

Oracle Cloud Hybrid Strategies:

How to manage the transition from
E-Business Suite to Cloud



 **Jon Riley**



- Managing Director, Enterprise Applications
- Director, Oracle Practice
- 28 years' combined experience across Consulting and Private Industry
- Large Program/Project Management experience
- Oracle experience since 1996
- OATUG Geo Committee Chairperson
- Ohio Valley OATUG Coordinator



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AXIA Consulting helps clients define and solve complex business problems with teams of experts averaging over 20 years of experience. AXIA is different than other integrators because we do not “leverage” a few highly experienced consultants with less experienced resources. AXIA brings the expertise clients need to meet objectives and realize results.

Service Areas



Industry Expertise



About AXIA Consulting

- Founded in 2005
- Recognized leader of **Oracle Cloud**, **EBS**, **JDE**, and **NetSuite** services
- **ESOP - 100% Employee Owned**

Core Values

- **Be Vested**
- **Be Authentic**
- **Be There**
- **Be Approachable**
- **Be Honest**

Committed To Excellence

Our reputation depends on our clients' success



Local & Global
Delivering results for clients in more than **54** countries

- Introductions
- Coexistence – What is it?
- The Importance of Planning
- Scenarios & Case Study
- Takeaways and Lessons Learned
- Additional Resources
- Questions



Walt Staudenmaier



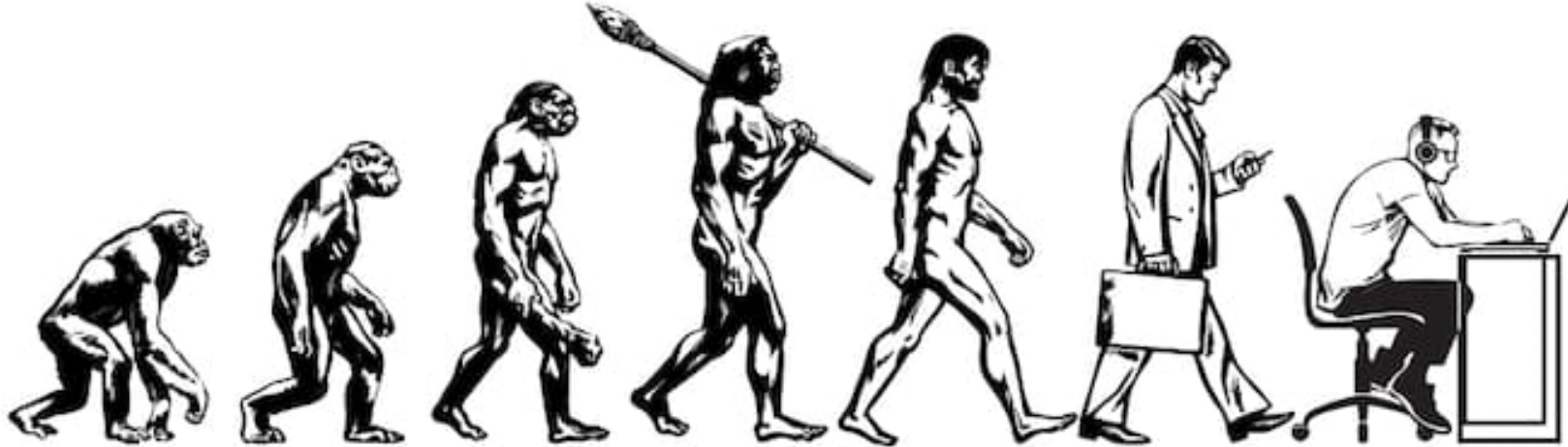
- Over 25 years of consulting experience as ERP solution and technical architect
- 16 years as Technical Director at Oracle Corporation
- Experience with designing, developing, implementing, and managing advanced Financial, Distribution, Manufacturing and Human Resource systems
- Extensive industry experience in High-Tech Manufacturing; Logistics; Industrial Services; and Computer Hardware, Software and Services
- Oracle Cloud Certified

Jim McDonough



- Over 25 years of consulting experience primarily for large ERP integration projects
- Financials business process expert
- Industries serviced include Distribution, High-Tech Engineering, Retail, Food Service, DoD, and Financial Services
- Oracle Cloud Certified

