



Transforming Finance Operations at Oracle with Oracle Cloud ERP



Oracle@Oracle: Our Journey to the Cloud

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PURPOSE STATEMENT

This document is intended to share some of the benefits our organization has achieved since moving our on-premises finance systems to Oracle Cloud ERP, as well as how you can achieve those benefits – so you can make more informed decisions as you migrate your systems to the Cloud.

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INTRODUCTION

Why transformation now?

At Oracle, like at hundreds of other companies around the world, we have undergone a massive technology transformation to enable exceptional experiences for our customers and our employees. We have realized that in order to keep up with the pace of change, we have to modernize fast. We made the decision to migrate our internal systems to Oracle Cloud and are seeing incredible benefits.

Oracle is a complex organization serving 140,000 employees and 400,000 customers all over the globe. Using our cloud applications, we have:

- Supported different pricing and sales models for **6,000 different products** over the last couple of years.
- Managed over **1.5B customer interactions** each year, versus 2 million per year before migrating to Oracle Cloud.
- Shortened our close cycle by **more than 20%** and minimized time to report earnings.
- Recruited **10,000** college students in the U.S. alone over the last 5 years.

Taking the leap to Oracle Cloud ERP

As enterprise leaders contemplate moving traditional on-premises applications to the cloud, one of the key questions they must answer is, “Where do we start?” The instinct of many executives is to first send general business applications, such as email or file-sharing platforms, to the cloud, while keeping mission-critical platforms, such as enterprise resource planning (ERP) systems, on premises. At Oracle, we have seen the benefits taking the leap and migrating our ERP systems to the cloud first-hand. This migration has allowed us to:

- Capitalize on new ERP features as they become available in the cloud, for immediate value and innovation.
- Standardize leveraging one global transactional chart of accounts, making data management easier and simplifying reporting activities.
- Benefit from a unified data model, which has facilitated the move to cloud in other areas of our business.
- Streamline and automate our financial processes, eliminating much of our manual accounting activities.



The transformation of our finance operations has been an integral part of our transition from a product-focused to a service-focused provider. To achieve our goal of serving as a strategic partner to our customers, we needed to move beyond our ongoing goal for driving operational efficiency to a new goal for driving operational excellence. This required that our finance team become a predictive powerhouse that steers the business and leads the way forward.

When we thought about how to reimagine finance at Oracle we had four key objectives:

- **Objective #1:** Drive toward Infinite Scale by eliminating human intervention in our business processes
- **Objective #2:** Make the smartest decisions by continuously improving reporting and analysis capabilities, particularly through AI and machine learning
- **Objective #3:** Outpace change by giving our teams access to the latest technology innovations
- **Objective #4:** Delight our customers and employees

Benefits of our transformation

We have realized both quantitative and qualitative benefits in terms of increased efficiencies, time savings, and cost savings from migrating to Oracle Cloud. We break these benefits into four categories. Leveraging Oracle Cloud, we are now able to:



Maximize efficiency and effectiveness

Focus on high value activities, increase collaboration, and save money with integrated automation across the entire business.

Make the smartest decisions quickly

Make more informed and faster decisions with holistic insights, smart data, and artificial intelligence and machine learning.

Outpace change

Stay ahead with flexible, high-performance services and quarterly innovation.

Delight customers and employees

Increase satisfaction, engagement and loyalty with exceptional and secure experiences.

In terms of benefits to our financial processes, we have seen major improvements since migrating to Oracle ERP and EPM Cloud. To name a few:

- We are now able to close books and report earnings in **less than 12 days**.
- We have eliminated **35%** of manual accounting activities.
- We have reduced time to complete monthly accounts payable close by **30%**.

“We are on the same Public Cloud as our customers, no customizations. We want to be the best deployment of Oracle Cloud ERP and EPM on the planet, because we believe that’s how we can help our customers to be successful. We will also learn from our customers, it’s a Win-Win Story”

-Maria Smith

Oracle, Senior Vice President, Assistant Corporate Controller

FRAMEWORK FOR TRANSFORMATION

At Oracle, we understand that change is constant and transformation never stops, so we use an iterative framework to continuously optimize end-to-end processes. We strive to eliminate friction and make processes as simple and intuitive as possible, so that users are delighted and want to complete the experience again, much like how they interact with consumer applications.

