

ORACLE

**A WHITE PAPER ON MODERN
FINANCE IN FINANCIAL SERVICES**

Empowering banking and insurance CFOs in the age of modern finance



The journey from a supporting to a strategic role

Not many years ago, the most important task of CFOs was to ensure reliable, rules-compliant management of companies' business administration and financials. In the course of doing so, they also provided some reporting and decision support on-demand to the CEO and other executives. That sounds almost quaint today.



What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions



Ensuring success with integrity and resourcefulness

Across industries, today's CFOs play a leading role as the prime strategic partners for executive stakeholders. More than any other executive, CFOs have gained influence and authority. They can muster the resources and information to help company leaders understand and respond to the opportunities of growth and the pressures of compliance.

Many CFOs are as much the public face of the company as the CEOs—their words and actions can have substantial consequences.

Technology needs to step up

Modern CFOs are no longer confined to the execution of organizational goals. Instead, they are expected to use their fact-based insight to participate in key decisions and contribute to their company's strategic direction.

The finance teams that report to them are still expected to provide business performance and financial information to business leaders. However, CFOs and their finance business groups cannot meet these expectations without sophisticated data assets and digital business infrastructures.



What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

What is holding CFOs back?

CFOs in banking and insurance companies are often seen as authoritative because they are closest to the real pulse of the business and not swayed by irrational notions. That puts them in a unique position to help their organizations operate more efficiently and increase market and revenue share.

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

Considering finance teams holistically

Insurance and banking CFOs need to deliver optimal outcomes in managing finance organizations and processes. They are also responsible for risk management in a way you don't see in other industries. Additionally, competition from nontraditional banking and insurance services providers, some of which are leading technology innovators, adds to the urgency of an empowered CFO.

Banking and insurance CFOs encounter common challenges. These involve CFOs themselves and their finance teams, including chief controllers, compliance officers, finance planning and accounting managers, line-of-business managers and financial analysts. Like the CFO, these individuals need to be able to support and drive strategic decisions and initiatives.

Traditional business cultures have siloed these roles, making it hard to collaborate and share information. They typically rely on a variety of disparate data sources and reporting tools. Moreover, innovation and agility are usually not in their job description.



What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

The chief controller can't deliver services efficiently

"I want to shorten our close cycles, ensure accuracy in finance management, and reliably reconcile financial and regulatory reporting in a timely manner."



Urgent questions:

- Where are you running into poor visibility of financial details and events?
- What system and process redundancies do you navigate every day?
- How is the business impacted by lengthy close cycles?
- What is the risk in not being able to effectively reconcile finance and regulatory reporting?

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

The compliance officer is unable to mitigate compliance risks

“I am accountable for flawless compliance with multiple, increasingly stringent and complex regulatory frameworks, as well as our internal standards.”



Urgent questions:

- What happens to regulatory reporting when you cannot rely on complete and consistent source data?
- How are slow, costly, error-prone reporting processes possibly compromising compliance efforts?
- What risks and penalties could result from outdated or ineffective compliance measures?
- How easy and cost-effective is staying abreast of changing regulatory mandates and incorporating them into business and reporting processes?

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

The finance planning and analytics manager cannot look ahead

“I need to forecast and anticipate business events and the impact of changes as reliably and completely as we can, so the company can make the right decisions to ensure our long-term viability.”



Urgent questions:

What visibility challenges do you experience in the company's data and analytical models?

How do you understand and consider changes in your business and industry?

How timely and effective are your information-sharing and collaboration?

What is your level of trust in your current reporting tools and data sources?

How long does it take to convert data into insights?

Are you struggling with solutions that only deliver a top level view of profitability?

Is achieving a customer view of profitability beyond the capabilities of your platforms?

What is holding CFOs back?

Chief controller

Compliance officer

Planning and analytics manager

Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

More powerful approach

Shareable insight

Evolving solutions

The line-of-business managers and financial analysts have limited visibility

“I need to help the business move in the right direction as we compete, win, and retain customers.”

Urgent questions:

- Are your antiquated accounting platforms holding you back from growing the business?
- What is the impact on the business if you lack a full view of your customers?
- Where would you need better access to reconciled finance data and market details?
- What's the risk from decisions and recommendations that are not based on current customer evidence?
- Are your platforms consistent with finance views?
- Are you considering a fully loaded view of P&L for a customer, including all costs and risks?
- How easy is it to share insights with your colleagues in other business groups?

