ORACLE

The Imperatives

43+ Touch Points in Finance and HR

DON'T MAKE THE MISTAKE OF USING TWO DIFFERENT SYSTEMS FOR FINANCE AND HUMAN RESOURCES

There are an infinite number of connections between the finance and HR functions. Think about it: every time an employee bills hours to a client, travels for work, is assigned a new mobile plan or buys a new laptop, the transactions must be logged in both your HR and finance systems.

Your people are a critical resource—along with your ideas, processes, technologies and data. So why split this most important resource across two separate systems? Why have one cloud solution for HCM (human capital management) and another for ERP (enterprise resource planning)? These are elements of the same system. Yes, they serve two business functions, but siloing finance, HR and other related areas can be a recipe for increased cost, lower business efficiency and poor employee engagement.

Having two systems can't be "best-of-breed." Best-of-breed is, in fact, a single platform. A single cloud for finance and HR—built on a single data model—provides more cost-savings, productivity and team collaboration than disparate, unconnected clouds.

Finance and HR must not only work more closely together across lines of business— they must share technology and a common cloud framework. Otherwise, teams will be mired in manual work, integrating or even re-entering data from HR systems into finance and back again.

Many touch points are now "touch-less"—that is, completed automatically without the need for human intervention.

Infinite touch points

There are at least 43 critical touch points between finance and HR. The exact number, in fact, is irrelevant—it approaches every transaction your business conducts—but you at least need to get the top touch points right. When you do, you'll start to see the following benefits:

1. **Security and governance.** Single sign-on (SSO) security is straightforward to implement in a single finance and HR cloud. Implementing and maintaining SSO across multiple systems can be a protracted exercise —more of a workaround than a built-in solution. A single solution is easier to secure, and controlled access is easier to provision and maintain.

2. **Workflow, business processes and business rules.** A single cloud ensures a single business process that cuts across silos and domains to ensure consistent performance. For example, when an employee creates a purchase requisition, a combined finance and HR cloud can determine the correct approval routing—leveraging the information on the business unit, employee cost center, the approval limits in the management chain, the item category, and the location of the employee.

3. **Reporting and analysis.** Having a single, unified cloud gives you a single data source and a single reporting environment. You can drive transactional reporting needs or run predictive analysis to drive your business forward. This gives you richer information, better insight into the business, and the ability to correlate data across different domains using the same powerful business intelligence capabilities.

4. **Common self-service access.** A manager is also an employee. A unified cloud provides a common entry point for everyone to have a consistent user experience across domains. You get one login to see the information you need from one system.

5. **Single data-entry point.** The following figures show the myriad of process integration points across finance and HR. When the same information is on two different systems, this leads to expensive maintenance and integration challenges, as well as inconsistent data.
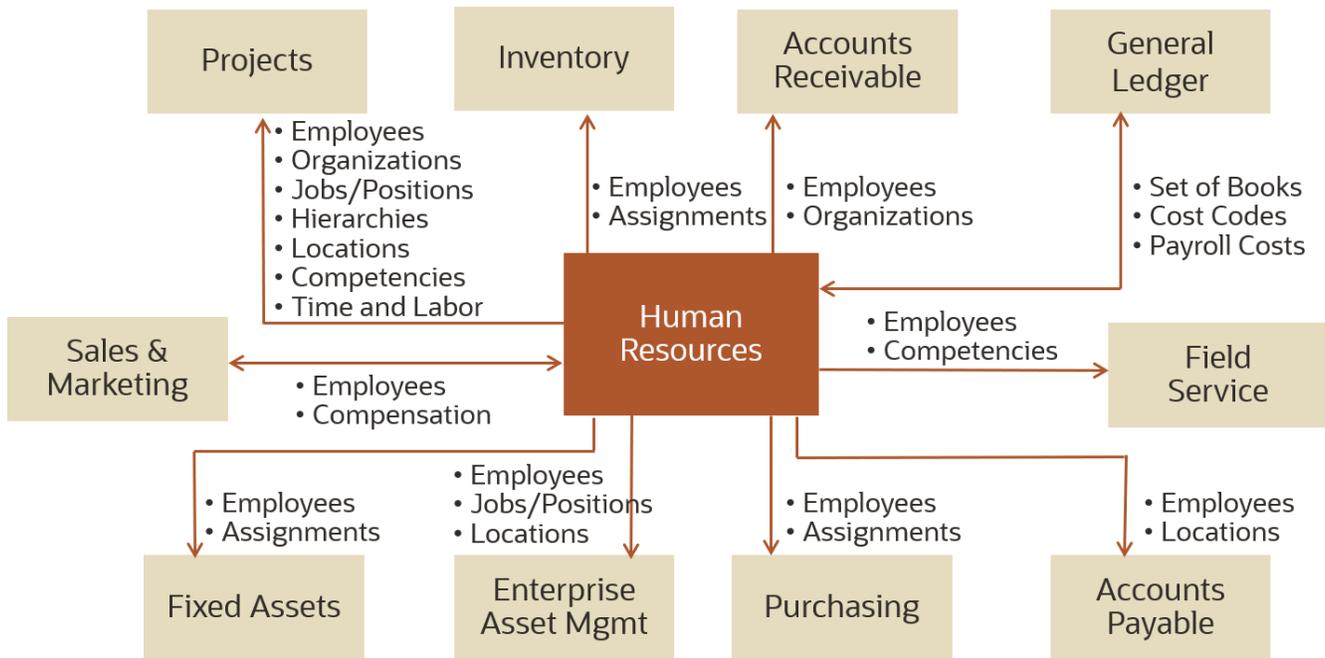

