Modernize Your Business with Oracle ERP Cloud

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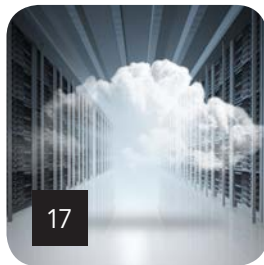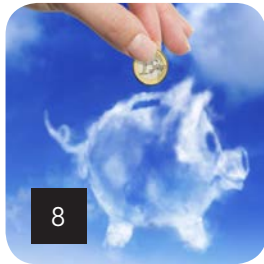
Introduction

Enterprise resource planning (ERP) systems are the backbone of many organizations, helping them manage their accounting, procurement processes, projects, and more throughout the enterprise. For many IT departments, ERP systems have often meant large, costly, and time-consuming deployments that might require significant hardware or infrastructure investments.

The advent of cloud computing and software-as-a-service (SaaS) deployments are at the forefront of a change in the way businesses think about ERP. Moving ERP to the cloud allows businesses to simplify their technology requirements and more quickly see a return on their investment. According to a 2013 survey by McGladrey, 54 percent of respondents say changing or upgrading their existing applications is their most time-consuming ERP task.[1] With cloud-based ERP deployments, however, businesses see lower support costs and no maintenance or upgrades for the IT staff to perform.

Cloud-based ERP suites are mature offerings that now have many of the same features and functionality as their on-premise counterparts. In addition, the cloud deployment model easily enables the integration of other key technologies like mobility, decision support systems, and collaboration and social systems.

There is extensive evidence that organizations are making the move to cloud-based ERP solutions. A 2013 Aberdeen Group study found that while many businesses still rely on on-premise ERP deployments, forward-thinking organizations are taking advantage of the benefits offered by cloud computing.[2] Among organizations that Aberdeen recognizes as "best in class," 26 percent are now using cloud-based ERP solutions. These best-in-class organizations moved to cloud-based ERP solutions because it offered benefits for both IT and

the business. They incorporated cloud-based solutions as part of their strategy to deliver a fast, cost-effective way to strengthen core operations.

Indeed, adopting a cloud-based ERP suite today means neither IT nor the business needs to settle for applications or infrastructure that are deficient or lacking in features. Modern ERP cloud-based applications have a consumer-like user experience, embedded collaborative capabilities, and in-context analytics to support real-time decision making, a critical activity in today's fast-paced business environment. A modern cloud platform is agile, reliable, and secure, so that organizations can confidently pursue growth opportunities.

According to Michael Fauscette, Group Vice President, IDC's Software Business Solutions Group, "A business that wants to stay competitive and get maximum value from its systems would do well to take a look at cloud-

based ERP systems and examine how they might fit into a strategy for modernizing IT and maximizing business value and competitive advantage from all enterprise systems." [3]

A modern ERP cloud solution simplifies, standardizes, and automates business processes — helping organizations take full advantage of growth opportunities. A modern ERP cloud also enables a workforce to collaborate, analyze, and work on the move – accelerating performance and attracting great talent. Finally, a modern ERP cloud reduces costs and makes smarter use of scarce IT resources so they can be focused on driving innovation.

Oracle ERP Cloud is a perfect example of a suite of integrated applications that give organizations the functionality, analytics, and collaboration tools they need to run their business. Its users have access to dashboards they can use to monitor and view their most pressing concerns; it integrates with existing applications like Microsoft Excel; it leverages in-context analytics that power decision making; and it allows users to easily collaborate within the applications to complete tasks faster.

Oracle ERP Cloud is built on the Oracle Cloud infrastructure, which delivers all of the important features businesses need in a cloud platform, including industry-leading high performance and scalability, unparalleled reliability, and an intense focus on security.

Unlike other clouds that offer security services in one or two layers, Oracle Cloud is the only cloud that delivers an optimized, layered security approach at every level of the

technology stack, leveraging Oracle's broad portfolio of data security and encryption products, along with proven process controls at the application, infrastructure, and systems hardware layer. Many of today's cloud solution providers play only at the application layer and don't include the underlying infrastructure and security pieces that Oracle delivers — a critical factor in evaluating an ERP cloud offering.

It's not only the applications and deployment that are designed to be easy to use. Oracle ERP Cloud is a subscription service that allows companies to switch costs from a capital expenditure to operating expense, as well as making it easy to forecast and understand the costs involved.

If your business has plans that include aggressive growth and aspires to be a best-in-class organization, your IT systems and applications need to be up to the task. Homegrown solutions created for a smaller business or outdated commercial software can hamper your plans for growth. If your IT infrastructure and maintenance costs are affecting your ability to grow, then a cloud-based ERP suite is well worth exploring.

