk and compliance costs.

Conclusion

The cloud has become a critical tool for local authorities and their public sector partners as they look to meet increasingly complex demands and with fewer resources. Oracle believes that, when you look at the HR and finance data, it is easy to understand why a unified HCM and ERP cloud system has far-reaching, concrete benefits that touch nearly all aspects of the organisation. Our evidence points to advantages such as cost efficiencies, single-sourced data sets, and optimized workflows. Investing in an integrated Oracle ERP and HCM Cloud provides organisations new insights into how change can impact budgets, forecasts, workforce management and resource allocation.

Oracle hopes this report provides some insight on the value customers could expect from integrating Oracle ERP and HCM cloud. This white paper is a thought-leadership piece and accompanies ERP and HCM Cloud benchmark reports, which will contain aggregated customer benefit data from on-going customer engagements. Participation in Oracle's Value Realization program will help customers realize cloud success and help achieve the full potential value from the Oracle Cloud investment. To benchmark your performance versus others, and to target, track, measure business outcomes and promote your cloud success, please get in touch with us at: **customer_value_realization_ww_grp@oracle.com**
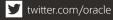
Wherever you may be in your cloud journey, Oracle can help.
www.oracle.com/uk/industries/public-sector