BRINGING THE CLOUD

TO YOU

THE PRACTICAL GUIDE
FOR CLOUD ADOPTION

INTRODUCTION

Let's be honest, companies have always needed speedier access to — and analysis of — reliable financial information from across their entire enterprise to make well-informed decisions. Today, the supporting foundation is the widespread deployment of cloud-based software applications.

In a recent survey, 62 percent of corporate respondents said they have moved or will move their enterprise performance management processes to the cloud within the next 12 months. That's up from 46 percent a year earlier, according to Oracle's 2018 EPM Trends Report.

Cloud-based applications confer many benefits. Amongst them, cloud-based software can be accessed and utilized by anyone in the world at any time. This fundamental capability eliminates inefficient operation of disparate systems by different divisions and thereby facilitates collaboration and communication.

While it is true that cloud-based solutions pack considerable value and opportunity for companies of all types, there is a great deal that executives first need to consider before making any kind of move.

There's also the more fundamental matter of directional business strategy. Before moving forward with new technology, it is essential for executives to chart a course and vision for the future. The time to invest in a new solution isn't before a destination is chosen. It's after, so the software selected will support the trip ahead.

To help business leaders make sound decisions about whether to move to the cloud and, if so, how to make the most of it, this guide is based on our considerable experience and expertise at the intersection of corporate finance and technology. Our goal is to cut through the jargon, noise, and buzz surrounding the cloud. Our experts provide insights so readers can truly understand what the transition entails and how companies can — and should — align their business strategy with the benefits and realities of what's available.

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WHY MOVE TO THE CLOUD?

If nothing else, the speed at which enterprises can innovate, strengthen customer engagement, foster business-process efficiency, and adeptly achieve digital transformation is driving more widespread organizational adoption of the cloud. By positioning organizations for tomorrow's digital transformation today, the upgrade enriches businesses of all sizes on their journey.

In our experience, we've seen organizations find traction in the following key areas. Let's explore them.

The accelerated pace of technology's evolution leaves organizations in an awkward state between chasing their data to mash into workable systems and scrambling to make data work within new technology. There is not enough time spent analyzing, collaborating, and making data-driven decisions. As organizations grow larger, this becomes more challenging. But amid this evolution of technology, the cloud gives organizations that "free pass" to reimagine their current efforts and implement powerful solutions processes they've never used before. For example, businesses need to aggregate and understand their financial data and related information to optimize operations, produce useful reports, and plan for the future. With legacy systems and related processes, including the overuse of spreadsheets, these all-important functions frequently prove labor-intensive, complicated, unreliable, and far too slow.

With timely, comprehensive data at their fingertips, leadership can maintain rolling forecasts and develop more strategic modeling to make decisions based on trends, more accurately predict future results, and keep — or increase — their competitive advantage.

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There is also the opportunity to leverage new technology. Like hackers, technology continually evolves. It is difficult for companies to keep their own technology up to date with all the regular upgrades and patches put forth by their software vendors. As soon as they've fully implemented a new version of one piece of software, there are newer and better offerings available. Cloud vendors not only keep you up to date, they conduct updates at a time selected to minimize business interruptions. In addition to remaining continually upgraded, users receive support from their vendors, allowing more time to focus on making the most of their business processes rather than laboring on their own to make their systems work.

What is more, businesses don't need to invest in new infrastructure, such as servers, to stay current. Software and data are stored in the cloud rather than on-site, allowing users to reduce infrastructure investment. That goes for the initial launch, too. Companies don't need to buy new gear to get started. The switch can be made quickly, enabling companies to reap valuable time.

Just as important is the ability to access the cloud from anywhere at any time by the entire enterprise. Team members can log in from remote locations anywhere in the world, improving productivity and helping organizations keep up with the expectations the internet has cultivated in all of us, professional peers and consumers alike.

The cloud's many powerful tools are helping businesses from all types of industries excel (no pun intended) and grow. That's good news, of course. Even better: cloud solutions are designed to grow with their users. Users can scale solutions to meet their evolving needs. Considering the myriad of company needs, it comes as no surprise that there are numerous cloud options available. Let's dig into them.

But at the end of the day if you're a CEO, if you're a CFO, and you're sitting trying to make these companies work, I think you're going to find a little bit of this going back to the future — which is, how do I just make this simpler? And in the context of simpler, how do I make it more economic and how do I make it more secure?"

MARK HURD | CEO, ORACLE

WHAT ARE YOUR OPTIONS?

The cloud is not a one-size-fits-all offering. Solutions take as many shapes as real clouds, depending on the needs and wants of businesses. Management can have their solutions tailored to fit their specific requirements and their specific plans for the future.

