

NUCLEUS  
RESEARCH

ROI: 48%  
Payback: 2.7 years

# ORACLE ANALYTICS DATA SCIENCE COMPANY

ANALYST

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## THE BOTTOM LINE

This data science company realized an average annual ROI of 48 percent with a payback period of 2.7 years after adopting Oracle Analytics Cloud (OAC) and the Oracle Fusion Data Intelligence Platform (FDIP). This included Fusion ERP Analytics and Fusion HCM Analytics to empower self-service analytics and streamline data access across its finance, HR, and sales departments. Nucleus found quantifiable benefits, including €523,440 in annual direct cost savings, hundreds of hours of time savings from streamlined data preparation with OAC, and up to 80 percent faster query development with the Oracle Fusion Data Intelligence Platform. Additionally, by adopting these solutions, the organization gained a unified data and analytics platform, driving efficiency wherever data is accessed and consumed across various departments and roles.

## THE COMPANY

This global customer data science company based in London offers various products and services to help brands and retailers compete in the modern data-driven economy. The organization employs 3000 professionals across over 30 countries, earning over €300 million in annual revenue.

**Cost : Benefit Ratio** | **1 : 1.1**

## THE CHALLENGE

Before adopting Oracle Analytics Cloud and the Oracle Fusion Data Intelligence Platform, the data science company relied on a legacy business intelligence (BI) suite for analytics. This legacy platform made it hard for users to consume and share analytic content, and users often relied on spreadsheets and manual reporting. Additionally, individual departments often worked on their own datasets, which made it challenging to perform cross-functional analytics and created multiple data silos.

### TYPES OF BENEFITS



## THE STRATEGY

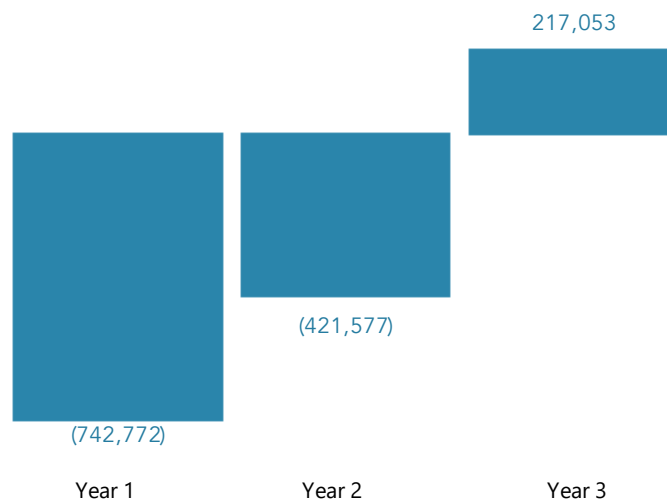
After determining that it needed a new analytics solution, the data science company decided to modernize with Oracle Analytics Cloud (OAC) and the Oracle Fusion Data Intelligence Platform, citing Oracle's unified data model and managed data pipelines as key differentiators to drive efficient data governance and reduce ongoing support costs. The organization decided to deploy OAC in February 2020, and it was provisioned in June 2020. The organization spent the following four months implementing the solution with a team of five internal personnel before going live with its first project in October 2020. A few months later, in December 2020, the organization decided to adopt the Oracle Fusion Data Intelligence Platform to power cross-functional analytics across finance, HR, and sales and improve insights into revenue, pipeline, retention, and costs. The organization performed this implementation with a team of three internal personnel over four months and went live with the Oracle Fusion Data Intelligence Platform, Fusion ERP Analytics, and Fusion HCM Analytics in March 2021.

## KEY BENEFIT AREAS

Key benefit areas seen as a result of the OAC and Oracle Fusion Data Intelligence Platform deployments include eliminated costs, streamlined data preparation, accelerated query development, and extended visibility across departments.

- **Eliminated Costs.** By adopting OAC and the Oracle Fusion Data Intelligence Platform, the data science company eliminated its legacy BI suite, saving more than €322,000 annually. The organization also reduced its dependence on third-party contractors who were previously responsible for maintaining the legacy BI suite, saving an average of €145,000 per year.
- **Streamlined Data Preparation.** After adopting OAC, the data science company noted €312,000 in annual productivity savings from simplified data preparation, especially for analytics leveraging external and departmental data. Finance, HR, and sales managers gained capabilities for self-service data access without needing to engage IT or reload the data from Oracle Cloud Applications. This gives stakeholders simplified access to metrics such as profit and loss, attrition, and retention by department and location and accelerates time to insight.
- **Accelerated Query Development.** Using the Oracle Fusion Data Intelligence Platform, the data science company achieved up to 80 percent faster query development, saving the organization €31,250 on an annual basis. The organization noted that a query in procurement can be created in one day, significantly faster than the multiple weeks it took prior.