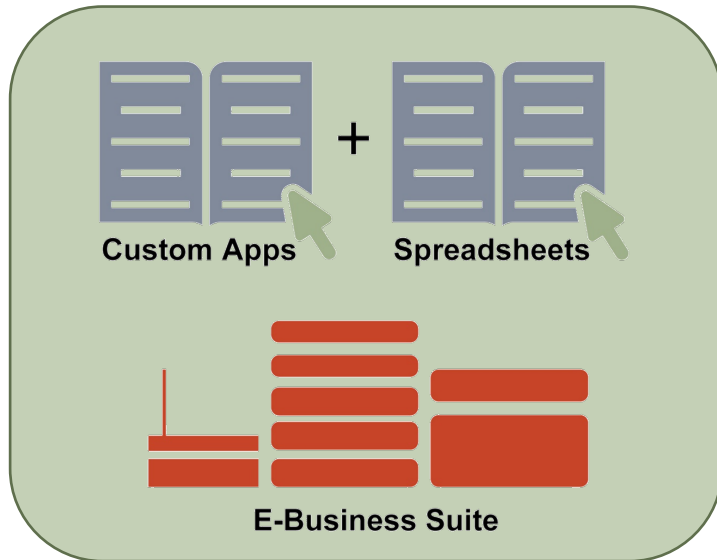
Coexistence – What is it? It's an Evolution



- Most organizations are evaluating Cloud strategies and are either moving, or planning to move, some portion of their operations to the Cloud
- Many are evaluating or implementing phased approaches
- Hybrid On-prem / Cloud strategies are becoming the norm
- Careful planning is necessary to ensure smooth transitions and targeted, incremental benefit

Moving to Cloud is usually an evolution, not a switch

On-Premise/Legacy



Coexistence

- Oracle Integration Cloud service (OIC)
 - ✓ Pre-built adapters for EBS, as well as non Oracle apps
 - ✓ Starting point for any integration builds
 - ✓ Events, API's, & bulk data
 - ✓ OIC will be the standard integration platform
 - ✓ Security, callbacks, retry
 - ✓ Upgrades

SaaS



The Importance of Planning: Getting Started

- **General Planning Considerations:**

- Understand your current EBS footprint

- Business Processes
- People
- Data & Technology

- Understand your strengths and your weaknesses/opportunities

- Leverage your Oracle sales team for demos, but manage expectations internally

- Align scope and schedule with risk/benefit

- Ensure Business Leadership and IT Leadership alignment



The most successful Cloud projects are not technology-driven projects led by IT. Plan for operational and organizational transformation, Cloud is the enabler to make it happen.

The Importance of Planning: Getting Started, cont.

- **Technical Planning Considerations:**

- System Integrations between Cloud and EBS or other applications can be challenging
- “Integration work will account for 50% of the time and cost” moving systems to the Cloud
- Gartner
- Evaluate internal team skills and readiness relative to designing and developing these solutions, plan to address the gaps
 - Short-term plans may include external, expert resources
 - Long-term plans may include professional development and targeted recruiting



**Be careful with assumptions,
do not under-estimate the integration effort when moving to Cloud**

- Consider using an Assessment process to help you develop and plan your Cloud roadmap
- An Assessment can be used to support your key decisions:
 - Alternative Integration models
 - Critical prerequisite steps
- Assessment findings will impact what your roadmap to the Cloud, as well as the “day to day” in the Cloud, may look like



Current State Review

Align
Objectives

Review
Processes

Level 2
Process
Docs

Evaluation

Identify
Alternatives

Conduct
Alternative
Workshops

Create
Recommendations

Roadmap & Business Case

Draft
Roadmap

Draft
Business
Case

Final
Recommendations

An Assessment provides a way to document your current processes, data, and technology

- Methodical, Impartial, Unemotional (positive intent)
- Identifies areas of strength and weakness, detects opportunity
- Supports key decisions
- Defines program objectives that can be measured
- Supports organizational alignment

