

Measuring the Value of Oracle Fusion Cloud Enterprise Performance Management (EPM)



2020 accelerated digital transformation

The coronavirus crisis tested our assumptions, created new challenges, and drastically altered the business landscape.

In many ways, though, it also accelerated progress and innovation. As companies move past resilience to recovery, their finance teams are focused on recapturing growth and preparing for whatever comes next—and they're embracing cloud-enabled digital technologies to help them.

Oracle Fusion Cloud Enterprise Performance Management (EPM) is adding tremendous value when it comes to finance processes such as planning and close, according to new research.

In fact, 85% of Cloud EPM customers polled in our "2020 Value of EPM" survey said they received more value by being in the cloud during the pandemic, citing a better, more streamlined financial close as one of the top benefits.

We surveyed more than 1,500 professionals. Some had already implemented Oracle Cloud EPM, some were contemplating the move, and others were not yet willing or able to move at the time. This survey was conducted in the third and fourth quarters of 2020. It included companies from more than 18 industries from many regions of the world and included representation across different company sizes, including 34% from companies with more than a billion dollars in revenue.

Respondents included C-level finance and IT executives, as well as individual contributors. We asked questions to understand more about companies' financial processes, barriers to moving to the cloud, and benefits gained by moving to the cloud in a disruptive environment. Cloud EPM offers an alternative to spreadsheets, traditional on-premises tools, and niche solutions that are insufficient when it comes to analyzing the impact of outlier events, such as COVID-19, and rapidly aligning (and realigning) plans not only across finance, but all lines of business.

Let's take a closer look at how Oracle Cloud EPM is helping companies remain agile and competitive in a constantly changing landscape.

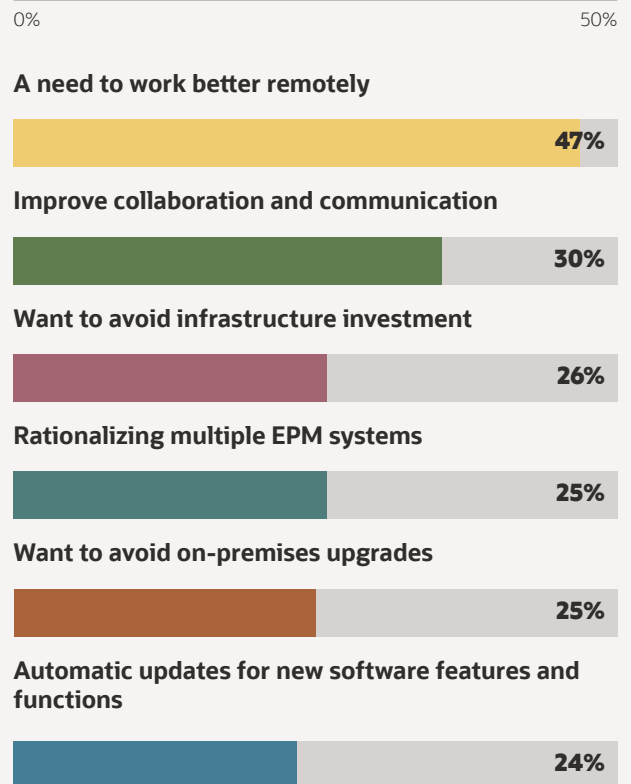


Empowering a remote, collaborative workforce

This year's results highlight the profound impact the pandemic has had on our working environments. Unlike previous years' surveys, optimizing remote work environments and improving productivity and collaboration were the top reasons for moving EPM applications to Oracle Cloud EPM. Other reasons included rationalizing multiple EPM systems, avoiding infrastructure investment, and accessing automatic updates.



What prompted you to move your EPM applications to Oracle Cloud EPM?



The planning process

Connected planning is challenging, but crucial

A lack of integration between finance and operations was a top 2020 challenge for those who hadn't yet switched to Cloud EPM for planning and forecasting.