Figure 1. *HR data is the foundation of business operations.*

Integration doesn't need to be the hurdle

The difficulty of integrating cloud apps from different vendors is now the top hurdle to cloud migration, according to a study from MIT. Forty-one percent of finance and HR line-of-business respondents cited cloud integration challenges as the top barrier. Among IT respondents, the number was even higher: 51 percent said the difficulty of integrating separate clouds, from different vendors, is the main barrier to cloud adoption.

So, if you're looking at either a finance or HR cloud, you should consider a complete suite that joins both functions together in a smooth, productive relationship. The integration barriers cited above are not a concern when you select a single HR and finance cloud in which both applications run on a single data model. You can manage core HR data such as employees, organizations, jobs, and locations—enabling business process and workflow functionality such as shipment delivery locations, project staffing and validation of project charges, and approval routines. The higher levels of automation achieved will free up team members to build new skills—skills that will help them identify and recruit the best talent, analyze performance, and advise the business on where to go next.

The importance of AI and emerging technologies in finance and HR

Interactions between finance and HR departments have evolved thanks to the introduction of artificial intelligence, machine learning, chatbots, and other advanced technologies. This has improved and streamlined business workflows, leading to increased productivity and efficiency. For example:

- Many touch points are now "touch-*less*"—that is, completed automatically without the need for human intervention. Approval of expenses that meet company policies, for example, can become automatic as machine learning identifies the rules and begins to understand how to apply them.

- Human-led touchpoints can be enhanced with AI-embedded capabilities—to optimize candidate recruiting, for example.

- Proactive touch points can be enriched with predictive analytics—for examples, alerts that let finance team members know when their workforce plans might need adjustment.

A single system for finance and HR *must* have advanced capabilities built in, and should, be updated on a regular basis with the newest emerging technologies.

The Top 43 Touch Points Between Finance and HR

Finance

PROCESS	SCENARIO
Budget to Approval	**Organization change impacts budgets.** Your company has decided to increase the number of sales personnel to capitalize on new products in the marketplace. New departments and budgets will need to be created and approved.
Asset Acquisition to Retirement	**Organization change impacts asset management.** Your company is on an expansion path. You need to plan for the acquisition of assets such as furniture, real estate, and computer equipment to accommodate the growing organization and how best to take advantage of the depreciation schedule.
Bank Transaction to Cash Position	**Organization change impacts cash.** Your company has decided to set up branch offices and production facilities in new countries to better serve the expanding local clientele. Cash reserves in local currencies must be set up to meet the new payroll requirements and accurate HR personnel data is key to effective cash allocation.
Expense Report to Reimbursement	**Policy change reduces expenditures.** The office of the CFO found travel costs to be considerably over budget after an analysis of expenditures. Adopting a new travel policy across the entire organization—one which requires video conferencing first or a travel justification and management approval second—will reduce unnecessary travel. The new approval policy is put in place based on the HR managerial structure and the policy takes effect immediately.
Supplier Invoice to Payment	**Organization change impacts supplier payments.** The office of CFO decided to consolidate supplier payment activities to the regional level instead of cutting checks from the local offices. Payment to suppliers is maintained during the responsibility shift so the company does not lose any payment discounts.
Daily Close to Financial Forecast	**Organization change impacts approvals.** A regional CFO is promoted to a global responsibility; it's important from day one that the new global CFO has access to dashboards that cover the entire operation. Simultaneously, the regional CFO replacement gains access to appropriate dashboards and gains approval privileges that reflect their new role.
Period Close to Financial Forecast	**Organization change (acquisition) impacts closing.** It is the first quarter-end close to incorporate financial reporting from a recent acquisition. The accounting staff from the acquired company needs to have access to data and reports to resolve the open transactions for speedy resolution and better consolidation.
Period Close to Tax Provision	**Personnel change impacts tax reporting.** The new hire in the tax group should be included in the report preparation and review tasks. To be productive from day one, he needs have the right access based on his position to process transaction records, prepare/review reports, and receive notification and assignment.
Tax Provision to Statutory Filing	**Organization change impacts tax reporting.** Your company has opened a subsidiary in a country that has adopted BEPS regulations. For the upcoming income tax filing,