Assessment: Business Process Review

Process Area	Leading Practice	Observations
Receive and Manage Supplier Invoices	<p>Vendor setup standardized prior to receiving invoices , all necessary vendor information is received before invoices are received.</p> <p>Process should ensure that all of the necessary information is collected before payments are made. Good communication between the applicable departments is required. Standardizing this process reduces future low-value tasks and possible rework.</p> <p>Where possible, automated import of invoices (OCR/ Imaging) is used for larger volume applications. Avoid unnecessary data entry and the resulting errors and rework.</p> <p>Strict guidelines on submission of vendor invoices is enforced. Improvements in vendor invoice error reports used in the future. Procurement invoice errors reduced.</p>	<p>Rating -</p> <p>There are approximately 2200 invoices per month. Most are delivered via email to the AP mailbox and some come via postal service.</p> <p>Estimated that 65% of these can be matched to a PO. If PO is related to inventory item(s) and the supplier is tax exempt the invoice goes direct to data entry for processing.</p> <p>No strict process to ensure vendor data received prior to invoices.</p> <p>All non-inventory PO go to tax to determine how tax should be handled in that state. Most often a tax exempt certificate follows. As well, they go to Cost Accounting for approval.</p> <p>Not leveraging ERP ability to auto process Classification on non-inventory PO. Approval, tax status is 3 or 4</p> <p>experience and no defined approval process. All in nature.</p> <p>ow.</p>

Rating	Symbol
0 – Process not being performed	
1 – Process being performed, but basic objectives of the process are not being met.	
2 – Process being performed and part of objectives are being met, but major improvement possible.	
3 – Process being performed. Majority of objectives are being met.	
4 – Process is being performed and all objectives are being met. Using Oracle properly.	

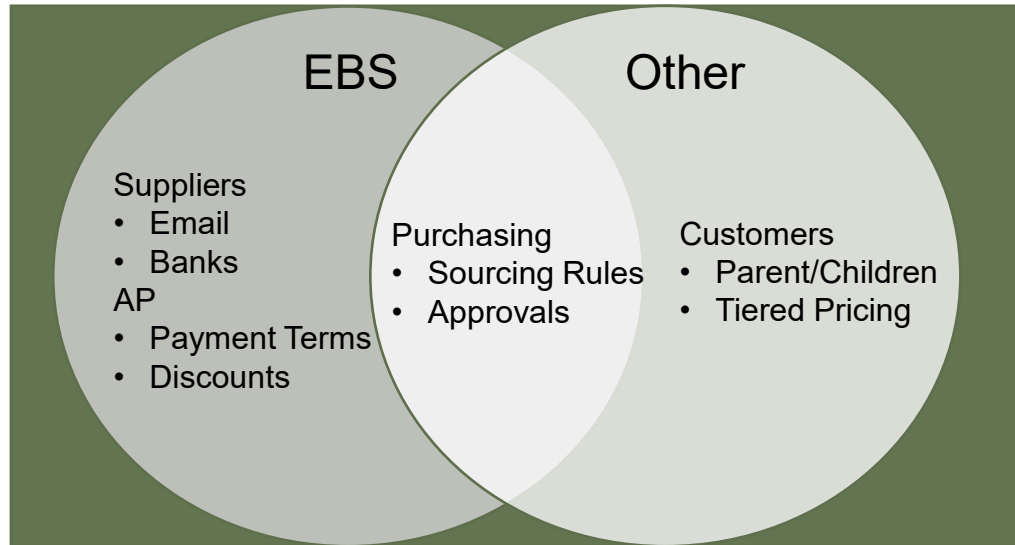
- Compare current state processes against leading business practices
- Document facts
- Identify gaps and opportunities for improvement