The pandemic magnified this and other pain points, such as manual spreadsheets, creating a sense of urgency among finance professionals who, for the first time, viewed cloud-enabled technologies such as artificial intelligence as crucial.

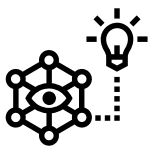
Top planning challenges



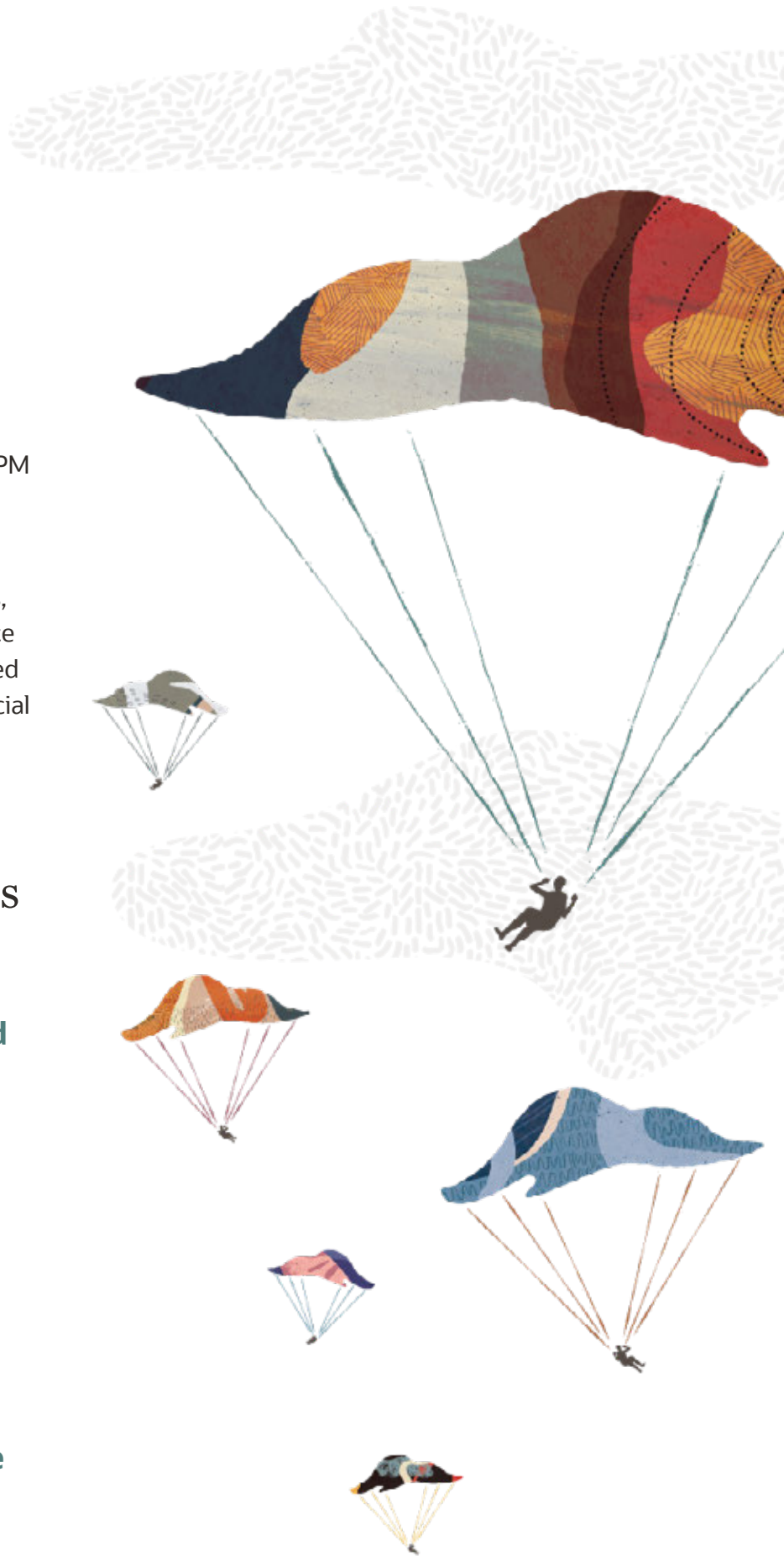
Lack of integration between finance and operations



