

Oracle Value Realization

Finance & HR Unified in the Cloud

This white paper outlines the value customers could expect from integrating ERP and HCM solutions deployed on Oracle Cloud.

WHITE PAPER / JUNE, 2019

ORACLE®

DISCLAIMER

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, timing and pricing of any features or functionality described for Oracle's products may change and remains at the sole discretion of Oracle Corporation.

Table of Contents

Introduction	4
Overview	4
Unified Finance and HR	6
Improve performance for enterprise agility	7
Align workforce to strategic priorities	7
Enhance decision making to drive growth	8
Adapt quickly to business model changes	8
Implement robust security and governance	9
Conclusion	10



INTRODUCTION

Business is changing quickly and successful organizations need to prepare for on-going change. To thrive, companies need to have insight to place the right people on the right projects at the right time. Digital businesses need flexibility to adapt and thrive.

Enterprise-wide finance operations also need to link with critical human capital data. After all, HR data is an essential part of the business infrastructure. Yet, many organizations 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 business strategies, they need a better understanding of their company's talent and resourcing needs. At the same time, HR teams need a clearer view of each team'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 customer value realization engagements currently underway. Oracle Value Realization program engages with our cloud customers to help them target, track, measure and promote business outcomes throughout their cloud transformation journey, while providing insights and best practices to help customers achieve the full potential of their cloud investments.

OVERVIEW

To support continual change, the finance and HR functions within the business must also continue to innovate and evolve. It is no longer enough to be efficient in terms of timeliness and cost; but finance and HR teams must also continue to add value in terms of greater transparency, deeper business insight and improved decision-making. With the cloud investment model, it is more important than ever for organizations to demonstrate that their investments deliver tangible business benefits - both now and in future.

It is with this context, we presented the [ERP Benchmark paper](#) and the [HCM Benchmark paper](#) – to provide evidence from finance and HR teams we interviewed to get insights on the types of benefits and business outcomes they have experienced with Oracle cloud solutions.

With Oracle ERP Cloud, customers interviewed transformed their businesses by increasing efficiency through streamlined and automated processes. Evidence shows customers gained access to more information across the enterprise, greater analytical acuity and real-time reporting that resulted in improved end-to-end financial management processes and were able to use data from across the organization to create an agile, scalable and insight-driven modern finance function.

ERP Cloud Benchmark Paper - Highlights



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

With Oracle HCM Cloud, customers interviewed were able to focus on advancing business and workforce agility to drive desired behavior that increased productivity through real-time insight. Evidence shows that customers were able to control costs while scaling business, engage new and existing talent and provide workforce insight to line of business managers and executives.

HCM Cloud Benchmark Paper - Highlights



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

UNIFIED FINANCE AND HR

Although the benchmark papers published outline the benefits achieved by customers with their ERP cloud and HCM cloud implementations, the need for closer collaboration between finance and HR has never been more imperative. Finance has become a strategic partner to the business - providing the guidance needed to capitalize on the next market opportunity, while HR plays an essential role in ensuring that the business has the talent it needs to execute on strategies to create a change-ready culture.

Integrating finance and HR data means improved transparency and productivity across multiple business functions, from transactional to strategic. A unified view shares financial and HR data for deeper insights. Operations are simplified, streamlined, and are better able to support marketplace changes and growth. Executives and managers have access to cross-functional data for better decision-making, while employees see an increase in productivity with a 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 create new cost-centers as your company decides to capitalize on new products in the marketplace?
- Are you able to estimate the current cost of contingent workers against budget plans and make modifications as your company expands?
- Are you able to rapidly onboard personnel and products acquired from mergers and acquisitions?
- Are you able to enforce new expense policies across the organization quickly to reduce expenditures?
- Are you able to ensure that payroll processes comply with local regulations as the business expands across geographies?

