

# EPM Comes of Age

Planning in the Cloud Delivers Better, Faster Results

## Summary

Even in the fairly recent past there has been resistance to the cloud: “It’s just not how we do things round here.” But a survey published this year shows organizations making the move find their expectations are exceeded—particularly in enterprise performance management (EPM). Oracle’s own solution, Oracle Planning and Budgeting Cloud Service, enables organizations of all sizes to streamline planning and forecasting, accelerate deployment, and reduce costs.

When key information is made accessible to everyone who has a stake in it—something that can’t be said for spreadsheets—better, faster decisions can be made and the whole enterprise benefits. So it’s no wonder people are now looking at new application areas where the same stepchange might happen.



## Resistance...

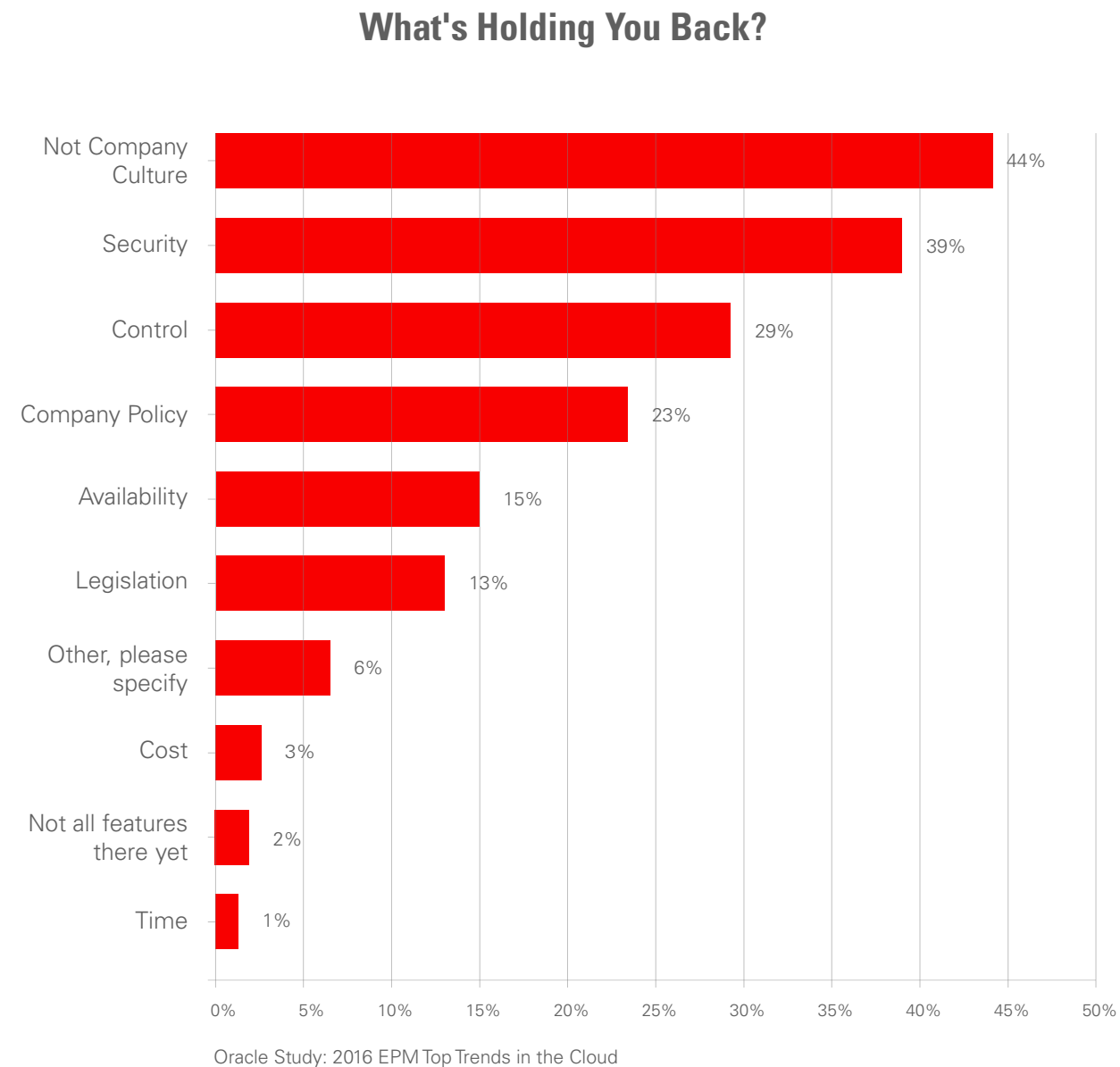
### Knee-Deep in Spreadsheets

In 2011, an Oracle survey on planning and forecasting<sup>1</sup> revealed that 93 percent of finance managers worldwide were knee-deep in spreadsheets. This was especially true in the areas of budgeting, planning, and forecasting, with 75 percent of respondents indicating they used spreadsheets in these areas.