Still using manual processes and spreadsheets



Missing advanced capabilities such as artificial intelligence



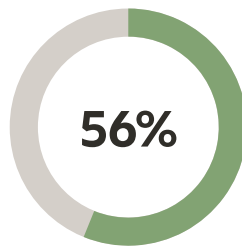
Better planning yields bigger results

We asked our planning customers across a variety of industries and geographies to list the top benefits of moving to Oracle Cloud EPM. What we discovered is that they've experienced a wealth of operational gains from the transition.

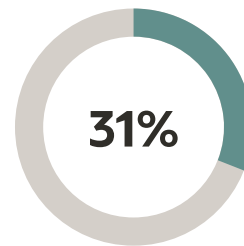
The most frequently cited benefits center around the faster completion of traditionally time-consuming tasks, including overall planning, data gathering for reporting, and the preparation of monthly forecasts.

“We have reduced time spent on budgeting and forecasting and now have more time for other important tasks.”

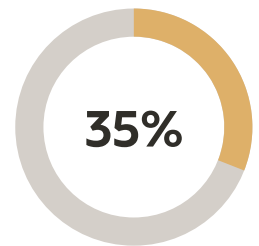
Senior Manager, Financial Services company, North America



reduced their number of days to plan per cycle



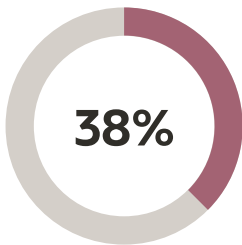
reduced their time in data gathering



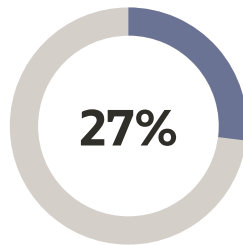
less time was spent preparing monthly forecasts



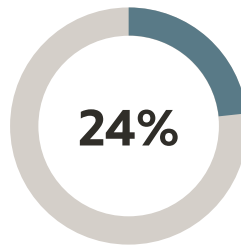
Speed is not the only benefit experienced by the planners. Respondents also cited improved **flexibility and visibility** into planning and forecasting activities as well as greater alignment between lines of business.



increased their flexibility of planning and forecasting processes



gained greater visibility into their planning and forecasting activities



saw greater alignment between lines of business

“Oracle Cloud EPM Planning has improved collaboration and communication between all stakeholders in our budgeting and forecasting process.”

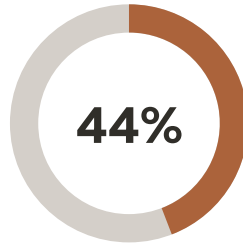
Financial Operations Analyst, Global reinsurance company

Nearly half of respondents claimed a boost in forecast accuracy after moving to the cloud, perhaps because cloud solutions free up more time for analyzing data and lead to actions based on outcomes.

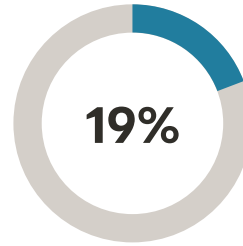


“Oracle Cloud EPM Planning has improved our ability to efficiently analyze data and make better decisions.”