In the coming pages we'll take a closer look at the core components of Oracle ERP Cloud: Financials, Procurement, and Project Portfolio Management. We'll hear from strategy leaders at Oracle and industry analysts as they explain how Oracle delivers enterprise-class software using the cloud without sacrificing functionality, without requiring organizations to re-write their business processes, and without the added costs of additional infrastructure and complicated integrations. ■

"If your business has plans that include aggressive growth and aspires to be a best-in-class organization, your IT systems and applications need to be up to the task."

Modernizing Finance

A s long as there have been businesses, there has been the need for financial management. But financial management today is much more than just "accounting." Finance has moved out of the back office, playing a vital role in the boardroom as a strategic advisor. It serves a function the organization depends on to help drive increased revenue, higher profits, and reduced risk. For an organization to be operational there is simply no getting away from having a financial management system. No matter how big or small a company is or what industry it falls into, financial management is a universal requirement. And the need for financial expertise and financial acumen has never been greater because of the permanent volatility present in today's economy.

The evolution of the software industry has seen the movement of running business applications from the mainframe to client server to software-as-a-service. Finance has long been at the forefront of adopting software solutions to help automate business transactions and processes.   Since finance has been at the vanguard of technology adoption, many companies, large and small, already have some degree of financial automation. However, current systems are no longer sufficient to provide companies with the competitive advantage required in today's global environment.

"The finance department can't simply provide stewardship over data and information," said Terrance Wampler, Vice President of Financials Product Strategy at

Oracle. "To truly improve efficiencies and reduce costs, finance is now expected to become more strategic and lead the corporate charge in driving change that will increase revenue and profit. In fact, the CFO is being viewed as a business catalyst and a valuable source of experience and ideas. But to accomplish this, finance must optimize processes in a way that facilitates better decision making."

While process automation should lead to efficiencies, Wampler is quick to point out that the automation in place at many enterprises is a far cry from the optimization that will enable companies to achieve their ultimate objective of a more effective organization, "The automation is limited or cumbersome and difficult to tailor to the process flow. It doesn't handle things like exceptions." To do this successfully, finance departments and their systems must evolve. The key question is "how?"

Oracle Financials Cloud, part of a full suite of business services, helps meet these evolving needs. It is a complete and integrated financial management solution with automated financial processing, effective management control, and real-time visibility into financial results. Features include a native multi-dimensional reporting platform, spreadsheet and imaging integration, role-based dashboards and work areas, and integrated social collaboration to provide enterprises with everything they need to make better decisions faster, meet financial compliance requirements, and improve the bottom line. In addition, because this comprehensive functionality is available as a cloud service, enterprises need not make capital investments up front or in maintaining hardware and software.

Financial Management Trends

Technology is no longer about simply automating existing processes. It's about how it can be used to create value. This was reflected in the results of a real-time survey that was conducted during the CFO Summit at Oracle OpenWorld in September 2013. Finance viewed emerging technologies as enablers of specific value creation strategies. For example, 43 percent of senior finance executives felt that emerging technologies would support their growth initiatives. The rest were divided between the impact that emerging technologies would have on improving their competitive position (26.7 percent) and improving customer interactions (21.7 percent). Interestingly, only 8 percent of respondents were looking for new technology to help manage costs. Modern finance organizations embrace "disruptive" or "emerging" technologies such as social, mobile, and advanced analytics to fundamentally change how they work and how they relate to processes, people, and even objects, bringing greater value to the enterprise.

For example, a modern finance organization supports employee collaboration. This is good business because half of an employee's performance comes from collaboration. Today's average employee typically collaborates with 10 or more people just to accomplish his or her day-to-day work.[4] Deloitte predicts that by

the end of 2013, more than 90 percent of Fortune 500 companies would have partially or fully implemented an enterprise social network, a 70 percent increase compared to 2011.[5] The Oracle Financials Cloud brings social collaboration to a variety of accounting functions. Wampler said users closing the books, for example, can see all associated ledgers and work from an activity log collaborating with employees to get real-time status and progress. Even more important — all collaboration is directly tied to the associated transactions to provide a complete audit trail.

Mobile is a must for the modern finance organization. Smartphones and tablets are now ubiquitously woven into every aspect of our lives, and CFOs are starting to see immediate advantage in mobile computing. In fact, a 2013 CFO Global Survey revealed mobile computing as the top investment priority over the next three years;[6] and 89 percent of CFOs and IT executives said mobile technology will be important for their company's success within that period.[7]

Oracle has addressed the growing needs of those who "touch" financial transactions with things like expense reports, Wampler said. With Fusion Mobile Expenses, for example, employees can use their phone to enter expense transactions. Those using an iOS device can take advantage of voice recognition, attach receipt images, use location services, perform currency conversions, and upload expenses via their mobile device.

Data is meaningless without context. Today's workforce and the modern business need access to information at their fingertips. Data must be converted into actionable insight through advanced analytics that cannot only analyze relationships and trends, but also enable intelligent recommendations for the organization. Oracle Financials Cloud is specifically designed to give insight to everyone, in the format right for their role, so that users can ask questions and get answers directly, without waiting. Underlying Oracle Financials Cloud is an innovative reporting model that provides information how, when, and where it is needed. Single-step posting automatically updates general ledger balances in a multi-

dimensional data model to provide consistent, timely, and accurate information to all users for both external and internal reporting.