Business Process Assessment Example

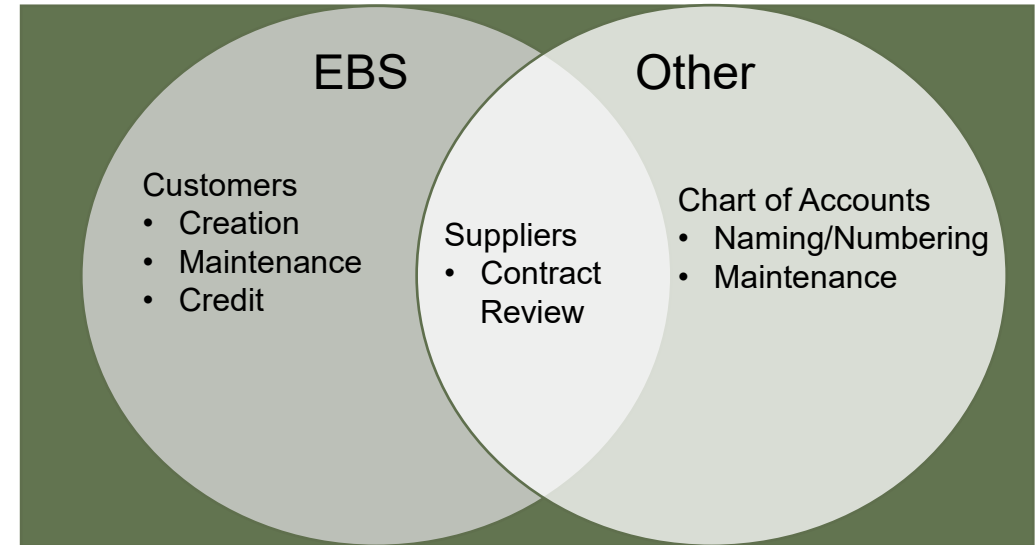
Assessment: Data Quality and Governance

- Inventory of Master Data and related applications
- Data sources
- Data accuracy and integrity
- Data owners, current and future