Spreadsheets may be easy to use but they're not great for planning because they are discrete documents. They can lack flexibility, and version-control problems might mean they are at best out of date and at worst just plain wrong. They can be hard to audit too.

Sadly, this hasn't meant all enterprises have gone looking for a new and better approach to planning. In a global study Oracle conducted early in 2016 (see box) we found the number-one reason given for not adopting cloud EPM applications was simply that it was "not company culture" (Fig. 1).

Fig. 1



*"In January and February 2016, Oracle conducted a survey of hundreds of decision-makers worldwide to learn more about their plans for and experiences of EPM in the cloud. Respondents were from both within the Oracle customer base and the industry at large."*

*We asked them to provide specific feedback on cloud-based EPM technologies and practices—past, present, and future.*

<sup>1</sup> Performance Management: An Incomplete Picture. Study carried out by Dynamic Markets for Oracle Corporation, April 2011.

## ... and Revolution

### Planning and Budgeting: The Beachhead App

It's worth taking another look at Fig. 1. "Not company culture" may have attracted the greatest response—but this was only among those who have continued to resist change, and the size of this group is dwindling as the benefits of a cloud-based approach have become more apparent.

This is especially the case with EPM: our survey shows planning and budgeting is the leading EPM application adopted in the cloud today with respondents indicating nearly double the number of companies using it compared with the next most popular cloud application. We think of it as the beachhead application for the move to EPM in the cloud. Workforce planning is the second most popular application, and sales planning and forecasting is the third most popular. As you can see, all three are planning-related.

What we're finding is that many companies see the cloud as their opportunity to move quickly and easily from spreadsheets to a truly "enterprise" application. By doing this, they can rapidly and cost-effectively improve the process—and ultimately, the performance of the business.

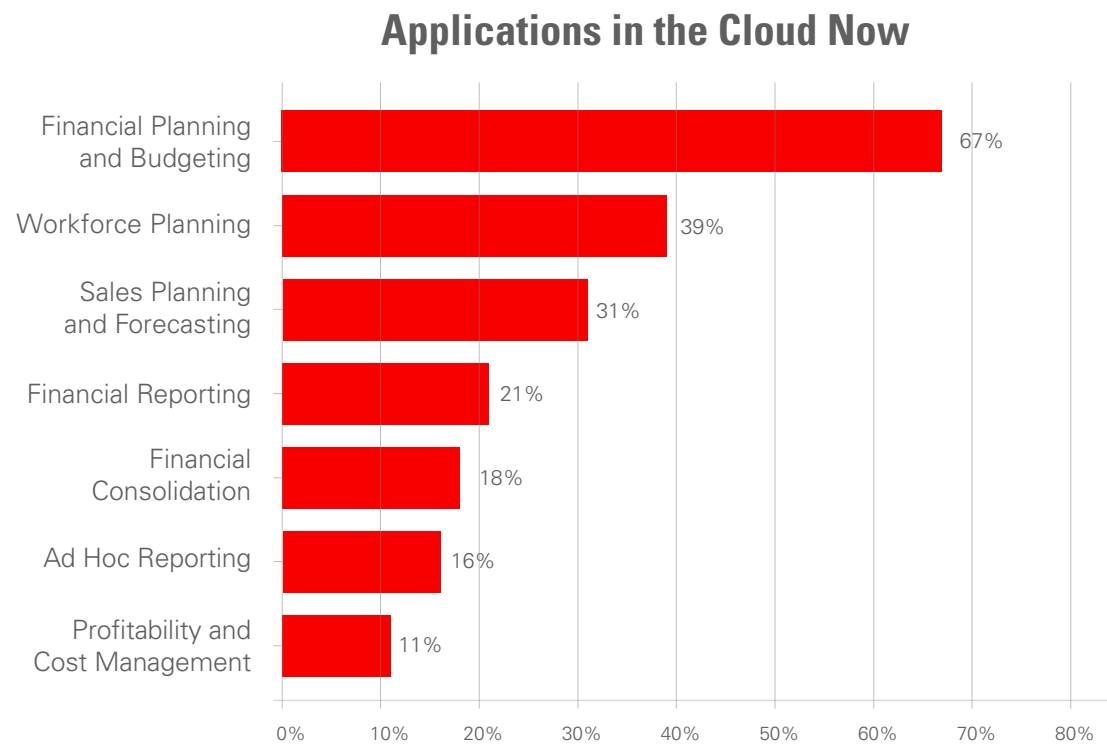
*"When we merged with Kraft, we had to roll Oracle Planning and Budgeting Cloud Service out to more than 600 new users in less than 2 months to meet our budgeting timeframe. Oracle provided the flexibility and scalability we needed to achieve our goal."*