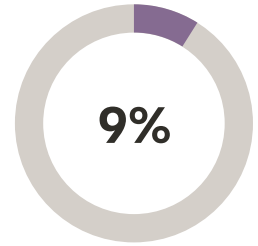
Financial Reporting Manager,
Industrial Manufacturing
Company, North America



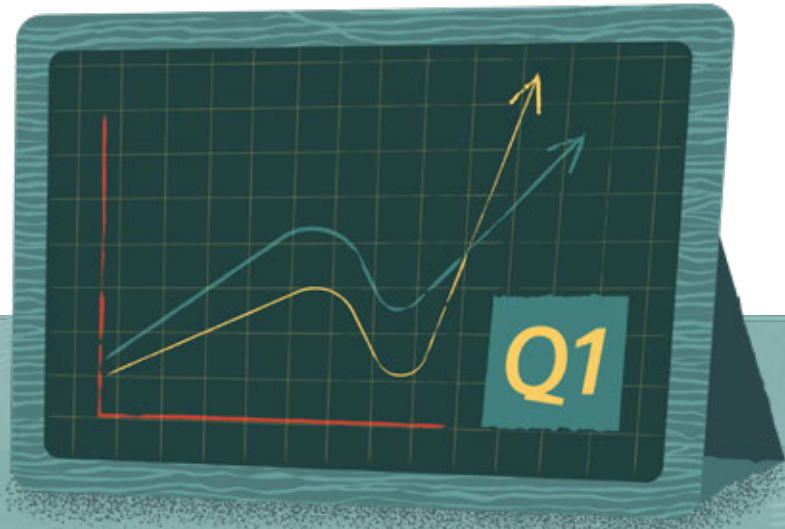
boosted their forecast accuracy



more time was spent on analysis



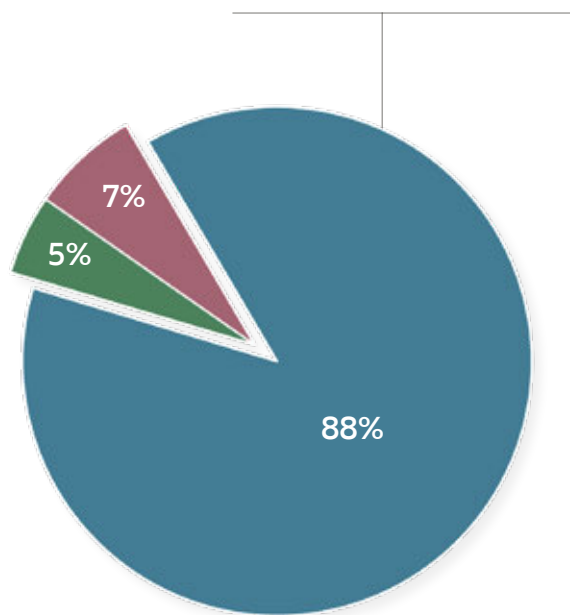
more time was spent taking action



Changes in scenario planning frequency due to pandemic

This year we also studied how customers had adopted new capabilities and processes after moving to the cloud, especially in light of the economic uncertainties caused by the pandemic. There was a 34% increase in the number of Oracle Cloud EPM customers who adopted predictive planning, and a 71% increase in the number of customers who adopted scenario planning.

88% increased their use of scenario planning in direct response to the pandemic

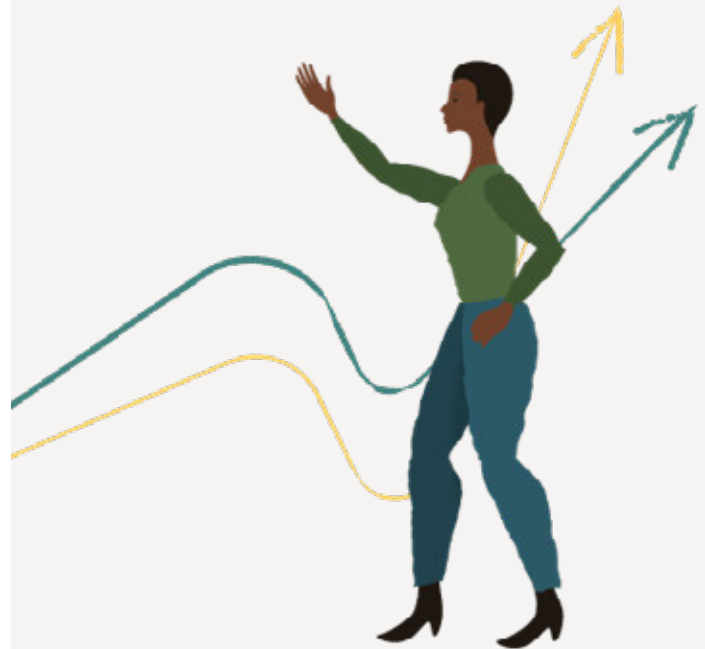


■ Yes, increased
■ No
■ About the same

Specifically, respondents ran a wide variety of scenarios across industries, geographies, and other factors:

