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NUCLEUS RESEARCH

ORACLE CLOUD PROVIDES GREATER AGILITY TO PEOPLESOFT USERS

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THE BOTTOM LINE

Oracle PeopleSoft is a collection of business solutions, such as human capital management (HCM), financial management, procurement and supplier management, project portfolio management, asset lifecycle management, order and inventory management, and campus administration. Nucleus interviewed PeopleSoft customers who migrated their operations from on-premises to Oracle Cloud Applications (OCA) and found significant cost savings and performance improvements. Some benefits customers reported include a 95 percent increase in productivity, reduction in operational costs, and improved organizational visibility. Oracle Cloud complements a company's enterprise systems stack by streamlining new product update deployments and providing agility to daily operations.

OVERVIEW

PeopleSoft is an integral part of an organization's operations because it offers a highly customizable user interface (UI), covering a variety of use cases, from human resources to inventory planning. If the underlying infrastructure is not optimized or crashes, it can significantly impair the entire organization. Large organizations often run hundreds of applications like PeopleSoft. This exposes them to operational disruptions as on-premises applications have a higher risk of crashes, which only amplifies the need for further IT infrastructure investments to optimize performance and reduce downtime.

Demand-based model cuts operational costs

It becomes a very costly undertaking when an organization runs its applications on-premises. This approach involves running numerous servers for different use cases, including computing, database, storage, and networking. As organizations are constrained by their server capacity, they have to plan in advance how many servers they potentially require during peak performance and add extra capacity for application environment testing, which can multiply the costs by a factor of 4x. As a result, most organizations are not utilizing their IT infrastructure's full potential and pay unnecessary expenses. Another shortcoming of operating an on-premises infrastructure is security maintenance. A secure IT infrastructure is expensive and requires a lot of personnel resources, which most organizations do not have. With ransomware attacks on the rise, implementing the most up-to-date cybersecurity standards is more important than ever.

Oracle Cloud Applications (OCA) enables organizations to significantly cut their IT costs by providing a flexible demand-based subscription model and a state-of-the-art security cloud infrastructure that fulfills global and industry compliance standards. Organizations can scale up and down operations as needed and spin out new application environments for testing at a fraction of the cost of on-premises. This empowers organizations to only pay for what they need and conduct more application updates for user acceptance testing (UAT), security, and quality assurance (QA). As organizations embark on their digital transformation initiatives, Nucleus has observed an increase in users migrating their on-premises PeopleSoft applications onto Oracle Cloud Applications.

KEY BENEFITS

Nucleus interviewed several PeopleSoft cloud customers to identify the key benefits realized post-migration. Users benefited from increased productivity, reduced operational costs, and improved organizational visibility.

- **Increased user productivity.** By migrating to Oracle Cloud, organizations are empowered to update their enterprise applications in a fraction of the original time. This enables users to fix outdated legacy processes and streamline operations. One organization automated its financial reporting processes by eliminating manual data entry tasks, utilizing real-time data points from a centralized database.
- **Reduced operational costs.** Retiring the legacy on-premises infrastructure lowered IT costs by introducing a new demand-based subscription model. Automated workflows and streamlined procedures cut operating costs by redeploying two full-time employees (FTEs) to other value-added tasks.
- **Improved organizational visibility.** Once PeopleSoft is migrated to OCA, it can integrate with virtually any third-party solution via published APIs to consolidate information that was previously unavailable to users. This level of visibility enables organizations to track statuses of financial closings in real-time and analyze the underlying data points to evaluate trends and irregularities.

CUSTOMER PROFILES

UNIVERSITY

Founded in the late 19th century, this university is one of the leading research facilities in the western United States. It consists of seven campuses with 12,000 students a year enrolled. The university has been utilizing PeopleSoft for its financial reporting since 1997 but needed long-overdue improvements. Since the legacy system was deployed on-premises, it was a rigid platform and difficult to update. Financial reporting was mainly paper-based, and financial operations consisted of numerous manual tasks, excel spreadsheets, and excessive email correspondence. This led to unnecessary delays and cost the university precious time and money. Due to budget restrictions, the university had to lay off over 375 full-time employees (FTEs), which substantially increased the remaining staff's workload. It was clear that the university had to upgrade its legacy system and optimize workflows.