The maturity of financial management may make it easier to determine and meet user needs. This does not mean, however, that it is not without its own unique set of pain points. Workflow and exception processing is a great example where older systems, including of course Excel spreadsheets, frequently do not possess the capabilities to intelligently handle exceptions and route them based on categories or tolerance levels. Oracle Financials Cloud delivers the optimization modern finance organizations need today. In the case of exceptions, for example, the Payables service proactively monitors invoices and payments during processing, identifies exceptions, and flags them for immediate action. The exception is then pushed to the payables manager through a centralized Payables Dashboard so he or she can take immediate action. This automated monitoring improves productivity by eliminating the need for employees to track down exceptions manually, enabling the business to run more efficiently.

Oracle Financials Cloud also resolves two other pain points acutely felt by the finance department: control and compliance.

Control — which users have access and write privileges to certain data — is not an issue unique to financial management. However, the regulations enforced around financial management, both industry-specific and statutory, mean that ensuring the proper controls are in place is about more than just good business sense. A myriad of controls exist throughout Oracle Financials Cloud. Core controls ensure compliance with security measures, financial regulations, and industry requirements, while role-based controls determine what actions and data access are permitted, Wampler said. Oracle Financials Cloud has all of the financial controls in place that organizations need, while additional social collaboration controls guarantee secure interaction, ensuring that only those with suitable permissions are allowed to view the information.

"Security is part of many regulatory requirements. Hence, Oracle Financials Cloud features tight, auditable control over roles and functions."

Security is part of many regulatory requirements. Hence, Oracle Financials Cloud features tight, auditable control over roles and functions. The same role-based security governs the entire ERP Cloud, from accounting and procurement through reporting and the social collaboration environments. These built-in controls make it far easier for enterprises to meet compliance requirements, like Sarbanes-Oxley, and operational rules, like generally accepted accounting principles (GAAP). A centralized accounting engine ensures that a single transaction complies with multiple accounting requirements (e.g., GAAP, tax accounting, and multi-national operational polices). This is particularly important for enterprises that do business in more than one country, where there may be different ways to treat taxes on transactions, operational differences in how revenue is accounted for, or currency conversions.

Getting Started with Oracle Financials Cloud

Oracle Financials Cloud includes the core accounting services, as well as Revenue Management, Expenses, Advanced Collections, and Reporting and Analytics. The core Financials deliver a complete financial management solution that features a broad suite of capabilities consisting of general ledger, accounts payable, accounts receivable, fixed assets, and cash management. All of this functionality sits on top of an open, standards-based

platform to help customers increase business agility and standardize business processes.

Revenue Management provides end-to-end revenue recognition and compliance to enable proper recording of all revenue types with minimum user intervention. Organizations can automate contract identification, fair market value calculation (which includes VSOE, TPE, and ESP), revenue reallocation of bundled sales, and centrally manage revenue scheduling and recognition based on revenue events. A centralized revenue repository enables insight into the expected revenue stream, easy reconciliation for period close, and efficient accounting and reporting with full audit trails to ensure revenue accounting compliance.

Expenses is a robust travel and expense solution that automates the management of travel spend and establishes policy-driven controls for expense reimbursement. Among its noteworthy capabilities is the previously discussed mobile expenses application, which allows users to record expenses using smartphones.

Advanced Collections provides all of the information needed to manage delinquent customers. The solution is designed to improve cash flow, increase collection efficiencies, optimize customer relationships, and instill corporate and fiscal discipline, ultimately enabling customers to collect more money faster and with less effort.

Financial Reporting and Analytics includes Fusion Financial Reports Center and Oracle Transactional Business Intelligence (OTBI) for Financials, provides accurate and reliable financial information to both internal and external stakeholders empowering them to make better decisions.

Financial Reports Center delivers a unique multi-dimensional reporting and analysis platform that provides real-time access to financial information. Users work in their desktop environment of choice and their financial data is made available in real time for reporting and analysis. ■

Realizing More Savings

From office supplies at a tax firm to machinery parts in a manufacturing operation, businesses are constantly making purchases. The extent to which those purchases are managed, whether it's sourcing indirect supplies from an approved vendor or negotiating a new contract for direct materials, varies widely from organization to organization and even among departments within large enterprises.

Procurement is an important aspect in ERP deployments because all of this buying doesn't exist in a vacuum. The need to buy in order to sustain operations must be balanced with the drive to find savings and make the best use of the organization's resources. Maximizing the amount of spend managed is a priority, and many organizations today lack insight and analytics about their procurement processes. It's a combination of many elements: supplier enablement, user adoption, collaboration, process optimization, and compliance.