*Julian Sherwin, Head of Zero Based Budgeting, The Kraft Heinz Company*

*"We are extremely excited about the new Oracle Planning and Budgeting Cloud Service offering. We expect this solution to enable customers to get up and running quickly and streamline their planning, budgeting, and forecasting processes, all with lower up-front costs and investment risk than a traditional on-premises solution."*

*Neil Sellers, Director, Qubix*

Fig. 2

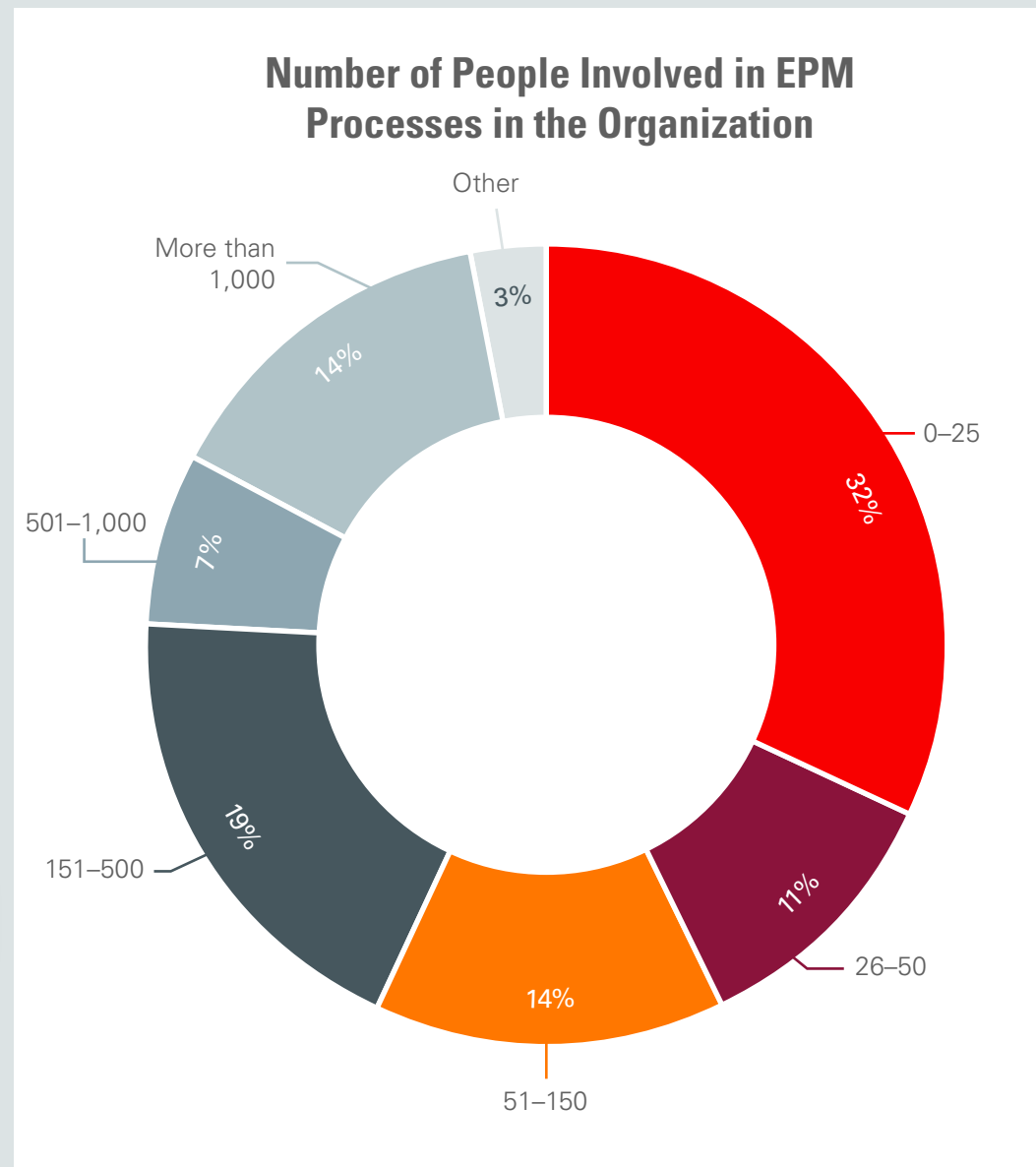


## The Big Question: Why?

Why are so many enterprises moving their planning and budgeting to the cloud? One of the main answers is that the cloud brings broad new levels of engagement to the process that simply aren't possible with spreadsheets. Our report showed 40 percent of the organizations surveyed have 150 or more people who are involved in their EPM processes; and of this 40 percent, over half have more than 500 people involved (Fig. 3). The “wisdom of crowds” argument applies here: the more users involved, the greater the collective insight and the better the ultimate decision.

In fact, our survey showed over half these organizations previously hadn't implemented EPM—even on-premises. This may have been because they felt such applications were too difficult or costly to implement, but the simplicity of implementation, the flexibility, and the low total cost of ownership the cloud offers made it too good an opportunity to miss.