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

A powerful digital platform for five key areas of banking and insurance

Today's business environment demands more from banking and insurance CFOs than an act of will. To meet expectations for organizational leadership and decision enablement, CFOs and their teams need to be able to depend upon reliable, consistent, and consolidated data that offers the right level of granularity.



What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

Empowering CFOs

Delivering reliable, consistent, and consolidated data to CFOs and their teams requires a highly responsive, scalable infrastructure. The Oracle approach to empowering banking and insurance CFOs targets five areas of functionality that are key to accessing, processing, and sharing information.

When all five are optimized and synced, CFOs have a fighting chance to empower their fellow executives and teams throughout the organization.



“

We expect to see a number of improvements across our business by taking this [Oracle] approach. The first is really an enabler, and that’s allowing our finance and risk teams to consolidate their business processes around a single operating model and remove their old siloed legacy applications and spreadsheets in favor of a modern tool set, underpinned by a modern data foundation layer and data model.”

David Henderson,
CIO, Yorkshire Building Society

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

1 Modern financials provide a robust, scalable business foundation

We enable you to perform timely, reliable, enterprise-wide reporting in the formats that make sense for decision-makers. Fast month-end closings and a scalable, global chart of accounts are essential in making this possible. Accurate reports and streamlined communications originating with the CFO increase executive control, ensure strategic alignment of the company's offerings and programs, and help keep the business on track.

Solution Highlights

Business modernization on the Oracle ERP Financial Cloud

For the CFOs and finance teams in banking and insurance companies, the Oracle ERP Financial Cloud provides unrestricted access to current financial information, accelerates and simplifies processes, and enables effective social collaboration. Contributors are free to do their best work using a connected finance management platform that enables strategic insight and productivity while maintaining the integrity of sensitive information.

On the Oracle ERP Financial Cloud, banking and insurance CFOs and finance teams can connect the right people and processes to maintain organizational momentum. The ERP Financial Cloud's common data models ensure efficiency throughout your financial processes and eliminate distracting redundancies.

Built to take advantage of today's advanced cloud architectures, the Oracle ERP Financial Cloud can yield a low cost of technology ownership after a fast, smooth implementation.

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

2 Performance management connects the current and desired states of the business

With over 250 customers worldwide, Oracle's suite for Financial Services Enterprise Performance Management is the industry standard for managing performance and risk. For over 15 years, industry-leading financial institutions have used these applications to not only measure performance, but also to improve it.

Oracle Financial Services Profitability Management enables financial institutions to calculate profitability information by products, channels, segments, and individual customer relationships on a risk-adjusted basis.



Solution Highlights

Business takes wing with Oracle Integrated Finance and Risk Platforms

Oracle's solution suite provides a unique depth and breadth of functionality on a high-performance infrastructure. The capabilities provided by Oracle help banking and insurance companies address mission-critical business issues and bridge gaps in their digital foundations. For instance, many organizations lack efficient accounting for transactions, and rigid accounting structures prevent full compliance with changing regulatory mandates. Additionally, auditability and transparency are overly limited, and management reporting is unreliable or incomplete. As a result, consolidations and close processes will often be slow and error-prone.

Oracle integrates analytical applications, the general ledger, accounting, complementary profitability and risk management solutions in a unified architecture designed for transparent and efficient processes, improved manageability, and enhanced transparency. The platform delivers comprehensive risk and performance assessment and management functionality on a common data model and framework with seamless data and process flows.

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions



3

Automated regulatory reporting ensures flawless, efficient compliance

On your Oracle financial platform, you can perform the regulatory and audit reporting that demonstrates compliance beyond doubt and minimizes any compliance-associated risk. Additionally, on the Oracle Cloud, your financial solutions stay current with changing regulatory mandates and in sync with current financial and performance measures.



4

Portfolio and customer analytics deliver insight ahead of time

Reliable, current data from all relevant sources make it possible to understand customers' behaviors and preferences, so your organization can become a more customer-centric business. Oracle's Financial Services Performance Management solutions focus on profitability, institutional, and retail analytics. For example, you can use them to project the impact of your portfolio and customer trends on the company's financials and adjust your planning long before performance flags or the time for a business opportunity is past.



5

Risk and finance management enables sustainable growth

Oracle solutions for risk and finance are built on a common data and analytics platform, delivering inherent reconciliation and eliminating manual processes. Consistent risk-adjusted performance metrics are delivered to Risk, Finance, and Line of Business teams, enabling consistency in market, regulatory, and management analytics.