In fact, Oracle has identified [34 critical touchpoints between ERP and HCM cloud systems](#) where designed integration can speed up operations and eliminate manual tasks across the departments. We see unique and additive benefits that organizations can achieve through integrated finance and HR solutions deployed on Oracle cloud platform. These benefits include:

- **Improve performance for enterprise agility**
- **Align workforce to strategic priorities**
- **Enhance decision making to drive growth**
- **Adapt quickly to business model changes**
- **Implement robust security and governance**

CUSTOMER PERSPECTIVE

“By moving to the Cloud we have fully integrated all modules used for core business and back-office operations. We have reduced cost and complexity, optimized processes, can monitor and manage our business in real time, and demonstrate to our customers the unique advantages of Oracle Cloud deployments. Profource achieved 20% reduction in the days to close each financial cycle and a significant 50% reduction in time & labor with talent review.”

— Vincent Traas, Director, Profource BV

IMPROVE PERFORMANCE FOR ENTERPRISE AGILITY

A single data model breaks down data silos and provides shared data across processes, delivering greater control and consistency for business operations. By moving to an integrated finance and HR deployed on the Oracle Cloud, customers can gain agility from one single data model across the cloud platform – helping reduce system footprint and complexity, while improving productivity. Customers can improve performance to build an agile and insight driven modern enterprise by integrating ERP and HCM systems on Oracle Cloud.

- **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. By moving to a unified Oracle Cloud, a large insurance company was able to realize a 75% savings in hosting costs and \$1M savings per year, through reductions in IT support staff.
- **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, strategic sourcing, employee engagement and training increasing staff productivity. With Oracle Cloud, a not-for-profit national health insurer was able to reallocate 5-10 finance and HR FTEs to more value-add and strategic activities, resulting in a significant \$1M savings.
- **Reporting Productivity** – With a unified single master data set, changing organization and business requirements do not impact payroll costs and expenses, employee asset management, and project billing. Customers can improve reporting with standardized automated reporting with improved tracking providing granular insight, enabling users to use real time data to perform ad hoc reporting. With Oracle cloud's reporting tools, a leading investment group reduced IT staff workload by 30% to 40% by leveraging the real-time reporting capabilities and no-coding customized analytics, ensuring that staff can easily extract and present real-time financial results and performance to top management—eliminating high efforts of assembling information from multiple sources and enhancing decision-making across the group's businesses.
- **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 purchase requisitions and expense approvals and implement policy changes easily, resulting in significant process improvements. With Oracle Cloud, a global telecommunications company is now able to process over 4M records in less than 3 hours every month, resulting in reduced journal entries and collection times, with a 75% improvement in transaction processing.

ALIGN WORKFORCE TO STRATEGIC PRIORITIES

A unified cloud platform enables Finance and HR to work faster together with continuous innovation and collaboration in mind. With an integrated finance and HR solution deployed on the Oracle cloud platform, customers can improve collaboration by standardizing people and processes to maximize output and performance – helping improve business processes with simplified change management, redirect 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 shore

up other operational budgeting needs. By moving to Oracle Cloud, a global consulting services firm provided consistent user experience, reduced training costs, improved productivity, collaboration and adoption - resulting in enhanced employee engagement by 10%.

- **Employee Onboarding** – With an integrated cloud solution, HR can advise business managers for budgeting purposes, bring in the right candidates to fill talent gaps, and streamline the on-boarding process. Customers can facilitate quicker onboarding of new employees and automatic population of employee information across the entire system to immediately enable required activities, such as assigning user roles and requisitioning needed assets and reduce onboarding costs. A leading diversified media, information and services company was able to integrate workforce from recent acquisitions much faster with Oracle Cloud, reducing new employee onboarding time by at least 30 days.

ENHANCE DECISION MAKING TO DRIVE GROWTH

Companies need to be able to make informed decisions swiftly about how to adapt to constant changes and to implement new strategies. With access to accurate, consistent data and analytics capabilities across ERP and HCM systems, leaders and managers of both areas 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 business forward.

