



Transforming Finance Operations at Oracle with Oracle Cloud EPM



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 EPM, as well as share how we achieved those benefits – so you can make more informed decisions as your business makes the move to 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.

Oracle has transitioned 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.

As our Global Business Finance team analyzed projects and activities from previous years, we found that employees spent too much time on data gathering and reporting activities, rather than analysis and providing predictive insights to the business. In order to partner with the business and drive it forward, we invested in our people, and in migrating to Oracle Cloud EPM.

Key objectives for transformation:

There were three main objectives for reimagining finance at Oracle.

1. **Operational Excellence:** Automate current processes in the most efficient way to redeploy **more resources to analysis and value add activities.**
2. **Digital Intelligence:** Bring together enterprise-wide data sets to **understand correlations and gain insights to help our business.** Leverage emerging technologies, like AI, to understand hidden patterns which will reveal information that is most valuable to the business.
3. **Business Influence:** More effectively recommend new courses of action to the business through **data-driven decisions.**

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 Cloud ERP and EPM. To name a few:

- We are now able to **close books and report earnings in less than 12 days.**
- We have **eliminated 1,000 manual spreadsheets** and replaced them with standard EPM models.
- We have **improved forecast accuracy by 25%** through standard approaches and automated variance analysis.

“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 out 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. We applied this four-part framework in our transformation strategy as we worked to implement Oracle Cloud EPM internally:

The framework is made up of four phases:

1. **Streamline:** Remove and standardize 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

A REAL ORACLE@ORACLE EXAMPLE

We applied this four-part framework in our transformation strategy as we worked to implement Oracle Cloud EPM internally. Here is an example:

Case study: Reimagining the financial planning experience

We reimagined the financial planning experience with Oracle Cloud EPM 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:

Creating a Global Planning Process Owner (GPO).

There are over 20 teams across every region within Oracle Finance alone, so even before migrating to cloud, we realized that we needed experts to own specific processes from start to finish, including assessing quarterly cloud updates, while collecting input from the business. We created a global planning process owner with a network of contacts in each line of businesses to design and continually refine the desired process and models. From this, we have been able to see increased collaboration and information sharing across our organization.

Ruthlessly simplifying the planning process.

We enabled a simple planning process based on sophisticated models which would be difficult to replicate in spreadsheets. Before implementing Oracle Cloud EPM, our Finance teams worked from a number of complicated spreadsheets. Now, we have a simplified process within the platform, which allows the user to enter certain standard inputs, so consolidation is executed by the model in a consistent manner.

We greatly improved the quality of Oracle's planning output.

Standardizing modelling and forecasting.

Oracle Finance established a standard global methodology for revenue modeling and expense forecasting, eliminating off line solutions and reducing errors and omissions, and implemented driver based planning models to create a consistent and transparent approach to forecasting. By moving our processes from spreadsheets to the EPM tool, we were able to develop the list of standard inputs to streamline consolidation, forecasting, and modeling activities. The Global Process Owners played a key role in reviewing the different models and deciding which inputs should be available within EPM to maintain consistency.

We eliminated **100** forecasting spreadsheets.

Empower

We empower employees through automation by:

Building integrated reporting capabilities.

Before migrating to Oracle Cloud EPM, building reports was a disjointed and manual process. Now, everything that goes into building and publishing a report can be done within EPM Planning. Users have been trained to write the reports they require directly within the tool. These reports are available to be published as soon as the forecast is completed - **greatly reducing the administrative burden associated with manual reporting.**



Implementing a continuous real-time forecast model.

Oracle teams built the forecast model so that it can be continually updated with the latest information such as new bookings, revenue waterfall projections, and hires in the pipeline. Employees now have access to constantly updated forecast data that can be compared with the previous official forecast to identify potential variances and risks with exceptional speed and efficiency.

Leveraging fully integrated data sets.

We combined actuals, budget, and forecast datasets within models for easy trend analysis and risk identification. These data sets can all be updated automatically following changes to the organization, with the chart of accounts and a actual data becoming available in real-time. When we say that actual data becomes available automatically – we mean that at the start of each month, the data for the previous month becomes available within the EPM tool immediately, without the need for manual data gathering. So, when the forecast is closed on a Friday, it can be reopened the next day, reflecting all metadata and data updates.

We eliminated **2,000 hours** per month of data gathering.

Automating models and consolidation.

We eliminated manual hand-offs between teams through automated consolidation. Automated consolidation has been one of the most significant benefits of Cloud EPM. The tool is able to automate this process by feeding BSO cubes, designed to execute complex calculations quickly, directly into ASO cubes, which provide rapid aggregation capabilities for fast reporting. All of this enables **real-time consolidation.**

We eliminated **1,040 hours** per month of manual work.

Delight

We delight our internal and external customers by:

Delivering a great user experience.

We provided real-time information in digestible formats, like data visualizations, mobile dashboard capabilities, and iBot functionality.

Freeing up time for value-add activities with automation.

As we reduced time required to prepare forecasts, employees can focus on activities that drive business success – like identifying focus areas to improve business performance and generate revenue growth.

Providing scenario modelling.

We were able to build faster scenario modelling and consolidations. Now, the preferred scenario can be instantaneously transferred to the main budget model – allowing for real-time recommendations by the finance team to business leaders.

“EPM Cloud has completely changed my role. Rather than spending time consolidating data and formatting reports, I now spend time reviewing, analyzing, and assessing risk and opportunity in the forecast”

-Cormac Steer

Oracle, Director, Corporate Financial Planning & Analysis

Automate

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

We can now maximize efficiency and effectiveness.