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

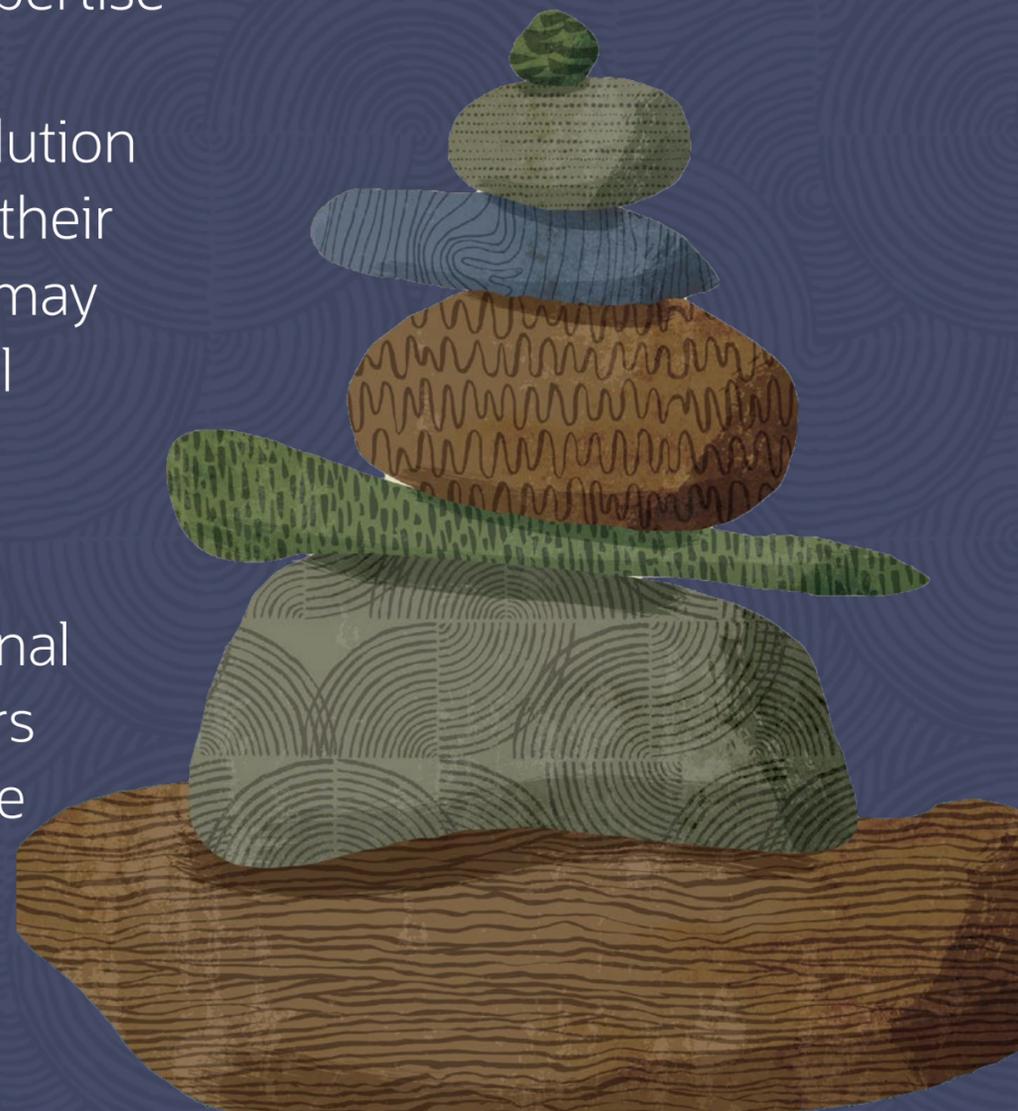
Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

Unique breadth and depth of financial solutions

Most competing offerings focus on modern financials, and they require additional expertise or products to facilitate more extensive capabilities. Not infrequently, multiple solution providers have to team up and integrate their offerings. Industry-specific functionality may also require customization and additional investment.

Dysfunctional team dynamics, delayed implementations, and protracted functional gaps are not uncommon. Often, providers of partial solutions have to create multiple channels to deliver financial information.