PROCESS	SCENARIO
	your tax group needs to collect business activity data, including number of employees, to comply with Country-by-Country Reporting (CbCR) requirements.
Customer Invoice to Receipt	**Personnel change impacts performance.** You have streamlined your billing process by automating standard transactions, but you still need the accounts receivable staff to address exceptions swiftly in order to minimize days sales outstanding. AR should have the right data access to research disputes and review/approve adjustments based on their position hierarchy from the day they join the group.
Customer Statement to Collection	**Personnel change impacts productivity.** The collections department is in the middle of following up past dues from a group of high-priority accounts while experiencing unexpected personnel turnover. Managers need up-to-date HR data to ensure assigned tasks are followed through during such transitions.
Report to Forecast	**Personnel change impacts forecasts.** HR leaders have conducted workforce trend analysis and prediction techniques; they recommend increasing headcount in the sales department by 5% over the next 18 months. Collaborating with their finance counterparts, they create insightful and timely financial reports, rolling forecasts, and sandbox "what-if" scenarios to discover potential business unit growth issues and determine the best course of budgetary and financial planning action.

HR and talent

PROCESS	SCENARIO
Recruit to Onboard	**Business objective impacts recruiting.** Your company is building a new team to focus on promoting and selling through digital channels. HR utilizes social media and internal succession pipelines and talent pools to source candidates and conducts intelligent screening using multitiered assessment tools. Built-in AI helps identify the skill sets of your highest performers and which of your existing hires have the longest tenure. It then uses that information to help identify candidates in the hiring cycle who might have a propensity to succeed in your organization based on similarities, patterns, and other analytics. HR needs to advise business managers for budgeting purpose, hire the right candidates to fill talent gaps, and streamline the on-boarding process. The new hires or transfers go through an on-demand orientation process and easily access company systems on their first day, from anywhere on any device.
Benefit to Payroll	**Business activities impact benefits.** HR needs to offer competitive pay and benefits to attract and retain the right talent. Offering comprehensive benefit packages and streamlining administration are critical in meeting operational objectives, delivering operational efficiency, and supporting business activities.
Payroll to Payment	**Business activities impact payroll.** Your organization decides to open a new country office to serve a growing clientele. HR needs to ensure payroll processing complies with local regulations.
Time Collection to Payroll	**Business requirements impact time reporting.** As employees are assigned to a project, the project information should be available for time recording. To prepare for the busy season, your organization uses analytics to identify historical time reporting trends and overtime costs to determine seasonal labor requirements. These seasonal employees are