Employees are now able to focus on driving business success, not on routine tasks associated with gathering and consolidating data. We have built automated forecasting models and consolidation, integrated reports, and leverage the power of fully integrated data sets – all within the EPM tool. All of this saves valuable time that Oracle teams can now spend on value add activities, like business partnering.

Our teams can now make the smartest decisions quickly.

Oracle Global Business Finance is now able to deliver real-time recommendations and predictive analytics quickly and frequently to business partners to help drive strategy formulation and evolution.

We are now able to outpace change.

The beauty of the cloud is that we are now able to continuously reimagine the experience with quarterly cloud updates, allowing our teams to take advantage of new functionality each quarter that will enable a consistent forecast process.

We delight customers and employees.

Oracle now delivers an accelerated planning experience that empowers finance to generate greater value for all stakeholders.

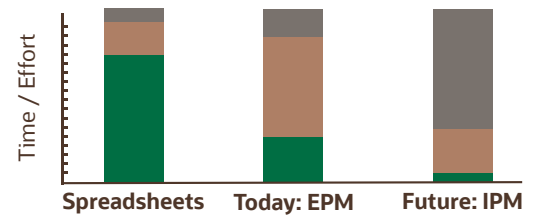
WHAT'S NEXT FOR ORACLE CLOUD EPM?

From analysis to action: Intelligent Performance Management

As a business to-date, we have achieved a lot of benefit from our Cloud EPM implementation in terms of automating data gathering, standardizing our forecasting processes, and simplifying reporting. Now, we can focus on deploying the increasing number of predictive capabilities becoming available within EPM in order to automate many of the analytical tasks our employees historically completed manually.

Our goal for the future of EPM at Oracle is to give finance more time to 'take action' by spending less time on analysis. Dramatically improving the "data analysis" stage will allow more time for finance to engage with operations, and arm them with better data. To accomplish this, we look to increase automation and insight, as well as implement machine learning and artificial intelligence more broadly.

Quarterly Oracle Cloud updates provide us with new features every quarter – so as predictive capabilities are built into the tool, Oracle Finance can review new functionality and absorb it into our process at our own pace. Here is a look at some future functionality:



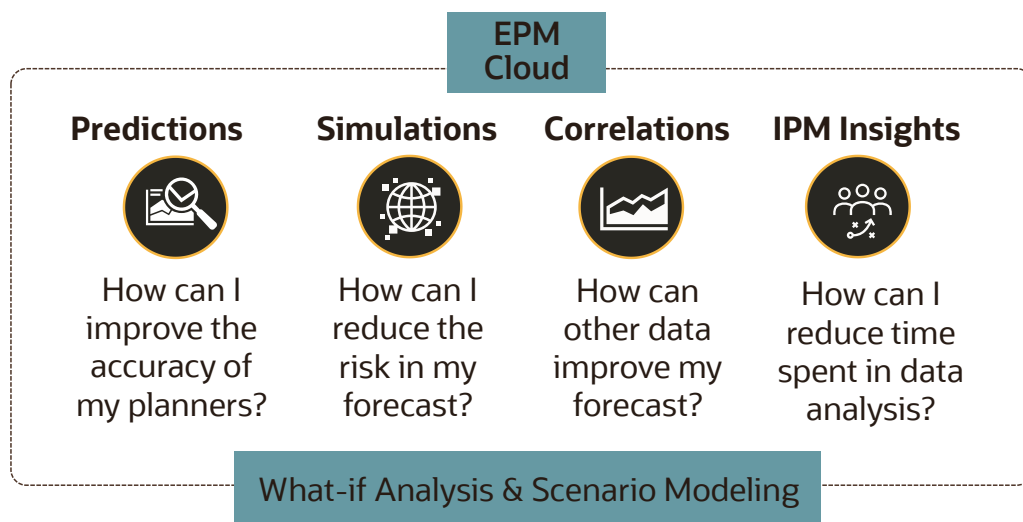
Legend:
 - Taking action on issues (Grey)
 - Data analysis (Brown)
 - Data manipulation and reconciliation (Green)

Automated prediction scenarios.

Oracle will introduce Auto-Predict, based on time series analysis and machine learning, to generate automated prediction scenarios that complement the driver based scenarios. In this way, we will be able to generate entire forecasts quickly and efficiently within the system. The different scenarios can be analyzed to determine the most likely scenario and to understand potential risk. As an added benefit, we will successfully be able to eliminate human bias in our forecasts.

Machine Learning & AI.

We will be implementing machine learning and artificial intelligence more broadly through out our EPM solution in order to find correlations in data that are not easily discoverable by humans. For example, we will be able to correlate driver data and account data, correlate data in financial plans with data in operational plans, as well as identify root cause analysis. All of this will help us become more insightful as an organization, and empower Oracle Finance to



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 the 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.

Get your foundations right.

Establishing a strong foundation was incredibly beneficial for Oracle. For us, that meant having Chart of Accounts Governance (DRM), legal entity & business unit setup and sub ledger configuration, leveraging key functionality to drive process improvement, only utilizing standard code, global setup and configuration, global roles and user access, and seamless integration between EPM and ERP applications.

Reduce customizations and leave legacy systems behind.

It's important to reduce complexity and customizations as much possible. It is helpful that Oracle Cloud EPM has standard models built into the platform to use as starting points. For example, our Finance teams built our Cash Flow module simply using the standard in the EPM tool.

Secure early wins to build momentum.

Early wins are imperative to boost motivation for the transformation, and act as powerful proof points for the success of the project.

Course correct and keep an agile approach.

As with any transformation, there will be false starts. In the cloud, you are easily able to course correct, and continue to innovate experiences with new features every quarter.

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