- Cash and liquidity outlook/risk
- Sales risk
- Risk mitigation
- The short-term forecast of insurance business changes due to the pandemic
- Transfer pricing for other countries
- Quarterly revenue estimates

These results reflect the evolving role of finance and how equipping finance teams with the right tools can directly impact business results.



The financial close process

The future is automated

When it comes to the close process, outdated technologies and inefficient processes top the list of challenges for those who hadn't yet switched to Cloud EPM.

While these challenges have appeared in prior surveys, 2020 had more respondents than ever cite a "lack of automation" as the single thing preventing an easier and more efficient financial close.

Top financial close challenges



Lack of automation



Outdated software and systems



Inefficient internal processes

"More automation" was cited most often as the one thing that would make the financial close process easier.

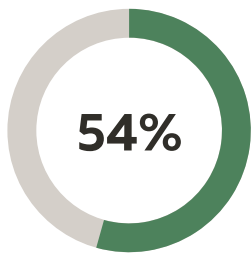


A faster, complete close with cloud capabilities

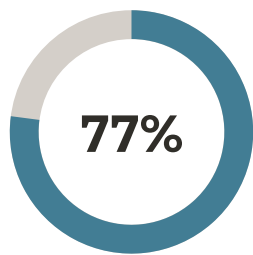
In contrast, current users of Oracle Cloud EPM indicated efficiency improvements and dramatically decreased spreadsheet usage, thanks to the system’s cloud-embedded capabilities. Many users attributed efficiency improvements to automation, which decreased spreadsheet usage for both intercompany eliminations and transaction matching.

Time and resource savings also ranked as significant benefits of moving financial consolidation and close processes to Oracle Cloud EPM.

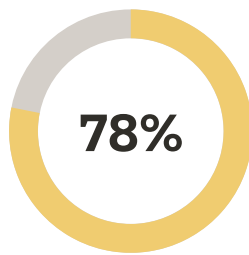
An overwhelming majority of respondents said they have reduced the number of days to close per cycle, with time savings and agility as key drivers. In fact, 84% of all respondents cited a reduction in the financial close time.



improved their efficiency through transaction matching and automation



drop in the use of spreadsheets for intercompany eliminations



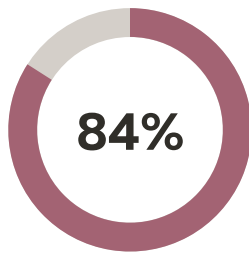
drop in the use of spreadsheets for transaction matching

“We love the automated reconciliations, workflow, approvals, and dashboards.”

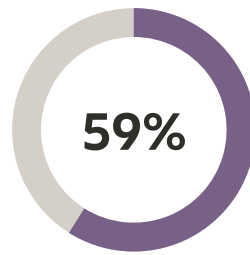
Director, Global Financial Services company

“Everything is faster and more reliable.”