	granted access to time reporting so they can record their time from their start date.
Goal Setting to Performance	**Business objective impacts goals and evaluations.** A key objective for a new product is to target midsize companies. The performance goal for the sales staff is adjusted to encourage more selling in the midsize segment. To help understand which sales team members could best help attain long term market expansion success, predict voluntary turnover by analyzing risk of leaving and performance and determine which recommended pre-emptory actions to take.
Career Planning to Development	**Business requirements impact performance measurement.** Your organization decides the key to customer wins is to influence them early in their decision-making process. You work with the head of marketing to add online media competency, rating definitions and rating criteria into the performance measurement of the marketing staff. Promote the availability of automated recommended blended learning programs and on the job training to the marketing teams to incorporate in their career development plan to help them meet desired competency rating.
Talent Review to Succession	**Business needs impact talent requirements.** Your organization decides that digital media is key to reach your target customers so identifying existing talent with the potential to become strong leaders with this competency is a must. HR assesses current digital media talent capabilities across marketing, sales, and service teams through intelligence-driven and collaborative activities based on the talent profile, prior recruiting data, goal/performance/growth potential factors, and career plans, then ranks talent with advanced visualization (e.g. 9-box). HR and management leaders place employees with the highest potential to become digital media experts into a talent pool to both understand automated learning paths for each talent pool member to attain required competency level and to iteratively track their development plan progress. Determination to recruit externally may be made based on talent pool competency levels and project implementation timeline requirements.
Absence Planning to Continuity	**Business needs impact absence planning.** Your organization works to improve vacation scheduling across groups supporting critical customer activities to ensure fluid staffing coverage. You implement an approval rule where vacation time requests from these groups must be submitted and managerial approval obtained within a specified time period prior to the desired vacation start date.
Employee Insight to Work-Life Alignment	**Employee engagement improves resource capacity and recruiting budget savings.** When organizations build engagement with their employees, not only do customer loyalty levels improve but so do 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 are seamlessly reflected in your financial forecasts and plans, while savings from the recruiting budget are reallocated to shore up other operational budgeting needs.
Employee Separation to Workforce Analysis	**Employee termination impacts requisition approval.** When employees voluntarily or involuntarily leave an organization, requisitions in their

	approval queues need to be rerouted to a substitute or next-level approver based on business rules. Better insight into turnover rates and factors help you update staffing budgets and financial plans.

Procurement

PROCESS	SCENARIO
Insight to Smart Sourcing	**Organization change hinders contract negotiations.** To reap the benefit of smart sourcing, there are many departments involved: purchasing, subject matter experts, contract specialists, and accounting. Any personnel/organization changes in these departments can hinder the effectiveness of negotiations. Up-to-date organizational records allow review and approval routing to be executed without a hitch.
Requisition to Receipt	**Policy change impacts compliance.** All purchases of a certain category— say, for contingent labor—must be subject to VP-level approval within the accounting function. If HR and finance are in sync, any new policy is immediately reflected in the approval routings without the need for manual intervention. The appropriate authorities can review/approve the requests through e-mail notifications or on their dashboards.
Contract Creation to Spend Compliance	**Organization changes (new hire) impacts approval.** Any revision of/deviation from standard terms and clauses requires approval. The speed of approval can impact contract negotiation because often you must respond within a specified time frame.
Supplier Registration to Supplier Performance	**Organization change (new hire knowledge) impacts supplier management.** A new hire in the purchasing department has access to dashboards to collaborate with the right people with the right knowledge: recipients of purchased goods and services for feedback on supplier performance, subject matter experts for qualification criteria, and production managers for purchase order distribution. The configured workflow approvals synchronize with HR, so she is sure to reach the right people.
Supplier Return to Settlement	**Organization change impacts supplier settlement.** Employees new on the job can view return orders on their dashboards to work on follow-up actions.
Supplier Invoice to Payment	**Organization change impacts approval.** The ability to resolve disputes quickly and pay suppliers on time helps organizations take advantage of any payment discounts and leads to favorable terms for future contacts. New employees in the payables department gain access to dashboards and necessary approval privileges to resolve disputes and process payments.

Project management

PROCESS	SCENARIO
Opportunity to Project Approval	**Resource capacity impacts project decisions.** To put together a proposal, a project manager needs to know the skill set and availability of the staff. She needs to know whether new staff have the skills needed to meet project commitments, or whether or the existing staff needs new skills training.
Resource Analysis to Utilization	**Organization change impacts project resources.** When resourcing a project, the manager needs access to detailed talent profiles to determine the best-suited project staff. An up-to-date picture of the talents in the organization is critical to project staffing and resource efficiency.
Project Methodology to Delivery	**Resource availability impacts project decision.** The manager of your upcoming online commerce project needs to decide on the technology to connect the web store and fulfillment. She reviews the projected resource demand/supply and chooses the technology with most abundant talent to minimize project risk.
Task Detail to Plan Adjustment	**Personnel change impacts productivity.** It is not uncommon that team members are reassigned or replaced during a project. New members need to gain the right system access to perform project tasks and collaborate with others to reach full productivity as soon as possible.
Project Costs to Accounting	**Organization change impacts project costs.** Project members need to get the right level of access to record and approve project activities and view status to reflect project costs accurately.
Billing to Revenue Recognition	**Personnel change impacts revenue recognition.** A project admin is on leave of absence. Access to dashboards is available to the new assignee to ensure milestones and work completions are recognized for revenue reporting.
Grant Award Funding to Closeout	**Organization change impacts award distribution.** The composition of a project team may change the direction of the project and how the project is funded. Award administrators need to adjust funding accordingly.