What's missing in many organizations is smarter spend management. It's a problem that can be blamed, in part, on the tools businesses are using to manage their procurement processes. Many businesses struggle with the decision to include procurement as part of a larger enterprise suite of applications or whether to use specialized procurement applications instead. Some are migrating away from procurement as part of an on-premise deployment to cloud-based services that are easier to deploy.

The problem with that approach is that specialized procurement clouds lack native connectivity with other services, such as financials, said Tom Anthony, Vice President Procurement Product Strategy at Oracle.

The result is organizations trying to manage procurement using systems that don't share information, don't meet the needs of procurement professionals, and don't serve the needs of the broader organization that participates in the buying and sourcing of products and materials. Custom applications or point solutions can rely heavily on manual processes, which of course introduce a greater possibility for human error.

In many organizations the sourcing process is still heavily reliant on spreadsheets. It's not uncommon to see organizations negotiating contracts with vendors using Microsoft Word documents and email, and then extracting the data into Excel and passing the spreadsheet around to interested parties.

"There's a whole spectrum of solutions out there," said Pierre Mitchell, Chief Research Officer at the procurement blog Spend Matters. These point solutions and best-of-breed applications fit specific needs for procurement but aren't designed to play nicely with other parts of the infrastructure, Mitchell said. "Microsoft Excel, in some cases, is probably the biggest incumbent vendor."

Why not combine cloud, best-of-breed functionality, and native connectivity? Oracle Procurement Cloud, part of the integrated suite that is Oracle ERP Cloud, can enable smarter spend management, maximize the value of business resources, and reduce the manual processes that plague procurement today. By offering procurement as a cloud service, Oracle also helps reduce the cost of IT infrastructure, cuts deployment times, and offers best-in-class security and uptime.

The Two Sides of Procurement

There are two aspects to enterprise procurement, and Oracle Procurement Cloud can reduce the manual processes and inefficiencies found in both. The transactional aspect of procurement, also known as procure-to-pay, focuses on making resources like catalogs and self-service portals available to those in the organization that need to buy supplies, parts, office equipment, and everything the business needs to operate. The second aspect of procurement is strategic. This includes sourcing, contract management, and compliance.

The transactional side of procurement is familiar to most people because when they have a need for goods and services, they have ways of requesting a purchase. But even this relatively easy and familiar process suffers from pain points in many organizations.

A key pain point for transactional procurement is making it simple for requestors to find the goods and services they need. Oracle Procurement Cloud enables self-service purchasing, which brings transactions as close to the consumer purchasing experience as possible. Simplified catalog management allows users to quickly

search or browse the catalogs they need, reducing the complexity and chances of maverick purchases. If the employees in an organization aren't using the procurement system, all of the work done implementing the system, setting up relationships with suppliers, and negotiating prices goes to waste.

Unlike other aspects of ERP, like finance, procurement systems are used by employees whose main focus isn't purchasing. Oracle is investing heavily in making Oracle Procurement Cloud as easy to use as possible. The challenge is to present users with an easy-to-use front end that's comfortable and familiar to users, while also building a system with a powerful backend.

"Oracle's goal is to enable users to make a purchase in three easy steps: search, select, and buy," Anthony said.

Beyond using role-based permissions and a familiar look and feel, Oracle also introduced embedded learning throughout Oracle Procurement Cloud. The embedded learning focuses on the areas of immediate interest and need to the user as he moves through the system. It includes demonstrations complete with audio and video. The goal is to increase adoption, by improving usability and self-service without having users sit through a training session or give up on the system in frustration. The training puzzle is harder to crack than you might expect. "Traditional training methods, like classroom training, don't work because people tend to use procurement infrequently," Anthony said.

Spend Matters' Mitchell said the embedded learning is a big advantage for Oracle in the procurement software market. "This concept and focus has put Oracle ahead of the curve," he said. While sourcing has its own complexity and data analysis needs for the relatively small number of procurement professionals, transactional procurement is a different story. "For the other 99 percent of people making requisitions, you need to make it as easy as possible."

Another key pain point around transactional procurement is the lack of data and insight. Most businesses lack

what some call "one common truth" when it comes to their procurement processes — a single place with all of the information they need. Oracle Procurement Cloud has pervasive analytics and real-time transactional data so businesses can monitor their spending and make informed decisions around vendors, prices, and contracts. Once again, the role-based dashboards help users easily find the information relevant to their role.

The strategic side of procurement has pain points of its own that Oracle Procurement Cloud aims to address.

There's a lot of collaboration involved in the strategic side of sourcing. Procurement professionals are finding suppliers, sending and receiving bids, and negotiating contracts with multiple vendors. If not managed well, there's the potential for a lot of confusion. There's also a need for internal collaboration among end users, category managers, suppliers, and the finance department. The ability for a procurement solution to address both internal and external collaboration is critical.

Oracle Procurement Cloud speeds up all of the knowledge transfer involved in the strategic side of procurement by reducing the number of emails, attachments, and phone calls businesses currently use in the process. It does this by introducing social collaboration directly into the application by enabling users to communicate in any number of forms like chat and social media.