Management was left with two choices, either replace PeopleSoft with a different business solution or migrate PeopleSoft to the cloud. The organization considered multiple

alternatives, such as Workday, but ultimately decided to stay with PeopleSoft and migrate to Oracle Cloud because of the financial reporting and update roll-out capabilities. The university relocated operations in multiple phases and implemented in the year 2017 the financial planning module and in 2019 the HCM module. After migrating to Oracle Cloud, the organization could reduce its IT costs immediately because they only had to pay for the computing power they used. The cloud empowered the university to modernize its processes and scale its operations more efficiently. As a result, the IT department could roll out updates every quarter and streamline internal operations. New updates included workflow automation, eliminating manual data entry tasks, such as purchase orders, approval processes, and timecards. This enabled the organization to excel in times of massive lay-offs and budget constraints and redeploy two additional FTEs to more value-add tasks.

LOGISTICS PROVIDER

Headquartered in the Midwestern United States, this logistics provider offers less-than-truckload (LTL) delivery services across North America. Specializing in next-day shipping, the company transports a wide range of cargo, such as hazardous materials, medical equipment, and consumer goods. The organization employs over 30,000 workers and is divided into five different divisions, covering specific regions across the nation. Having such a large and complex network of facilities, routes, and trucks requires a sophisticated business solution that oversees all operations. PeopleSoft has been the ERP solution of choice since 1999, but with changing times, it needed an extensive overhaul. Due to its on-premises infrastructure, PeopleSoft software updates required significant server downtime, causing service delays and lost revenue opportunities. Thus, the company only made platform updates when essential every five to six years, resulting in suboptimal performance. Since PeopleSoft was not updated regularly, most processes still involved manual tasks and extensive delays.

95 percent reduction in DevOps cycle

To keep up with market trends and demand changes, management decided to upgrade its on-premises system. During the request for proposal process, the company considered several alternatives, including Workday and SAP, but ultimately decided to transfer PeopleSoft to Oracle Cloud due to its multitenant infrastructure. The company decided to conduct the implementation process in several stages and initiated the first phase in 2016 to deploy its financial and accounting modules. Once the one-year implementation process concluded, the organization deployed HCM and other modules over the following years.

The logistics provider experienced instant cost savings by transitioning to a pay-per-user subscription model. The Oracle Cloud environment empowered the IT department to accelerate its DevOps cycle and release software updates more frequently without any operational downtime. This resulted in a 95 percent productivity boost and cut the release interval time from five years to three months. The logistics provider now has the agility to roll out new updates on the fly and course-correct if necessary. Different functional departments can participate in the technology development process with improved collaboration capabilities and user engagement. The organization experienced further benefits by reducing its IT maintenance costs and security staff counts, as Oracle offers a secure and fully serviced infrastructure.

OUR TAKE

Unified platforms that consolidate financial, human capital management, and operational capabilities, such as PeopleSoft, are an organization's foundation. An organization needs to adjust its operations and update its processes when required. Cloud technology enables organizations to be agile and keep IT costs low due to a demand-based subscription model. Cloud providers, such as Oracle, specialize in server performance and security. Operating at economies of scale, these providers offer the most up-to-date technology at a fraction of the cost of running one's own cloud infrastructure. We expect more companies to migrate their operations to the cloud for improved performance, greater flexibility, enhanced security, and lower costs. Cloud providers will continue to compete mainly on price and performance while building new data centers in strategic locations for improved performance, increased capacity, and to meet residency requirements. Nucleus believes Oracle will remain one of the leading cloud providers for applications and infrastructure and improve its AI, business intelligence (BI), and storage capabilities.