THE PATHS TO CLOUD ADOPTION

HYBRID
LIFT & SHIFT
BIG BANG

Before we begin, it's important to note that companies do not need to "break up" with spreadsheets altogether. We know there's a high level of comfort with that software, so don't worry that it will be rendered extinct. However, spreadsheets will play a different role in a cloud-based deployment. In fact, companies that have made the switch cite their decreased reliance of spreadsheets as one of the biggest benefits of the cloud, followed by enhancements to sales planning and forecasting.

HYBRID

With the hybrid approach, companies can have their entire organization switch to the cloud incrementally rather than all at once. Innovating at the edge, so to speak, seems to be a good way to get a series of quick wins. This approach also can effectively build confidence in the cloud before completely converting to it.

Many of our clients elect go this route. They move some operations to the cloud and maintain others on on-premises systems. The two "sides" can be linked to operate seamlessly. This hybrid model offers companies some immediate high-level benefits, including:

- The ability to intermix on-premises and cloud infrastructures and leverage the best of what both have to offer;
- Enhanced agility to move seamlessly between on-premises and the cloud, allowing companies to determine the fastest and most efficient place to work with their applications; and
- The ability to bridge the gap between old and new systems.

Some of our clients find value in starting with one component of their core business processes in their migration to the cloud. Hilton Worldwide, for instance, went to the cloud with Oracle's Planning and Budgeting Cloud Service (PBCS) while maintaining a handful of other on-premises systems. That decision has helped to revolutionize their business and given them the confidence to undertake future cloud projects.

"The performance and capacity of PBCS provided us with the ability to deploy a robust yet standardized driver-based model globally. PBCS, allows us to change key performance indicators, such as occupancy or customers, which flow through the entire P&L without additional user interaction. Properties can now calculate and report in seconds and an entire region can be consolidated in a matter of minutes. This advance in technology is allowing our finance users, as well as regional directors, to focus their time on the metrics that drive the business versus building budgets and forecasts."

ANAND NAIMPALLY I SENIOR VP GLOBAL OPERATIONS FINANCE AT HILTON WORLDWIDE

LIFT & SHIFT

The second approach is the "Lift & Shift." The idea here is to replicate on the cloud the exact same processes that took place via on-premises systems. This avenue enables companies to upgrade with minimal business disruption, reduce infrastructure costs of applications that exist in expensive data centers, and make a much faster transition.

That said, this path has some downside. Management may not be able to tap into functions that are native to the cloud. They also may miss the golden opportunity to improve processes and best practices that are out of date. And this approach may have higher costs.

BIG BANG

The "Big Bang" is an all-encompassing, all-at-once transition that gives organizations full access to new features and functions and enables them to optimize their myriad processes and perform functions that they couldn't previously, such as producing rolling forecasts.

Now, this kind of transformation can prove more time-consuming than the hybrid and "Lift & Shift" approaches. Staff, for example, will need training to become accustomed to a new way of work.

This brings us to an issue that is every bit as important as the approach — if not more so. This isn't just about technology, or at least it shouldn't be. This is the perfect time to refine or even overhaul business processes and adopt best practices. By matching a great process with a tailored cloud solution, companies achieve exponential gains. Conversely, matching a faulty, out of date process with a high-powered solution will leave executives underwhelmed and disappointed. To be sure, this piece of the puzzle requires a great deal of thought, work, and strategy. Indeed, this is where we spend most of our time when working with clients — helping them set up processes that make the most of what's available at the intersection of finance and technology. Many organizations have leveraged our expertise when optimizing their operations.

WHAT TO CONSIDER?

There are several essential factors for executives to weigh when deciding whether to move to the cloud.

There are economic considerations, of course. This is clear when organizations compare the initial implementation and ongoing subscription costs of cloud-based solutions versus the installation, up-front licensing, and ongoing maintenance of on-premises software. Companies are also freed from having to make future investments in new or replacement hardware. But money isn't everything when it comes to this decision. There's also direction.

Where is your business going?

Knowing the direction of your organization is essential. It's impossible to devise a roadmap without a destination. For example, do your current legacy, on-premises systems scale to support expansion and future growth, whether that's organic or gained through acquisition? If not, they represent a roadblock to opportunity.

Do you have the endurance to remain on the treadmill of constant upgrades?

And even if you do, is that the best use of your time? Newly upgraded on-premises systems are often out of date the second they go live, meaning the next upgrade cycle must begin. It is an endless and expensive race to run.

How hard is it for leaders at your company to get a single, unified truth?

Legacy on-premises systems often include siloed tools and data repositories. This makes obtaining one definitive fact difficult; in fact, these systems can yield conflicting answers to critical business questions. With Oracle EPM cloud or a BI platform such as Oracle Analytics Cloud, decision makers get a single platform that empowers their entire organization to ask any question of any data in any environment on any device. This scalable and secure cloud service provides a host of capabilities to perform collaborative analytics at your organization, leveraging cloud-based visualization, predictive analytics, and machine learning to uncover hidden business insights.