The framework is made up of four steps:

1. **Streamline:** Remove and simplify steps across the experience
2. **Empower:** Enable users to complete the experience autonomously
3. **Delight:** Design a positive experience that users love
4. **Automate:** Automate the end-to-end experience with Oracle Cloud



REAL ORACLE@ORACLE EXAMPLES

We applied this four-part framework in our transformation strategy as we worked to implement Oracle Cloud ERP internally. Here are two examples:

Case study: Reimagining the reporting experience

We reimagined the finance reporting experience with Oracle Cloud ERP to drive customer and business success. Here are the benefits gained and how we achieved these results:

Streamline

We streamlined to standardize Finance processes by:

Deploying a Global Chart of Accounts.

Oracle worked to deploy one scalable global chart of accounts before moving to the cloud – both for organic and M&A growth – to simplify reporting, reduce data management complexity, and drive consistency of reported information across lines of business and business units. Before migrating, Oracle's Finance team worked to standardize the mapping of 32 different charts of accounts into one single GCOA. To do this, they used data relationship management within a hierarchical tool to reduce redundant segments of different ledgers. For example, Cost Center and Line of Business could be rolled up into one account segment. We also added a segment for Intercompany that was a key driver in enabling our team to reconcile our global intercompany tie out each month and quarter end. The GCOA served as the foundation as we began to improve our business processes in the cloud, allowing for other efficiencies throughout the process outlined below.

Reconciling intercompany balances as global reports.

Before Oracle's migration to ERP Cloud, we ran our finance systems on Oracle E-Business Suite. At this time, we had to manually close the books on an entity or country level. After we moved to cloud and leveraging the Global Chart of Accounts, we were able to reconcile these reports as one global report. For example, we can now run a global Accounts Payable report, and reconciliation can be executed by a single employee. This allowed us to shorten the time to reconcile all intercompany balances to 5 hours/month. On top of implementing the GCOA, we built in Data Visualization within Oracle Analytics Cloud, which allowed us to automate these manual processes, once again shortening the time to reconcile intercompany balances. Now we are able to complete this monthly process in just **1.5 hours**.

We are now able to reconcile intercompany balances for ~400 entities globally in just **1.5 hours** per month.

Reducing global standard allocations.

By implementing the Global Chart of Accounts, we have been able to standardize allocations across all entities globally and eliminate non-standard/specific allocations. These allocations are global and have resulted in huge efficiencies and time savings during close.

We achieved a **98%** reduction in global allocations.

Enhancing visibility and risk mitigation.

As a result of implementing the GCOA, Oracle's Finance teams have benefited from enhanced visibility and risk mitigation, enabling them to develop subject matter expertise in particular categories of the balance sheet. Because reconciliation can now be completely by, at times, one employee, our Finance team has built a group of subject matter experts that can easily identify and fix inefficiencies.

We now prepare **40%** of 20,000 reconciliations as global reconciliations.

Leveraging multi-ledger, multi-currency journals.

As a result of implementing the Global Chart of Accounts, we were able to gain a global view of expense allocations, allowing us to streamline our accounting operations and significantly reduce manual accounting globally. Multi-ledger, multi-currency journal functionality within Cloud ERP enables us to book specific category journals (such as commission or facilities expenses) as one journal globally, as opposed to having to book individual country or entity journals each month or quarter end, creating efficiencies for our team.

Empower

We empower employees through automation by:

Providing real-time actuals.

With Cloud ERP, the finance team benefits from enhanced visibility into our reported financials – driven by access to SmartView – providing actual numbers in functional currency, available in real time. Financial data can be reviewed in a shared reporting currency, once translation for the ledger set has been completed, which can be generated on an as needed basis.

Providing instant, on-the-go insights into data.

The finance team has access to interactive visualizations, through Oracle Data Visualization (DV) and Oracle Business Intelligence (BI) within Oracle Analytics Cloud, that provide significant insight into high volumes of data using any device in any environment – to enable more user-friendly and meaningful reporting.

Increasing organizational agility.

Oracle enables the finance team to develop deep and meaningful global subject matter expertise in particular categories of our income statement and balance sheet to enable organizational agility.

Setting a 1-day close goal.

Oracle created the “Finance Transformation & Automation” (FTA) team to drive the target plan for a 1-day close, and ultimately an automated close, as well as the deployment of an Enterprise Performance Management (EPM) focused roadmap including Oracle Cloud Services such as Account Reconciliation Cloud (ARCS) and Narrative Reporting.

Oracle’s finance leaders knew that they could not transform as an organization and socialize the prospect of a 1-day close, without committing resources. This was the primary motivator behind creating the FTA team. We also dedicated what we call the Center of Excellence (COE) within FTA to learn and manage the applications from a business perspective. For example, with Narrative Reporting within the Oracle EPM service offering, the COE manages the global suite of reports in terms of governance.

