

ORACLE®

Modern Best Practice Explained

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what is best practice?

Wikipedia: a **best practice** is a method or technique that has consistently shown results superior to those achieved with other means

Wikipedia goes on to say that best practice is used as a benchmark and, in addition, it can evolve to become better as improvements are discovered.

It's the evolution of best practice that we're going to cover in this short guide — Moving From Best Practice to Modern Best Practice.

Here's where our (re)definition of best practice and Wikipedia's diverge: in our view best practice evolves as improvements are discovered but in addition best practice evolves as the organization & its requirements change, and as new technologies or enablers become available.

“Best practice evolves as improvements are discovered, as the organization & requirements change and as new technologies become available”

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what is best practice?

Best Practice is frequently visualized as a business process diagram

But of course, it could be a dashboard with KPIs, an email template or a set of written standards

The important thing is to show how the best practice is better and why versus the traditional approach.

Best practice needs to be simple to understand and easy to adopt.

Because the typical organization will have multiple business functions, our best practice needs to cover the relevant ones. And because multiple people are usually involved, we need to show who will be executing each component.

Having done this, our new best practice can be used to **standardize** our operations i.e. the new way we do things around here...

...though we'll be careful to standardize on modern best practice that preserves both competitive advantage and our unique identity & culture

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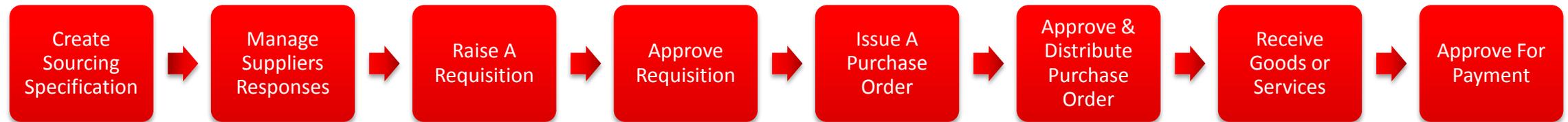
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what is best practice?

Let's say we want the best way to manage requisitions: how people buy stuff

Here's our Requisition To Receipt process. Looks simple doesn't it? But the devil is in the detail and we'll explore the detail later on.



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why adopt best practice?

A Google search on “best practice” generates 845,000,000 results spanning content from mobile phone networks, trade association, newspapers, government agencies, consultancies, healthcare bodies and many others. This tells us it’s a popular subject for research but what’s in it for your organization?

Best practice in itself articulates how you execute to achieve consistently superior results. Evidence abounds to show that standardizing on best practice can deliver both top line benefits (to sales revenue) and bottom line savings (to costs).

... it’s **standardizing** that matters. Standardizing on a common set of best practices across the organization helps Oracle save 10% of its revenue annually – achieving \$3.7 billion savings today based on its \$37 billion revenue base ¹

¹ Source: <http://www.oracle.com/us/corporate/investor-relations/financials/q1fy01-079227.html>

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why adopt best practice?

Let's explore how Oracle customers have benefited from standardization on best practice

Alkaram Textiles Cuts Month End Financial Processing Time By Nine Days¹

Standardizing on best practices enabled Alkaram to cut financial processing time, track material use against orders more efficiently, improve purchasing & manufacturing processes and enhance management decision making by improving the accuracy of data.

¹ Source: <http://www.oracle.com/us/corporate/customers/customersearch/alkaram-textiles-1-ebs-ss-1902459.html>

BSI Turns Best Practice Data Governance Into a Habit of Excellence ²

The British Standards Institute used Oracle's enterprise data quality management suite to embed best practice data & management processes which helped accommodate a 20% expansion in data volume without additional resources.

² Source: <http://www.oracle.com/us/corporate/customers/customersearch/bsi-5-ent-data-quality-ss-1855051.html>

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why adopt best practice?

“Organizations become winners by spotting big opportunities and inventing next practices.”

- CK Prahalad, HBR column Best Practices Get You Only So Far¹, April 2010

We agree. Though we prefer the term **Modern Best Practice**. Modern because not only is it new but because it's immediately achievable .

¹Source: <http://hbr.org/2010/04/column-best-practices-get-you-only-so-far/ar/1>



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modern best practice

Modern best practice is flexible, supports growth and innovation and enables new ways of executing to achieve consistently superior performance

Exploiting new capabilities made possible by Cloud Computing, Mobile, Analytics, Social, The Internet of Things & Big Data, modern best practice enables organizations of all sizes to achieve more, faster and with less resources.