The second pain point around strategic procurement centers on contracts. Contracted terms and pricing need to be enforced and ongoing renewals and amendments

need to be managed. It's easy to see how businesses that manually produce contracts, collaborate on contracts via email, and store contracts on any number of local or shared drives can struggle with contract visibility and compliance.

Oracle Procurement Cloud offers a comprehensive contract repository for contract authoring and compliance management to help procurement and legal professionals easily manage and collaborate throughout the contract lifecycle.

Oracle Procurement Cloud Solutions

Five solutions make up Oracle Procurement Cloud. Two focus on strategic procurement and three focus on transactional procurement.

For strategic procurement, the relevant solutions are:

Sourcing: It's rare for procurement organizations to solely own the process of finding a source for products or materials. The Oracle Sourcing Cloud solution focuses on simplified collaboration between team members so subject matter experts can easily and quickly transfer their knowledge to those doing the negotiating and buying. It streamlines negotiations with "negotiation styles" that give users access to only the information that's relevant to the type of negotiation they're using. Negotiation styles can range from simple auctions to complex RFPs and can support very intricate manufacturing negotiations, for example. Negotiation templates are also available to improve re-use of common best practices in future negotiations.

"Oracle Procurement Cloud speeds up all of the knowledge transfer involved in the strategic side of procurement by reducing the number of emails, attachments, and phone calls businesses currently use in the process."

Procurement Contracts: "The primary goal of the Oracle Procurement Contracts Cloud solution is to minimize risk by standardizing how businesses contract with their suppliers," said Anthony. In addition to a standard terms and clause library, Procurement Contracts includes templates and rules that can, for example, be set to identify certain clauses that may carry increased risk. Users can develop boilerplate contracts by answering a set of questions. The contracts solution captures deviations, assesses the risk, and routes the documents for review and approval according to the appropriate business rules.

For transactional procurement, the relevant solutions that cover the procure-to-pay process are:

Self Service Procurement: The Oracle Self Service Procurement Cloud solution takes all of the work done on the strategic side of procurement and makes it available to users to place requisitions. It includes an approvals management framework that can route requests to the right person in the business to approve the purchase. This is where the embedded learning is most useful because it helps users who don't regularly use the system to accomplish their tasks. It's also where role-based design can pay dividends because it keeps the process as simple as possible to complete the task at hand.

Purchasing: The Oracle Purchasing Cloud solution is a role-based application that uses a Buyer's Work Center to show buyers which tasks need attention and provides the information they need to complete those tasks. This is another area where Oracle's focus on collaboration capabilities can really pay off because buyers can collaborate with a requestor via social channels or instant messaging. The center-driven model is built to fit the way that organizations make purchases, taking into account that some are more de-centralized than others. "It allows companies to leverage category expertise and category knowledge in ways that best fit their organization," Anthony said.

Supplier Portal: The Oracle Supplier Portal Cloud solution works much like the Purchasing Cloud but with a focus on what a supplier needs to view and actions they need to take. It allows suppliers to see tasks that require their attention and drives people to action more quickly than waiting for an email or phone call. It also supports catalog authoring and invoicing. "It's a solution that provides simple and effective collaboration with suppliers," said Anthony. "It's about providing visibility and simplifying supplier enablement."

Another part of Oracle's ERP Cloud that is commonly adopted by organizations looking to better manage their procurement process is the Financials Cloud.

Financials Cloud: Processing invoices and payments through accounts payable is the final step in the procure-to-pay process. Oracle Financials Cloud provides a complete, cloud-based financial management suite, including payables, to support the procure-to-pay process and standardize on an open, standards-based platform. Alternatively for organizations that have an existing financial solution already in place, Oracle Procurement Cloud can easily coexist.

"Flexibility is one of the benefits of Oracle Procurement Cloud," said Anthony.

Deployment Scenarios

The beauty of procurement solutions delivered via the cloud is that it's easy to adopt the services the business needs and later add more functionality as it's needed. Some organizations will deploy the strategic side of procurement by using the Sourcing and Procurement Contracts services. Others will focus on the transactional side and adopt Self Service Procurement, Purchasing, and the Supplier Portal solutions along with Financials. Still others will find they work most efficiently when they adopt all of the available services. Regardless of how Oracle Procurement Cloud is deployed, users will benefit from reduced risk, fewer manual processes, and greater control.

Deploying procurement, or any component of ERP using the Oracle Cloud, means taking advantage of native

connectivity and best-in-breed software and functionality with lower upfront costs and less investment risk. There's no infrastructure to buy or upgrade, and paying via monthly subscription means more predictable costs. Cloud deployments also deliver greater innovation and quicker time to value. New features and patches are added seamlessly without the involvement of internal IT resources.

Oracle delivers enterprise-class solutions via the cloud with enterprise-class security and reliability. No other cloud provider has an end-to-end infrastructure stack designed to work together and power the cloud the way that Oracle does.