To start to work toward a 1-day close goal, Oracle’s Finance organization needed to instill key behavioral changes. The FTA team took responsibility to gain a deep understanding of the close model and develop activity reports across the entire organization. From here, we broke up the close into different categories and set timelines for completion of each portion of the close. The FTA team also worked to automate key manual processes, such as payroll.

We are now able to close our books and report earnings in less than 12 days.

Delight

We delight our internal customers by:

Minimizing effort by significantly reducing in manual accounting activities.

We have been able to greatly reduce the administrative burden associated with manual accounting, while creating opportunities to enhance and streamline reporting for both internal management and external purposes.

Saving valuable time.

Our vision for automating the accounting close has allowed us to redeploy employees to higher value-add activities rather than focusing on manual activities, bringing increased innovation and motivation to our teams.

“With Cloud Financials and a global chart of accounts, we were able to significantly automate the close process by reducing manual accounting and performing activities globally. This has brought huge efficiencies and the team has capacity now to be able to focus on innovation and on balance sheet risk mitigation and controls using real time reporting”

-Kannan Sethuraman

Oracle, Senior Director, Global Accounting Operations

Automate

We automate the end-to-end experience with Oracle Cloud to achieve our initial goals:



Maximize efficiency and effectiveness.

Oracle's Finance team focuses on eliminating human intervention in every business and transactional process possible, while creating opportunities for infinite scale for our teams.

Make the smartest decisions quickly.

Oracle delivers tailored, real-time reporting to business partners to improve decision making and leverages artificial intelligence and machine learning to improve the quality and efficiency of the analysis.

Outpace change.

We continuously reimagine the experience with new functionality that will enable us to focus on our vision for a 1 day close and ultimately achieve an automated close process.

Delight customers and employees.

We constantly focus on improving the interactions our customers and employees have with the finance team. And by empowering our finance team with improved processes, they are able to add value for all stakeholders.

Case study: Reimagining expense submission and approvals

We reimagined the expense submission and approval experience with Oracle Cloud ERP to increase productivity. Here are the benefits we gained and how we achieved these results:

Streamline

Oracle streamlined to simplify the employee experience by:

Rationalizing and consolidating expense types.

Oracle's internal Source to Settle team worked to consolidate expense types to streamline data entry during the submission process, simplifying the employee experience, improving reporting capabilities, supporting back-end auditing, and aligning data with the standard chart of accounts.

We reduced country expense types by 40%.

Rationalizing and consolidating expense policy requirements.

As a result of implementing the GCOA, Oracle's Source to Settle team was able to standardize and simplify policy requirements in the expense process to better align with global reports, eliminating some expense policy requirements wherever possible to accelerate the experience. For example, we simplified accommodation expense itemization, meal type specification, and hard copy receipt submission when possible, among others.

We reduced the Expense Reimbursement Cycle time by **30%**.

Oracle employees create and submit expense reports **72%** faster.

Automating key corporate card transactions.

By rationalizing and consolidating expense types, Oracle was able to automate the classification of key corporate card transactions – for example, accommodation, airfare, car rental, fuel, and transportation – to reduce employee information collection requirements. We used standard product configuration to map data American Express provides to Oracle's consolidated expense types, to match credit card transactions to their expense type automatically without user intervention.

We are able to auto-classify **50%** of credit card transactions.

Empower

We empower employees through automation by:

Enabling employees to submit expenses in real time and on-the-go.

Oracle allows employees to submit expenses in real-time through their mobile devices by sending a photo or text to a Digital Assistant. To completely reinvent the expense submission experience, Oracle Product Development, with support from Oracle Applications Labs, built a Digital Assistant, accessible through SMS text, which is now available both to employees and customers. Once employees send a photo of their receipt to the Digital Assistant, the system creates and matches the expense data with American Express data to complete the submission outside the application. Right now, the expenses Digital Assistant supports 12 expense types through SMS, and we are constantly working to expand capabilities and integrations internally.

Further reading: [How Oracle Delivers On-the-Go Expense Submission for Employees, Leveraging Quarterly Oracle Cloud Updates](#)

Users saved on average **60%** of their time compared to submitting expenses in Oracle Expenses Cloud.