Missing, Inaccurate or Duplicate Data



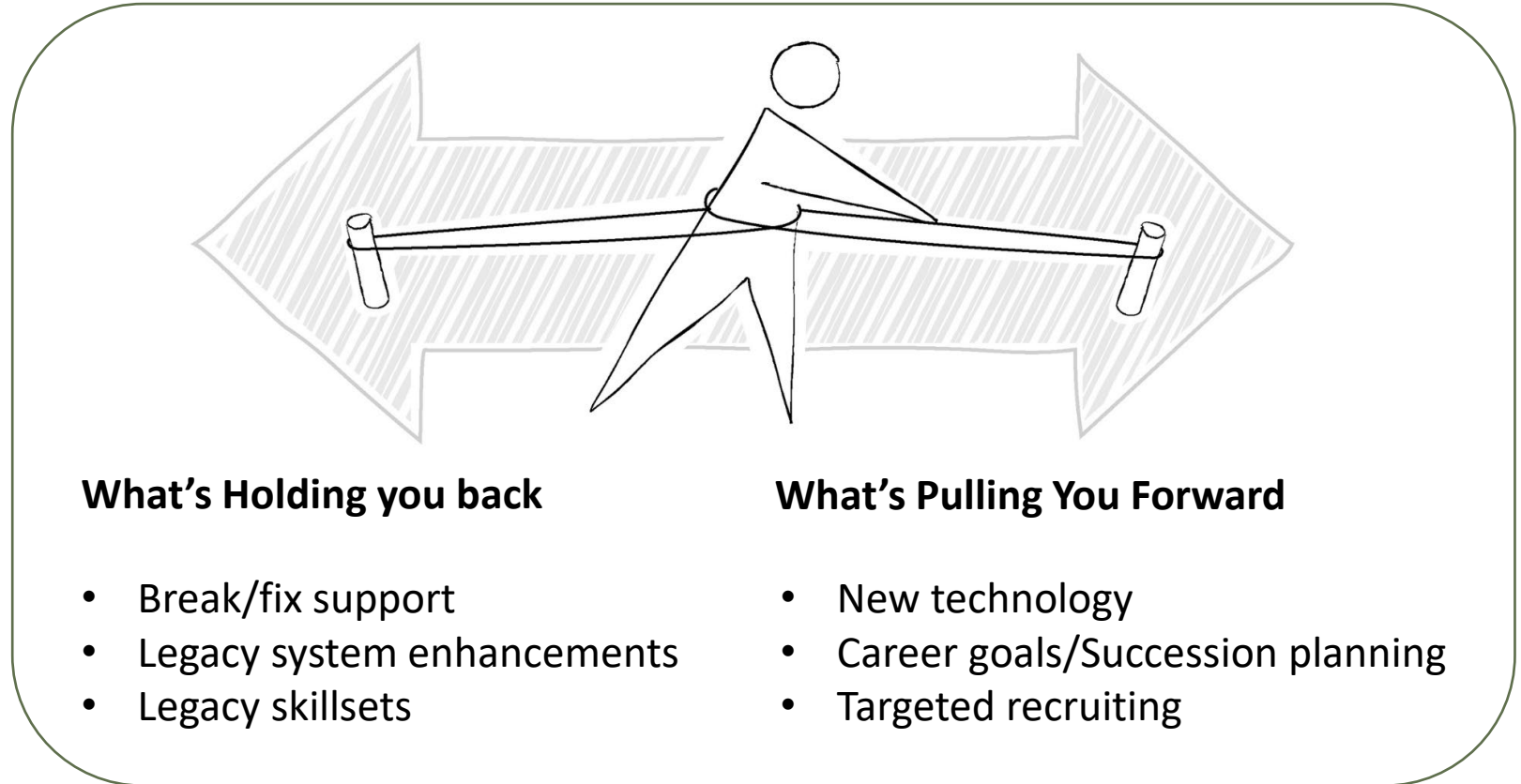
Data Governance Gaps



Data Assessment Summary Example

Assessment: Skills Review

- Evaluate technical skills
- Determine future needs
- Develop plans to fill the gaps
 - Professional Development
 - Targeted Recruiting
 - Short-term external resources



What's Holding you back

- Break/fix support
- Legacy system enhancements
- Legacy skillsets

What's Pulling You Forward

- New technology
- Career goals/Succession planning
- Targeted recruiting

Skills Assessment Example

- Target opportunities for business transformation by leveraging Cloud solutions with consideration to:
 - Process Improvement opportunities
 - Data cleanup & readiness opportunities
 - Resource skills inventory and gaps
- Implementation Approach including a Systems Integration roadmap



While Oracle Cloud provides embedded, modern best practices, they must align with the needs of your business and your target opportunities around people, process, and data

Coexistence: Possible Scenarios

- Oracle provides many supported integration scenarios to help customers implement coexistence strategies
- The following list of 25 supported, EBS/Cloud coexistence strategies was presented at OpenWorld 2019:

EBS and HCM Cloud

- EBS ERP to Oracle HCM Cloud
- EBS Payroll with Oracle HCM Cloud
- EBS HCM to Oracle Taleo Cloud
- EBS HCM to Oracle Talent Management Cloud

EBS and ERP Cloud

- Planning & Budgeting Cloud
- Revenue Management Cloud
- Expense Cloud
- Procurement /Sourcing Cloud
- Procure to Pay Cloud (Indirect Proc)
- Project Portfolio Management Cloud
- Primavera Project Mgt Cloud to EBS Projects

EBS and SCM Cloud

- Supply Chain Planning Cloud
- In Memory Cost Management Cloud
- AI for Manufacturing Cloud
- IoT Asset Monitoring Cloud
- IoT Production Monitoring Cloud
- Transportation Management (OTM) Cloud
- Global Trade Management (GTM) Cloud
- PLM Cloud to EBS Item Master

EBS and CX Cloud

- CPQ Cloud to EBS Order Fulfillment
- Sales Cloud with EBS Quoting
- Service Cloud (RightNow) to EBS Field Service
- Field Service Management (TOA) Cloud
- Order Mgt Cloud to EBS Order Fulfillment
- EBS ERP to Oracle CX Cloud

- There are numerous supporting documents from Oracle:
“Extend Oracle E-business Suite with Oracle SaaS Applications: Journey to the Cloud”
– Nadia Bendjedou, Vice President Product Strategy

Coexistence: Case Study

- **Procure to Pay Cloud (Indirect Proc)** was the scenario
- Large process manufacturing environment
- Widely distributed across 75+ locations (US)
- On premise e-Business Suite 12.1.3, moderately customized
- Business issues:
 - Lack of control and visibility to indirect spending dollars
 - No requisitions being used; sometimes not even a PO



Coexistence: Case Study, cont.

Approach:

- Perform an Assessment
 - Map relevant business processes
 - Identify pain points and gaps
 - Identify opportunities and workstreams
- Identify and Target Opportunity for Business Transformation using Oracle Cloud Procurement
- Develop Systems Integration plan, Coexistence strategy
 - Key Integration Points: Suppliers, GL data
 - Data Volumes: Suppliers, Requisitions, PO's, Invoices, and Payments