Summary

The procurement environment is littered with manual processes that introduce errors and risk to organizations, don't integrate with other parts of the business platform, and aren't maximizing value and leveraging investments made on the strategic side of procurement. Oracle Procurement Cloud is a modular SaaS offering that helps businesses automate and standardize processes on both the strategic and transactional sides of procurement.

Perhaps most importantly, the Oracle Procurement Cloud is designed to be easy to use, even for occasional users, thanks to role-based dashboards and embedded learning. This allows Oracle to deliver powerful, enterprise-class software with an intuitive user experience to encourage adoption and decrease rogue purchasing. This balance of power and ease of use is something not all software vendors have been able to master. ■
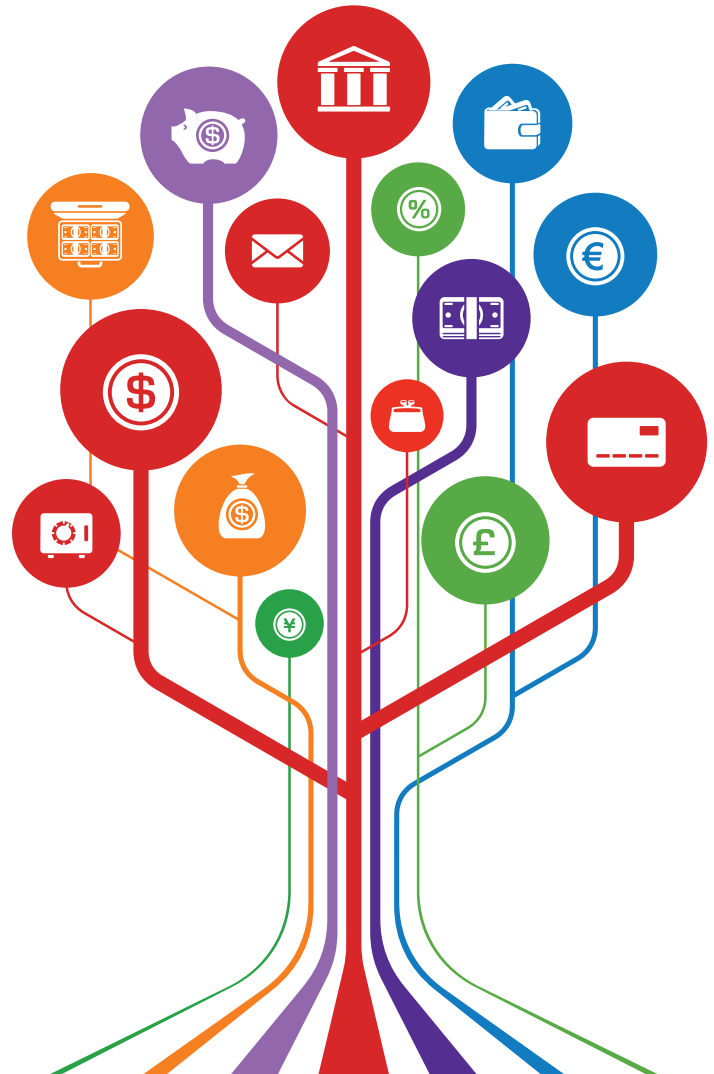
Powering Project-Driven Businesses

Project management has historically been a complicated and convoluted process. The ad hoc, often one-off nature of projects and proposed solutions create numerous pain points that organizations within enterprises often exacerbate in their attempt to mitigate.

A typical project launches at the departmental level. Thus, the solutions to plan and execute the project are typically decided on and deployed at that level. Project management and monitoring is often undertaken separately, in different parts of the organization. This results in disparate solutions that often take the form of a myriad of ERP and custom solutions, according to Colleen Baumbach, Senior Director, Project Portfolio Management Product Strategy at Oracle, and it often brings with it a lack of integration among the projects collectively and individually within the enterprise as a whole.

While senior management and project leads may lament this lack of integration, those in the trenches typically remain loyal to the applications with which they are familiar. Often this means Microsoft Excel on a user basis and Microsoft Projects on a departmental basis, with both sometimes finding themselves rolled up into an enterprise-wide ERP system.

"A lot of customers come to us and say they want an integrated solution, but they don't need everything," Baumbach said. "That's because most organizations aren't mature when it comes to project management."

Enterprises tend not to view project management as a holistic process. Much like the disparate systems they have in place, they see a disparate collection of issues. They typically look to solve specific pain points with single applications. Rather than migrate an entire enterprise to a new system, they are looking to manage a problem spot and have it flow into a specific component (e.g., cost, human capital leverage, or how demand is driven) as needed.

In many cases, however, the pain points are symptoms of a larger issue, and to remove them the situation must be viewed in the context of the full project life cycle. Oracle Project Portfolio Management (PPM) Cloud, part of the integrated suite that is Oracle ERP Cloud, not only does this, but it's also built with the user in mind. Designed around end-to-end business processes, it uses the latest in modern open standard technology to create a best-in-class business application. The Oracle PPM Cloud solution solves PPM pain points through role-based analytics, collaboration, optimization, costing, and control.