## CUMULATIVE NET BENEFIT

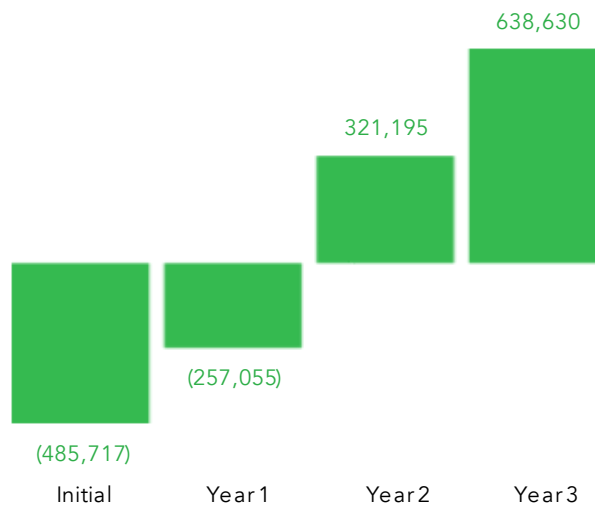


## KEY COST AREAS

The largest cost area associated with the organization's OAC and Oracle Fusion Data Intelligence Platform deployments were the subscription and licensing costs associated with both solutions.

Additional cost areas included compute and block storage costs, personnel time spent on executing the implementation, third-party consulting costs to support the implementation, and administrative time spent managing the solution.

## NET CASH FLOWS



## LESSONS LEARNED

By adopting OAC and the Oracle Fusion Data Intelligence Platform, the data science company completely reimagined its approach to analytics. With OAC, the organization was able to eliminate its dependence on spreadsheets, and its users can leverage automated content creation to simplify the creation of analytic content. This has enabled data stakeholders to save multiple hours per week with improved data preparation and streamlined data consumption. The Oracle Fusion Data Intelligence Platform offered further improvements as users were able to easily query Fusion application data and combine ERP, HCM, and custom data to perform a broader range of use cases, including cross-functional and cross-departmental analytics. Using these solutions, the organization also developed a CFO dashboard that shows company performance by business unit, region, and cost center, further extending its financial visibility.

## CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, consulting services, and user training over a three-year period to quantify the organization's investment in OAC and the Oracle Fusion Data Intelligence Platform.

Direct benefits include eliminated annual subscription costs related to its prior analytics solution and reduced spending with third-party contractors to maintain the solution.

Indirect benefits quantified include improved productivity for data preparation and query development processes. The indirect benefit is multiplied by a correction factor to account for the inefficient transfer of time between time saved and additional time spent working.

Benefits achieved but not quantified include improved visibility across departments and roles and streamlined data storage with the Oracle Fusion Data Intelligence Platform operating as a single source of truth.

This calculation involved separate implementations of OAC and the Oracle Fusion Data Intelligence Platform, so both were considered over the same three-year time frame to provide a holistic understanding of the organization's return. If these implementations were evaluated individually, each would likely have a greater ROI and reduced payback period.

# FINANCIAL ANALYSIS

## Data Science Company

**Annual ROI: 48%**

**Payback period: 2.7 years**

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	0	592,000	454,880
Indirect	0	312,500	343,750	343,750
<b>Total per period</b>	<b>0</b>	<b>312,500</b>	<b>935,750</b>	<b>798,630</b>

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

COSTS - DEPRECIATION	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	376,550	409,555	404,555	0
Hardware	0	0	0	0
Consulting	5,000	0	0	0
Personnel	104,167	160,000	210,000	160,000
Training	0	0	0	0
Other	0	0	0	0
<b>Total per period</b>	<b>485,717</b>	<b>569,555</b>	<b>614,555</b>	<b>160,000</b>

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(485,717)	(257,055)	321,195	638,630
Net cash flow after taxes	(267,144)	(141,380)	176,657	351,247
<b>Annual ROI - direct and indirect benefits</b>				<b>48%</b>
Annual ROI - direct benefits only				-20%
Net Present Value (NPV)				41,746
<b>Payback period</b>				<b>2.7 years</b>
Average Annual Cost of Ownership				609,942
3-Year IRR				12%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.