Innovation

PROCESS	SCENARIO
Product Proposal to Go-To-Market Candidate	**Who decides? Disruption-free innovation.** Before your organization takes a product or service to market, you'll want to model how well the new offering fits within your budget and its likelihood of success. The decision must be made at the right level—using a workflow that not only follows your business rules but ensures that delays don't occur due to role-changes or absences, and that costs for subsequent product launches are approved at the right level and assigned correctly.

Manufacturing

PROCESS	SCENARIO
Forecast to Plan	**Employee change forces review of supply chain.** In many manufacturing companies the high degree of automation allows key workers managing the planning function to address issues such as hot or at-risk demand with human intervention leveraging data-driven insight and planning simulations and estimates of financial implications but using their experience and qualifications to over-ride processes. Insight into at risk individuals assists the organization in making adequate provision for replacement and financial risk mitigation strategies.
Production Order to Cost Update	**Role change disrupts production.** To proactively manage product profitability, tight collaboration is needed between manufacturing and finance to ensure the right decisions are made by the right individuals. Imagine an alert is sent because there's a deviation in the production process, but the production engineer who would normally respond has been reassigned to a management role on an international project. It's essential that as soon as reassignment is made, all the impacted workflows and approval routings are directed to an engineer who is both on site and has the relevant qualifications, experience and certifications.
Contract Manufacturing Request to Delivery	**Managing exceptions in outsourced manufacturing.** It is in the nature of outsourced manufacturing that issues will arise from time to time. These will need to be addressed by the buyer who carries a set of privileges related to the role—such as access rights, budget assignments, spending thresholds, approval levels—and by the production leader who similarly has a set of role-based privileges. In a world where just-in-time is the norm, it's essential that where immediate action is required it can be made quickly by two equally well-informed individuals who are in possession of all the data necessary. If one key individual, for example, is on vacation, then it's imperative that any approvals or actions necessary are not delayed.

Sales

PROCESS	SCENARIO
Opportunity to Quote	**Employee absence can disrupt deal approvals.** A disaster: the sales team has worked for 17 months on an opportunity, the customer's keen, the bill of materials has been agreed upon, tacit agreement has been reached and the proposal is submitted for approval. The multimillion-dollar deal is routed via workflow to the VP in the commercial department because of its size—but that day, he's started a leave of absence for family reasons. Can the organization afford any potential delay?
Order to Close	**The forecast call dilemma.** Every week the sales leader hosts a call with all her directs on current progress. For the organization, this is the most important call. Great news: the sales leader is promoted overseas to run a new subsidiary. The new sales leader—who, until recently, was a regional VP—needs immediate access to all his predecessor's dashboards and information to ensure continuity and to make sure targets aren't missed.

Service

PROCESS	SCENARIO
Customer Contact to Resolution	**Managing effective escalations.** The customer's not happy with the response or solution that's been provided, so the service request must be escalated to the right individual who meets the current compliance requirements. A single finance and HR cloud leverages the employee information in the HR system which contains all the relevant information on current certifications, availability and assignment.