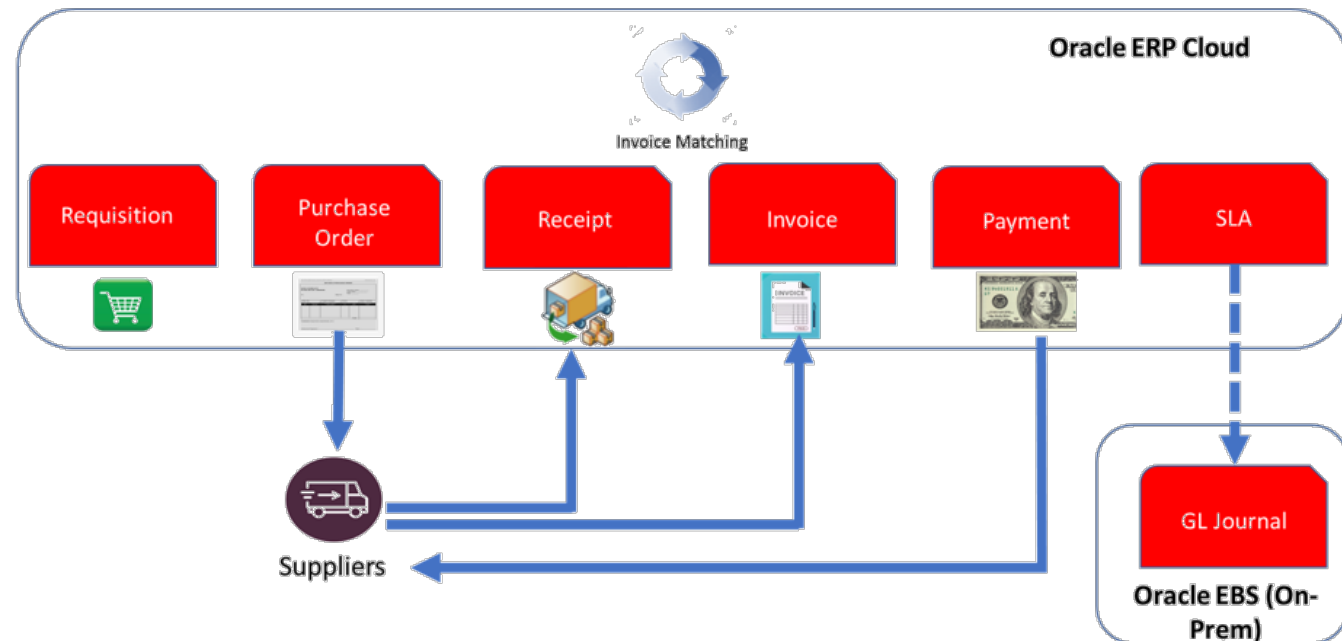


Take into consideration your future process state and the impacts on any integrations

Short-listed two options for integration of Procurement Cloud for Indirect Spend

- **Option 1:**
Process the full lifecycle through to supplier payment in the Cloud and integrate the GL data back to EBS
- **Option 2:**
Stop at the receipt match, and integrate approved invoices back to EBS for payment
 - Leaves un-paid invoices in the Cloud instance

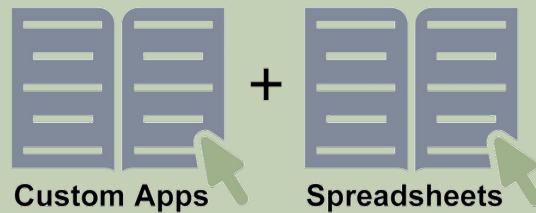
- Chose Option 1:
Integrate GL Journals back to EBS using UCM (Universal Content Management) export



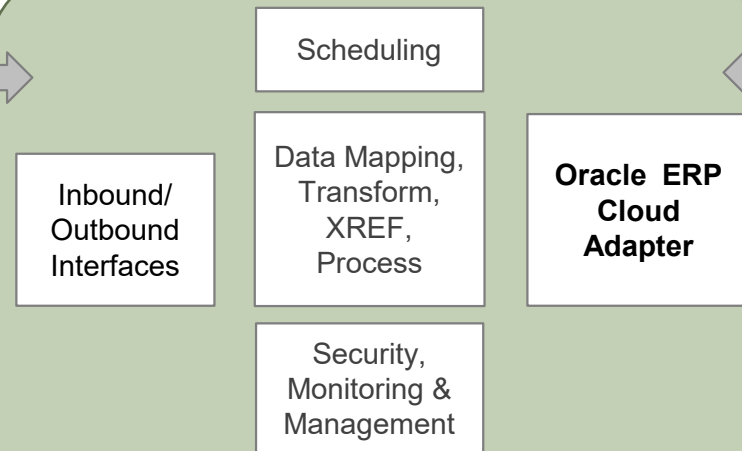
Coexistence: Case Study, cont.