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modern best practice

Equally, modern best practice recognizes the need to maintain uniqueness and competitive advantage.

Modern best practice keeps pace & evolves with growth and changes in a fast moving market. It's local & global, seeking to enable & deliver the best results across departments, borders, languages, fiscal and physical domains.



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modern best practice

So how does your organization move from best practice to modern best practice?

Some examples of modern best practice are included in the following section but the approach is simple:

First, we examine the existing business process, dashboard, method, policy, operating procedure or approach and optimize it: removing redundancies, ensure it's lean, checking the outcomes are as intended and that it's relevant to today's requirements.

Then we review the process against the enabling technologies – 'the enablers' as we'll refer to them from now on.

The enablers we'll use for our examples are:

- Cloud Computing ('The Cloud')
- Mobile
- Analytics
- Social
- The Internet of Things
- Big Data

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the enablers

The Cloud, a mobile first philosophy, intelligence driven by analytics, the promise delivered by pervasive social networking inside & outside the whole organization, the benefits of the internet of things and big data can't be overlooked but...

... the purpose of this brief guide isn't to go into detail on these enabling technologies but to explain in simple terms the impact these enablers have on your business and how they help you generate an increase in top line revenue, better productivity, lowered costs and improved compliance.

On the next few pages we'll explore each of the enablers and provide you with links to more information.

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the enablers

The Cloud

The cloud enables you to purchase software & IT resources as a service, shifting the burden of capital expenses to a flexible, pay-as-you-go model. It resembles a utility that supplies water or power—users are able to access business applications at any time from multiple locations, track usage & scale capacity without large up-front costs.

Mobile

A mobile-first strategy enables your organization to securely access powerful analytics and forecasting tools, customer & supplier insights, real time information on sales opportunities, inventory, financial data, marketing campaigns and much more when & where you need it.

Analytics

How is your latest project performing? What could you change to lower costs? To increase profitability? What are the latest market developments that could affect your business? Analytics (also known as Business Intelligence) provides you with this information in the form of dashboards showing your KPIs & Metrics in real time.

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the enablers

Social



A naturally collaborative social work environment seamlessly connects users and content, no matter where your people are located or which devices they prefer to use. Social capabilities are embedded directly into modern cloud-based business processes so it's easier to share information.

The Internet Of Things



The Internet of Things delivers significant opportunities to generate value from the data collected by devices & things. Examples include smart meters to manage energy bills, remote patient monitoring to deliver high-quality care and telemetry for car safety.

Big Data



Big Data is a collection of data from traditional & digital sources that when harnessed, can transform your business. It includes data from your own systems plus data from devices, data streams, blogs, social networks & more. It offers an opportunity to gain insight, quickly test new ideas & change business operations.

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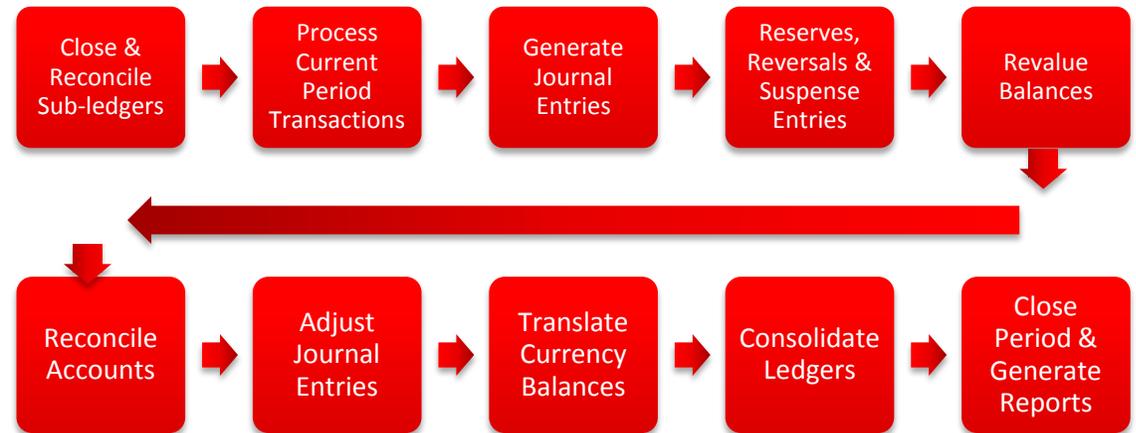
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examples: modern best practice illustrated

Though we could examine dashboards and written procedures, for our examples we'll take two common business processes:

- Period Close To Financial Reports
- Requisition To Receipt

You'll recall Requisition To Receipt as we mentioned it in section 01 but let's first look at Period Close To Financial Reports



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examples: modern best practice illustrated

For our non-accounting audience, let's illustrate this with a story focusing on a journal entry adjustment.