ANY SOURCE > **DATA INTERACTION AND COLLABORATION** > **VISUALIZE & DISCOVER** >

One more question: If you're interested in harnessing developing technologies such as artificial intelligence, will your current legacy systems support them?

Emerging technologies are starting to become ingrained in Oracle's cloud-based EPM solution suite. The introduction of Oracle's IPM Assistant (or Intellectual Process Management), a new AI feature coming to the Oracle EPM Cloud platform's Enterprise Planning & Budgeting Cloud Service in 2019, represents an opportunity for future-focused organizations looking to gain efficiencies among their teams and leverage technology to better forecast future growth.

"AI has the power to be more transformative for the enterprise than any other technology in recent history."

AMIT ZAVERY I SENIOR VICE PRESIDENT, PRODUCT DEVELOPMENT AT ORACLE

THE FULL SUITE OF ORACLE EPM & BI CLOUD SOLUTIONS

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Data & Analytics

WHAT ABOUT PLANNING?

Transitioning some or all of your organization to the cloud is not a matter of flipping a switch. You need a thoughtful, thorough plan.

Naturally, you should start with the foundation: business goals and objectives. As the Cheshire Cat told Alice when she arrived in Wonderland: If you don't know where you're going, any road will take you there. And by "there," the Cat surely meant lost. Before setting out on this journey, you must know what you are and where you're going. Questions to ask yourself include:

BUSINESS GOALS & OBJECTIVES

- **Is my organization planning to acquire or divest businesses in the near future?**
- **Are new products / services being developed?**
- **Are new markets being explored?**
- **Do I intend to add new personnel?**

With your foundation in place, the next set of questions deals with alignment. Business processes must be in place to move your organization, goals, and objectives forward. At this point, be sure to formulate answers to these queries:

ORGANIZATIONAL ALIGNMENT

- **Does my business strategy align with my it strategy? (i.e., Are we moving to the cloud as an organization?)**
- **Am I expecting the transition to the cloud to directly improve my business processes? If so, stop. If you're going in the wrong direction, the cloud will do nothing but get you lost twice as fast.**
- **Is this a business-focused approach enabled by technology?**

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Now it is time to assemble a readiness checklist.

Outline the key challenges of moving to the cloud and assesses your organization's level of preparation. This exercise is most effectively satisfied with a trusted strategic consulting partner, and it needs to include elements such as:

READINESS CHECKLIST

- **Rolling forecasts;**

- **Workforce Planning; and**

- **Your "nice-to-have's."**
  (Take the time to identify things you wanted to do in the past but couldn't.)

All of this will obviously require a lot of thinking and work, but you can't stop there. You must also contemplate what happens after you go live. Learning how to get a plane off the runway and into the sky is useless without mastering the art of flying and landing, too. Change management is key. Be sure to:

POST-LAUNCH PLAN

- **Maintain an executive presence and guiding vision;**

- **Select project champions and assemble a core team;**

- **Establish your subject matter experts and power users.**

Last but not least, there are two final points not to be neglected: testing and training.

TESTING & TRAINING

- **Test, test, and re-test that new system before going live. Proper preparation should preempt unwanted surprises when it is showtime.**

- **Train staff. The greatest system in the world will disappoint if users don't know how to operate it.**

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NOW WHAT?

The cloud provides companies with opportunity and value. The opportunity comes from improving performance in kinds of ways, while the value comes from making meaningful process improvements in a cost-efficient way.

There is much to be gained in making the switch from on-premises, legacy systems to cloud-based solutions. There's speed and cost and convenience. There's greater insight and better performance. But those who migrate to the cloud without first understanding themselves and what they're getting into run the real risk of a very costly mistake. A deployment of any solution, whether on-premises or cloud-based, that doesn't fit or isn't used properly is less than worthless.

Be sure to identify your directional business strategy first. Where are you going? What do your tomorrows look like across a wide array of scenarios? Only with a destination in mind can you chart the best, most efficient, and effective way forward.

ABOUT SC&H GROUP

SC&H Group is a management consulting firm and internationally-recognized Oracle Cloud Select Platinum Partner. SC&H Group's Oracle-Hyperion EPM and BI consulting practice advises clients ranging from global Fortune 100 companies to mid-market organizations leveraging the power of Oracle solutions. Featuring the largest Oracle EPM practice on the East Coast, the firm's unique combination of business acumen and Oracle implementation skills is essential to each successful deployment and a key driver behind the firm's achievements — most notably the largest Oracle EPM cloud implementation in history.

For more than 18 years, SC&H Group's Oracle EPM practice has demonstrated its commitment to delivering powerful minds, passionate teams, and proven results on each and every engagement. Learn more at schgroup.com.

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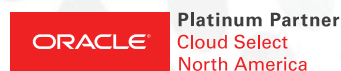
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