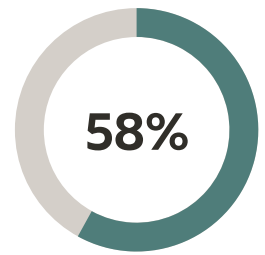
Director, Professional Services company, North America



reduced the number of days to close per cycle

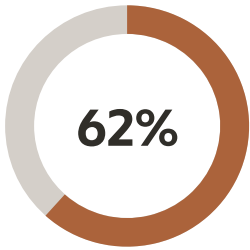


saved their time and gained agility

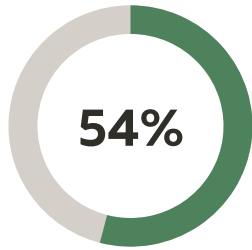


less time was spent to produce management reporting

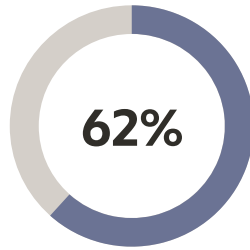
Account reconciliation in the cloud also provides a wide variety of benefits. In addition to improving efficiency, saving time, and reducing costs, Oracle Cloud EPM helped companies decrease auditing time with better access to consistent and higher-quality data. Lastly, cloud-based EPM streamlines processes so that fewer manual adjustments are needed, creating a more flexible financial reporting environment. Financial professionals also reported greater visibility and tracking across the extended close.



reduced their auditing time



improved their efficiency



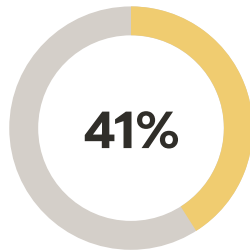
eliminated tasks and reduced their costs

“We now have a standardized reconciliation process in a centralized repository.”

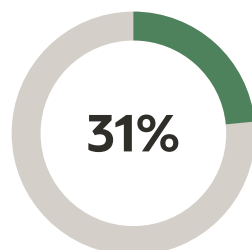
Systems Specialist, Utilities company, Europe

“Everything has become easier since we moved to the cloud.”

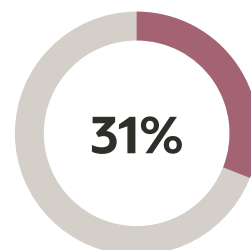
Finance Manager, Medical Device company, Australia



reported fewer manual adjustments



improved their financial reporting flexibility



gained visibility and tracking across the extended close

Improvements in tax, reporting and cost management

For those companies that moved their tax reporting process to the cloud, 80% realized benefits in six months or less, including:

- Greater effectiveness to implement tax strategies
- Improved automation of transfer pricing and compliance
- Improved data transparency of transfer pricing

When it comes to overall reporting, providing narrative around your numbers gives context for people who are reading the reports. This can be a time-consuming practice when done manually. Of the customers that focused on automating their narrative reporting in Oracle Cloud EPM, 93% realized benefits in four months or less. The top benefits included:

- Reducing the time it takes to define, produce, and deliver financial close reports, including regulatory filings and annual reports
- Improving security so that their most important and confidential data is visible only to authorized users
- Obtaining the most accurate picture possible through collaboration and accurate numbers
- Being able to track progress and status of reporting through all phases



“Oracle Cloud EPM provides more reliability and reduces time on the tax reporting process.”

Financial Analyst, Life Sciences company, Europe

“Oracle Cloud EPM provides a single repository for reporting, including workflow.”

EVP, Education and Research company, North America

During the pandemic, some companies moved their profitability and cost management processes to the cloud.

Regarding use cases, 87% focused on shared service allocations/costing, and 78% on better understanding the cost of the various products and services they sold. 70 percent used profitability and cost management to help them calculate transfer pricing. In each use case, the benefits experienced from focusing on profitability and cost management in Cloud EPM were:

- Accuracy
- Speed
- Savings
- Clear traceability of costs
- Simplified process

“The main benefit we received was that it simplified the process and data collection, projections, and management.”

Finance Analyst, Global Financial Services company



Stay agile for what's ahead

If there was ever a period where speed and agility mattered, we certainly saw it in 2020. Finance teams who adopted Oracle Cloud EPM were able to leave disconnected planning, manual spreadsheets, and complex close processes behind to make faster, more accurate business decisions and maneuver as needed. These capabilities will continue to be critical as we navigate the path forward in a post-pandemic world.

Explore a move to Oracle Cloud EPM

[Learn more](#)



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