- **Financial Close** - With an integrated finance and HR solution deployed on the Oracle cloud platform, organization changes have no major impact on access and approvals. 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. A large media and communications company reduced financial close from 13 days to 7 days with Oracle Cloud, representing a 46% improvement, with a goal to move financial close to 3 days in future. By closing books monthly and using best practices, they eliminated the need to back date transactions and fix errors towards year-end.
- **Planning and Performance** - Customers can incorporate key HR data into operational decision-making including employee and team performance data in business performance reports for planning purposes and reduce planning and performance costs. For example, HR can tailor on-demand learning offerings based on business strategy, reviews talent profiles to identify which employees are lacking required skill, update corresponding career development plans and measure performance accordingly. A financial services consulting firm was able to realize productivity improvements of 20%, via automated and streamlined review and approval of their performance management process.

ADAPT QUICKLY TO BUSINESS MODEL CHANGES

As technological innovations transform organizational processes and disrupt business models, companies must grasp the implications of a data-driven future in an increasingly customer-centric economy. Finance and HR play the role of change-agents in enabling business model change such as mergers & acquisitions, shared-service models, consolidations and divestitures. Investing in an integrated cloud-based ERP and HCM system provides new insights into how business change influences budgets, forecasts, talent, resource allocation, etc. making it easy to implement new strategies to respond effectively to change.

- **Business Model Changes** - Companies can augment business decisions by integrating disparate finance and HR data sources with Oracle Cloud, to get the detailed workforce and financial insight, enabling them to make informed decisions and quickly respond to business changes such as mergers and acquisitions, consolidations and divestitures. With Oracle Cloud, finance teams can use modeling tools to build what-if scenarios and optimize plans as part of financial planning and analysis. Simply giving managers headcount targets can create budget variances, rather managing workforce constrained by budget is a better way. With an integrated solution, HR can model out organizations, including reporting lines, resource levels/profiles, all within defined costs. In addition, new departments and budgets can be easily created and approved, to support changing business strategies. A large media and communications company was able to support decision-making, gain insights and efficiently scale by three times over three years by moving to Oracle Cloud.
- **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 discover potential business growth issues and determine the best course of budgetary and financial planning action. With the move to Oracle cloud, a large global media and entertainment company has been able to integrate six separate siloed planning and budgeting tools into one centralized solution, enabling easy creation of reports and has seen huge improvements with ad-hoc planning and budgeting reporting time from weeks to minutes.

IMPLEMENT ROBUST SECURITY AND GOVERNANCE

With separate ERP & HR systems, companies 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 & HR cloud, companies can drive standardization and greater control across business operations, 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, customers 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. By automating and standardizing business processes, a mass media and business information conglomerate expects to see a 20% reduction in external auditing costs. In addition, they have also been able to save 100% on compliance training related travel costs with the move to Oracle Cloud.

CONCLUSION

The cloud has become a critical tool for growth-minded companies looking for an edge. Moreover, 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 business. Customer evidence shows advantages such as cost efficiencies, single-sourced data sets, and optimized workflows are top motivators for unifying HR and finance in the cloud. Investing in an integrated Oracle ERP and HCM Cloud provides businesses new insights into how change can impact budgets, forecasts, talent 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 a prelude to the forthcoming ERP & HCM Cloud combined benchmark report, 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 vs. 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.

ORACLE CORPORATION

Worldwide Headquarters

500 Oracle Parkway, Redwood Shores, CA 94065 USA

Worldwide Inquiries

TELE + 1.650.506.7000 + 1.800.ORACLE1

FAX + 1.650.506.7200

oracle.com

CONNECT WITH US

Call +1.800.ORACLE1 or visit oracle.com. Outside North America, find your local office at oracle.com/contact.

 blogs.oracle.com/oracle

 facebook.com/oracle

 twitter.com/oracle

Integrated Cloud Applications & Platform Services

Copyright © 2019, 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.

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. 0619

White Paper Oracle Cloud Value Realization | Finance & HR Unified in the Cloud
June 2019

Authors: Amir Hartman; Swananda Bhat
Global Customer Programs