- Integration Cloud has an adapter called Oracle ERP Cloud Adapter
- Enables you to integrate On-prem and/or Oracle EBS with Oracle Cloud applications without having to know about the specific details involved in the integration.
 - 100 or more events available in Financials; provides the starting point for building new ones

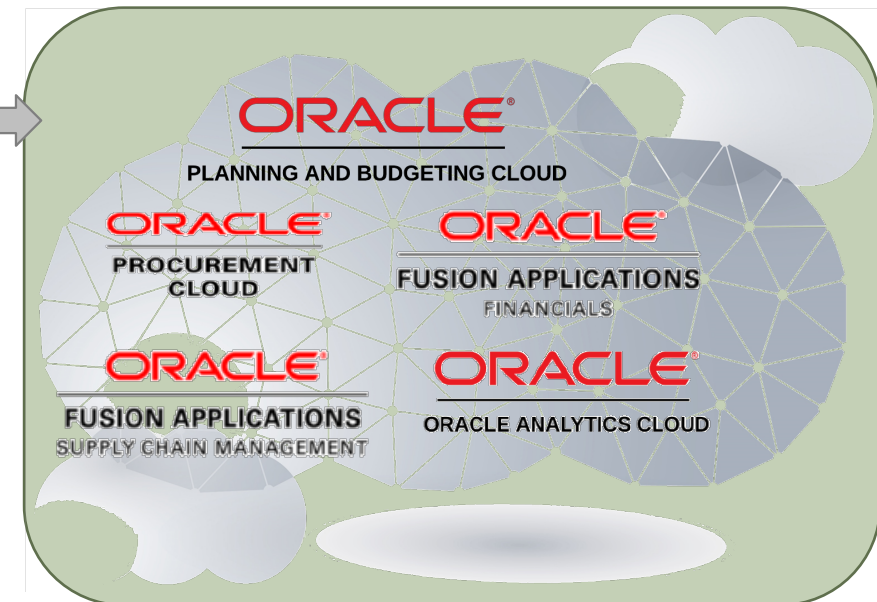
On-Prem/Legacy



Oracle Integration Cloud



Oracle Cloud



Coexistence: Case Study, cont.

- Oracle Procurement Cloud provides immediate business process improvement and controls over previously un-controlled indirect procurement activities
- Leverages Cloud embedded best practices to enforce adoption of a new more controlled procurement process
- Introduces requisitions and approvals
- Sourcing strategies, blankets, contracts, punchouts on the horizon
- Step 1 of a larger roadmap



Takeaways & Lessons Learned

- Plan, Plan, Plan
 - Follow an Assessment model
- Many organizations have entrenched legacy systems that will not easily transition
 - Manufacturing, MES, Maintenance, Controls, custom, competitive advantage
- Integration is an enabler and is supported!
 - Secure
 - Upgradeable
 - Should not be seen as a barrier
- Coexistence provides a controlled transition to Cloud, allowing you to better plan
 - Uses Cloud to enable transformative opportunities
 - Prioritize capabilities based on business need and readiness
 - Big bang can often be un-wieldy. Coexistence can help manage the scope of change
 - Oracle's API's and Adapters are making it easier to coexist

Coexistence is typical and can help you be successful when done correctly

- Oracle Integration – Adapters and the Connectivity Agent (This is the full portfolio of adapters in one place)
<https://docs.oracle.com/en/cloud/paas/integration-cloud/find-adapters.html>
- Cloud Marketplace Portal https://cloudmarketplace.oracle.com/marketplace/en_US/homePage.jsp
- Oracle Learning Library
<https://www.oracle.com/technetwork/tutorials/index.html>
- Community forum: <http://community.oracle.com> (tip: search on both “Cloud” and “Fusion” keywords)
- “Get Started” on all PaaS Tools (demos, documentation, community links)
<https://docs.oracle.com/en/cloud/paas>
- Try Oracle Cloud Products (30 day trial)
<https://cloud.oracle.com/tryit>
- API Catalog
<https://apicatalog.oraclecloud.com/ui/>



Thank you for attending!

Questions?



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