You're a CFO. Your new CEO has asked for a review of all inventory on hand believing that much of the stock on hand will be obsolete by the end of the financial period and ought to be revalued. You've sent a mails out to your team, VP for Manufacturing, the VP for Sales and the logistics team to request the amount of inventory in each of your locations. After 20-30 mail exchanges, you have a clear assessment and approve the necessary journals. A year later you're asked by the auditor to provide detail to support the journal entry adjustment.

All good. The books balance & you found the mails for the auditor.

Let's explore how this might look with **modern best practice**:

- Over coffee, the red icon on your tablet indicates a mail from the CEO
- You create a social conversation regarding the inventory review and add the relevant team members
- As each team member reports, they attach links to the current inventory status
- You review the social conversation and update it with approval of the journal entry adjustment required
- A year later, during a routine audit, you're asked why the adjustment was made. You then share the issue, the conversation and the adjustment with the auditor.

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examples: modern best practice illustrated

By socially enabling the process, executing it in the cloud, making it accessible on mobile devices and incorporating analytics, we achieved fast resolution with a robust audit trail.



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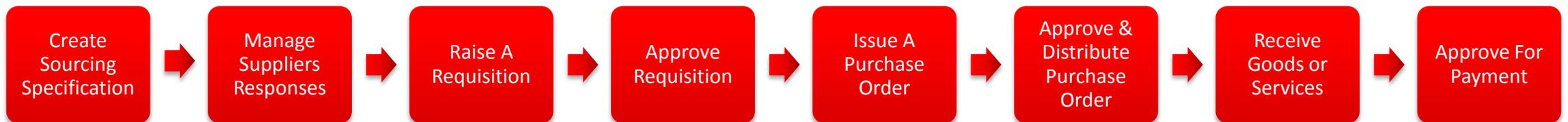
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examples: modern best practice illustrated

For our second example, we'll look at Requisition To Receipt and the transformative potential of The Internet Of Things, Analytics and Mobile.

You're again the CFO. Your purchasing process is good but you're aware that production is sometimes disrupted by late delivery from your suppliers.

- The supplier then delivers the goods or services
- Requisitions are raised by the production team on the factory after checking stock levels
- Once the requisition is submitted, it's reviewed and approved by buyers and distributed to suppliers
- The receiver confirms the goods are as ordered
- The suppliers invoice is received, matched and a payment authorized



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examples: modern best practice illustrated

Our new modern best practice features **sensors** on each storage rack that indicate when priority items are close to the minimum safety stock levels

- A requisition is triggered & an alert is sent to the production line supervisor's smartphone
- Due to the expense of the item, the supervisor visually confirms stock level & approves the requisition
- The dashboard on the supervisor's phone now shows updated data for stock on hand and ordered
- Workflow routes the requisition to the buyer's tablet for approval on his morning commute
- A purchase order is sent via email to the supplier who responds likewise
- The goods are delivered, checked as usual and placed on the storage rack which senses that stock levels are now at the required level



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examples: modern best practice illustrated

In creating a modern best practice version of Requisition To Receipt

We harnessed The Internet Of Things, Mobile & Analytics to fundamentally speed up the process, remove delays caused by manual intervention and deliver the information needed to the right people.

Opportunities exist to review every process, procedure, policy, dashboard, report, campaign, sales approach and make improvements to leverage the enablers we've mentioned. In the next section, we'll explore what to do next and how Oracle can help.



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how Oracle can help your organization embrace modern best practice

In this brief guide, we've explored best practice and its successor – modern best practice.

We've also covered in just a little detail, the 6 enablers of modern best practice:

- The Cloud
- Mobile
- Analytics
- Social
- The Internet Of Things
- Big Data.

Starting your journey to standardization is easy and the good news is, you don't need to do everything at once. You can take a modular approach. Addressing your immediate business challenges with simple to adopt Oracle solutions.

We know you'll want to know more and the Oracle sales team is ready and waiting to assist you. Call us now Phone: +1.800.633.0738 or visit oracle.com.

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