Its rich functionality is no surprise, given Oracle's longstanding success in the market. "Oracle continues

to demonstrate its longevity in the overall PPM software market, providing detailed control and management of large, complex projects," said Gartner Research Director Daniel Stang. "This solution's reputation in the field as a de facto standard in project management environments worldwide cannot be denied."

What Is Project Portfolio Management?

To truly understand the advantages Oracle PPM Cloud brings to project management it's important to understand the foundation of PPM. PPM enables corporate and business users to organize a series of projects into portfolios and provide reports based on the various project objectives, costs, resources, risks, and other pertinent associations. PPM software enables users, usually management or executives within an enterprise, to review the portfolio that will assist in making key financial and business decisions for projects.

PPM has six core components, each of which is found in any project undertaken:

- Project costing
- Project contracts and billing
- Performance reporting
- Resource management
- Project management
- Collaborative planning

All of these components flow into the two other components of ERP — procurement and financial management — putting PPM in an interesting position in the ERP landscape. Projects, by their very nature, are rarely stand-alone. While a good PPM software package will centralize resource and project tracking, there is no getting away from financial accountability or resource

optimization, both of which are important to managing the project and helping the enterprise achieve its goals.

PPM solutions play a dual role, directly and immediately benefitting the project at hand and benefitting the whole enterprise indirectly and in the long term.

"There are different ways to serve project management, which has processes that sit within CRM, HCM, project management itself, and accounting/financials software, and then applying business intelligence across the entire process," said Forrester Analyst China Martens. "Some ERP apps have extensions to cater to the needs of businesses that are oriented around projects; other ERP apps take a project-based focus; and other solutions may be a mix of best-of-breed capabilities from CRM, HCM, project management, and accounting."

Meeting the PPM Challenge

Oracle PPM Cloud is designed to meet, with ease, the many challenges that senior executives, project organizations, and project leaders face. Oracle PPM Cloud offers an integrated yet modular project management suite designed to automate, streamline, and control project management processes end-to-end without expensive hardware and system management overhead costs.

Nine solutions focusing on project financial management and project execution make up the Oracle PPM Cloud solution. Because Oracle PPM Cloud is so modular in nature, enterprises can choose the products to deploy and add more products when they are ready. Baumbach said most customers start with Project Costing because costing is universal. Billing and contracts is also popular for customers that bill for project-based work.

"To truly understand the advantages Oracle PPM Cloud brings to project management it's important to understand the foundation of PPM."

The following solutions make up Oracle PPM Cloud:

1. Project Performance Reporting
2. Project Costing
3. Project Control
4. Project Contracts
5. Project Billing
6. Project Management
7. Resource Management
8. Task Management
9. TAP for PPM

Project Performance Reporting: Uses a multidimensional reporting model to give project stakeholders answers to critical business questions to enable them to take action in real time.

Project Costing: Provides a highly automated and streamlined project costing process, allowing project-centric organizations to capture and account for project costs and commitments across other Fusion applications and third-party integrations for standardized cost collection processes.

Project Control: Manages the planning, budgeting, progressing, and forecasting aspects of a project from a user perspective using an intuitive interface to provide simplified viewing and control to better oversee critical activity.

Project Contracts: Delivers a common contract framework that allows users to manage the customer contract terms and conditions for products and services, independent of how the project is executed.

Project Billing: Works with Project Contracts to ensure compliance with the customer contract when billing and recognizing revenue for a customer project.

Project Management: Provides easy to use collaborative planning and essential scheduling capabilities for the project manager and team members.

Resource Management: Optimizes the allocation and utilization of resources to ensure best-fit candidates from a global repository are assigned for every project.

Task Management: Offers real-time, in-context collaboration to enable team members to work socially and move the project along easily.

Tap for PPM: Delivers a complete view of projects on any iOS device so users can understand the health of the project and performance while on the road or even at the client's site.

Running through all of these solutions are the central tenets of Simplify, Accelerate, Collaborate, and Control. The result is cloud services that are more sophisticated around the financial planning and control of the project and that free up resources to be better utilized in other ways.

Simplification is apparent throughout the Oracle PPM Cloud portfolio. From the modern user experience through power user settings, becoming confident and proficient with the cloud service is a straightforward process. This is also achieved through Oracle PPM Cloud's integration with popular desktop tools, including Microsoft Project, which enables users to work in a comfortable environment. And, this support helps the transition from reliance on fragmented project tools to a complete project portfolio management cloud solution.

Oracle PPM Cloud also delivers greater insight and makes analysis simpler. Analytics drive key decisions in many enterprises. While analytics have the potential to lead to better decision making, they are unable to do so unless the right people have the right data. When Oracle speaks with customers, analytics are one of the most frequent topics discussed, Baumbach said.