“I love using the Digital Assistant to submit my expenses. Right after generating an expense, I can quickly and easily take a snapshot of my receipt and submit it via text, and the Digital Assistant wastes no time processing and submitting it. The process is so simple that I don’t expect to ever go back to submitting expenses on my desktop; and the frequency of auto pay makes it such that my corporate card is substantially paid by the time I return from my business trip.”

- Josh Kamenecka

Oracle, Group Vice President of North America Applications Solution Engineering

Delight

We delight our internal customers by:

Saving valuable time.

At Oracle, we have been able to reduce the time to complete expenses to just seconds, so employees can focus on value-add activities. Employees are now able to create and submit expense reports **72% faster**.

Creating an intuitive experience.

We have built our expense reporting experience completely with the user in mind – allowing them to perform tasks on the platforms they are most familiar with using, like their smartphones.



Automate

We automate the end-to-end experience with Oracle Cloud to achieve our initial goals:

Maximize efficiency and effectiveness.

Employees are now able to focus on customer and business success, rather than spending valuable time creating and submitting expense reports. Managers now spend less time reviewing employee expense submission, and only review anomalies.

Make the smartest decisions quickly.

Managers leverage smart recommendations to streamline the expense review and approval process.

Outpace change.

Oracle teams continue to reimagine the experience based on feedback, analysis, and technology innovation. We leverage quarterly cloud updates to implement the latest innovations – like the Expenses Digital Assistant.

Delight customers and employees.

We now deliver an accelerated expense submissions and approval experience that is simple, intuitive, and fast.

WHAT'S NEXT FOR ORACLE FINANCE?

1-day close.

The Global Controllers Organization continues to work towards a 1-day close. For us this means concluding and globally consolidating all close related activities on or before our Work Day 1, following the month end. At this point, our subsidiaries globally close on Day 3, and corporate consolidations are closed by Day 6. We will continue our transformation and automation with the availability of new ERP features such as Accounting Automations, Accounting Hub (for any source system), and Journal workflows, for example, along with EPM FCC close management, which will allow us move closer to automating our close processes and achieving the goal of a 1 day close.



LESSONS LEARNED

Through our successful migration to Oracle ERP Cloud, we continue to discover best practices, as well as pitfalls that most business should follow or avoid.

Secure senior executive mandate to drive change.

This is essential for the success of any cloud migration. Once this executive mandate is in place, it enables all key stakeholder organizations to progress without wavering in their commitment to deliver on the goal.

Implement in one division or business first.

In order to mitigate risk to the business, it's important to plan the implementation using a test case. For a large business like Oracle, this allowed us to roll out the implementation in a smaller and less complex environment (i.e. an Oracle Subsidiary company with a smaller albeit global footprint) in order to learn lessons from the applications and feedback to improve internally before we implemented them more broadly throughout the company.

Take opportunities for process improvement.

It's imperative to take learnings or corrective action as part of a controlled implementation. For the broader Oracle rollout, we took learnings from month 1 and month 2 of each quarter end cycle to apply to the critical month 3 quarter reporting period. This was critical to the success of our implementation.

Develop Global Chart of Accounts (GCOA).

The planning and deployment of one scalable global chart of accounts for both organic and M&A growth, is an enabler for simplified reporting, reduction in data management complexity, and reporting consistency across lines of business and business units.

Use data migration as a clean-up opportunity.

Moving to the cloud is an opportunity to focus on and declutter data prior to migration. For example, as part of moving our Accounts Payable/Procurement system to Oracle Cloud ERP, our Source to Settle team was able to reduce their vendor and supplier records by 50% prior to migration.

Leverage a Slim GL and focus on materiality.

Oracle adopts a materiality approach to producing its reported financials, and has a process of recording transaction based on predefined materiality thresholds agreed upon by the business and other key internal and external stakeholders. This approach has brought synergies to our system implementation.

Go live in first month of the quarter.

Oracle took a phased approach to our implementation, whereby we went live on modules in phases, as opposed to a “Big Bang”. We also chose to go live in the first month of the reporting quarter, so lessons learned and challenges could be addressed in month 2 of the quarter and remedied in advance of the month 3 reporting period.

Engage and train teams on implementation.

Oracle Finance ensured that it engaged all of its teams in the planning and execution of the implementation and advocated a transparent feedback process to ensure that teams felt empowered and engaged. This allowed us to leverage subject matter and system expertise, as well as implement employee feedback to continuously improve.

Create ambassadors and rotate staff to enhance learning.

Oracle trained and appointed team ambassadors and subject matter experts for particular aspects of the implementation. These ambassadors could be rotated to other areas, adding opportunities to build knowledge and enhance learning.

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