What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

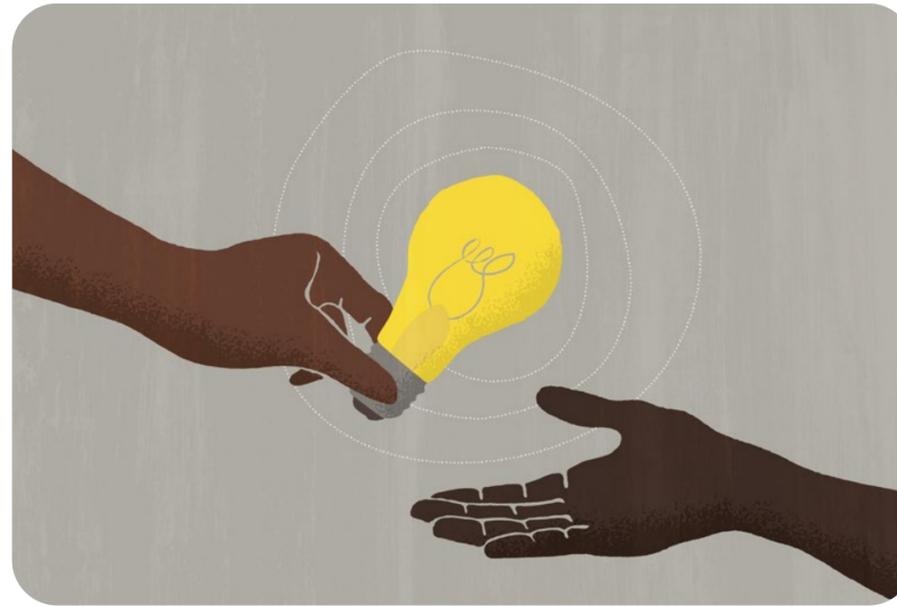
Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions



A simpler and more powerful approach

Oracle begins by delivering operational efficiency and enabling business modernization. It also includes the strategic performance management, regulatory reporting, portfolio and customer analytics, and risk and finance management required in banking and insurance companies. Therefore, you will gain all needed functionality on a single, connected platform with a unified source of data. This gives you a foundation to grow and evolve your banking and insurance business for years to come.



Shareable insight for key roles

On the Oracle financial platform, information is captured and generated just once. The CFO, controllers, compliance officers, financial planners, and line-of-business analysts receive it in a meaningful, usable format that fosters insight and collaborative decision-making. Armed with intelligence and working from a common data reference, they can accomplish more, sooner, to move their organization forward.

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions



Expertise, economy, and evolving solutions

Oracle banking and insurance industry insight and expertise gained over many years of serving some of the world's leading finance companies flow into every client engagement and inform continuous improvements in solution development and delivery.

We can meet your insight and executive requirements today and scale to evolve your finance platform to serve you for many years to come. On the Oracle Finance Cloud, your computing and data storage resources are practically endless while your expenses remain consumption-based and controlled.

“Oracle has been a critical partner to us in our finance core banking transformation. Oracle is our predominant system solution partner.

Fundamentally, we see Oracle as the builder and provider of the technology capability and information solutions to deliver the business outcomes that we're looking for in this space.”

Brett Woolley,
Enterprise Architect,
National Australia Bank

What is holding CFOs back?

- Chief controller
- Compliance officer
- Planning and analytics manager
- Line-of-business manager

Five key business areas

1. Modern financials
2. Performance management
3. Regulatory reporting
4. Portfolio and customer analytics
5. Risk and finance management

Breadth and depth of solutions

- More powerful approach
- Shareable insight
- Evolving solutions

Learn more about the Oracle solutions for risk and finance.

CONNECT WITH US

Copyright © 2021, Oracle and/or its affiliates. All rights reserved. This document is provided for information purposes only, and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document, and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

This device has not been authorized as required by the rules of the Federal Communications Commission. This device is not, and may not be, offered for sale or lease, or sold or leased, until authorization is obtained.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

Intel and Intel Xeon are trademarks or registered trademarks of Intel Corporation. All SPARC trademarks are used under license and are trademarks or registered trademarks of SPARC International, Inc. AMD, Opteron, the AMD logo, and the AMD Opteron logo are trademarks or registered trademarks of Advanced Micro Devices. UNIX is a registered trademark of The Open Group. 0721

[A white paper on modern finance in financial services: Empowering banking and insurance CFOs in the age of modern finance](#)
July 2021