The Project Performance Reporting Cloud delivers insights via graphs and embedded analytics with over 150 pre-seeded data points in a rich set of subject areas. It is also able to work across multiple projects and historic indicators to determine what is going on. Rather than looking at custom reports, project managers and others can look at a standard set of key performance indicators (KPIs). Having this critical information at one's fingertips is vital to the project's success.

Related to simplification is acceleration. Tight integration and customized analytics mean less time and resources are spent tweaking and searching for data. More time can be spent analyzing the data and taking action. This insight into what might have gone wrong, "gives critical information to project managers for historical data," Baumbach said, making it easier to get the information needed to make decisions.

Since projects are inherently social, Oracle facilitated the meshing of project information among team members, making it easier for them to collaborate internally or externally. The Team Connect feature offers an integrated, easily configured project space for all project members where any team member can upload documents or files for everyone working on a project to see and contribute. Users find functionality such as activity streams, forums, blogs, presence, document management, calendaring, and polling in Team Connect that make it comprehensive enough to meet all of their collaboration needs. For users who want the ability to work any time, Oracle offers "Oracle Tap for Oracle PPM Cloud," a Fusion application that can be accessed from any iOS device.

Integration, analytics, and collaboration are valuable, but they have great potential for the wrong information to end up in the wrong hands or for users to overstep their roles. Hence, controls are critical. Oracle PPM Cloud offers numerous built-in controls. Role-based usage and access are built into the services. This enables internal and external users to have direct access to exactly (and only) what they need. In addition, for critical areas across the PPM suite, such as contracts, role-based analytics are also available. Project team members are given access to the financial information on an as-needed basis. Controls also prevent missteps, particularly where expenses come into play. Baumbach pointed out that standardized cost policies, for example, enforce validation at the point of entry. If costs are not validated upfront, the transaction will not go through. This way, "if it isn't right, it doesn't come in," she said.

Summary

PPM is a critical component of any enterprise involved with projects. PPM is hardly a stand-alone service though. Many of the components in PPM such as project costs, capital assets, budgets, billing, and revenue flow into financial management. Oracle PPM Cloud brings these complex and critical integrations together seamlessly and transparently for the organization and the user.

The benefits of this cohesive offering are truly felt when the big picture is examined. Ultimately, Baumbach said, this standardizing and focus on PPM flows downhill and benefits the financial management team, particularly if Oracle Financials Cloud is used as well.

Conclusion

Cloud-services are growing in popularity among leading businesses that want applications with modern functionality, but without the overhead of IT infrastructure, maintenance, and upgrades. In fact, 84 percent of CFOs surveyed in the 2013 Gartner Financial Executives International CFO Technology Study believe that half of their transactions will be delivered through SaaS over the next four years (up from 53 percent in 2012).

As they consider how their technology strategy supports business objectives, forward-thinking businesses are now exploring and adopting cloud-based ERP applications. In addition to saving costs on infrastructure and maintenance, these businesses are reaping the benefits of modern, mature ERP applications with the ability to easily integrate with new or existing business processes.

Oracle ERP Cloud delivers best-in-class functionality with integrated analytics, mobile accessibility, and collaboration built into its services to create a powerful, integrated suite of modern business applications.

The applications in the Oracle ERP Cloud are designed with users in mind. Dashboards put the information users need at their fingertips when they need it; there's no searching for action items. Users can work with their existing tools and applications; there's no need to learn an entirely new process to get work done. The role-based design of Oracle ERP Cloud means users focus only on the tasks and information they need to get their work done.

Thanks to the modularity of the Oracle ERP Cloud, customers have the ability to incrementally modernize their ERP applications by adopting only what they need. As their legacy on-premise applications begin to show

age, many businesses will find they lack the functionality they need, or that upgrade or maintenance costs are simply too high. At that point, the business can choose to add more Oracle ERP Cloud applications in order to keep up with business needs.

Now is the time to explore Oracle ERP Cloud and how it can help your business, not when aging systems get to the point where they stand in the way of new opportunities and future growth.

This eBook addressed the core components of Oracle ERP Cloud — Financials, Procurement, and Project Portfolio Management — but there's so much more to explore. Learn more about Oracle ERP Cloud by visiting http://www.oracle.com/us/solutions/cloud/erp/overview/index.html.

1 *Apples to apples: comparing ERP costs accurately, McGladrey, 2013*

2 *Best-in-Class Strategies for Selecting an ERP in 2013, Aberdeen Group, 2013*

3 *ERP in the Cloud and the Modern Business, IDC, 2013*

4 *CEB Corporate Leadership Council High Performance Survey, 2012*

5 *Deloitte Technology, Media, & Telecommunications Predications 2013*

6 *Global survey of 930 CFOs commissioned by Oracle and Accenture, 2013*

7 *The Expanding Role of the CFO: Using Technology to Drive Value for the Business, CFO Publishing LLC, November 2011*