Your business functions share data across all these processes, and more. A single cloud provides one data model and one system of record of an individual (i.e. each person has one unique identifier, one current name and address, etc.) allowing all people-related information to be held in a single place, maintained by common data entry processes. This gives you information that is accurate, rich in content, and current—from one single location.
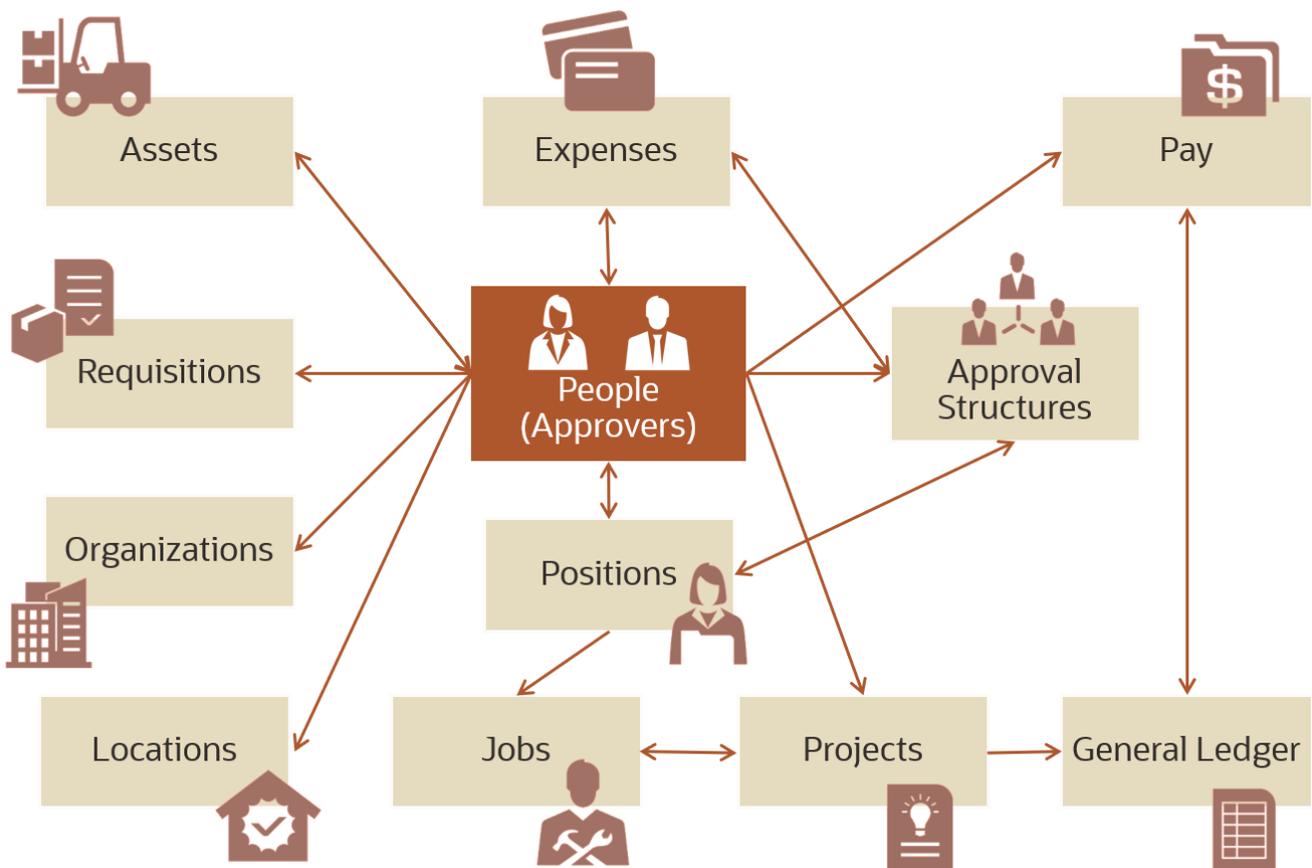
Figure 2. *People data is associated with transactions throughout an ERP system.*

CHOOSING THE RIGHT CLOUD PROVIDER

More than one vendor claims to offer a cloud that spans both finance and HR. But only one provider—Oracle—offers a complete cloud that includes the latest, most innovative technologies embedded into the applications. With a $6 billion annual R&D budget, Oracle updates its cloud on a regular cadence, rolling out the latest in compliance, regulations, reporting, analysis, and automation. In the past, companies spent an enormous amount of time and resources staying up to date on the latest finance and HR requirements. With Oracle, that effort is significantly reduced—and our capabilities in AI, machine learning, and other advanced technologies remain far ahead of those offered by competitors.

Moreover, the Oracle Cloud goes beyond finance and HR, covering supply chain, sales, marketing and more. No other vendor offers this. With a complete suite to run your entire organization, you get consistent, integrated data and process flows across every line of business—and your technology is always up to date.

It's clear. Every organization needs a single cloud for finance and HR, with continuous innovation built in. With it, you can avoid costly (and unnecessary) integrations and customizations, waste less time on maintenance, reduce risk, maintain security through single sign-on, improve business performance, and free valuable employees to make better decisions, faster.

> Oracle Cloud goes beyond finance and human resources, covering supply chain, sales, service, marketing and more.

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