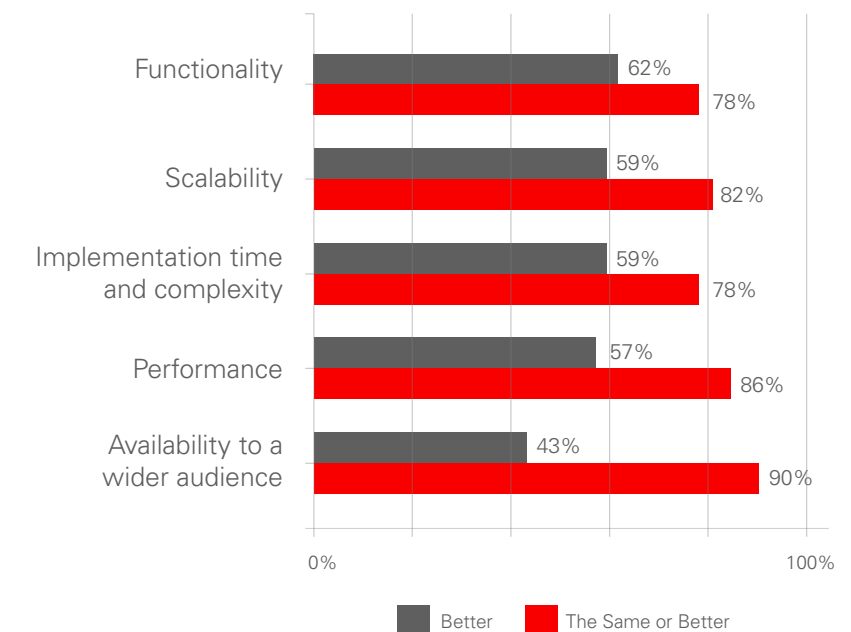
Fig. 3



Why else were enterprises moving EPM to the cloud? Another reason was that it offers quite simply a better experience all round. More than 50 percent of organizations have seen improvements in five out of six categories since implementing a cloud EPM solution. They have found implementation times are shorter, scalability and performance are better, and access to newer functionality is greater.

Fig. 4

## Organizations' Experience of Cloud Solutions in Comparison to On-Premises Solutions



## Realizing the Potential

### Oracle Planning and Budgeting Cloud Service

Oracle Planning and Budgeting Cloud Service is a case in point. Launched in February 2014, it's based on the market-leading Oracle Hyperion Planning solution, and has been widely and enthusiastically adopted.

Oracle Planning and Budgeting Cloud Service provides all the functionality of Oracle Hyperion Planning, including a web or Excel interface, robust workflow, agile forecasting, driver-based planning, predictive modeling, detailed budgeting, rich scenario analysis and interactive dashboards. All the infrastructure, reporting, migration, and data-integration components of Oracle Hyperion Planning are included. Its availability in the cloud removes the barriers to adoption of on-premises applications, and makes it much easier for businesses of any size to deploy a world-class planning and budgeting solution in a matter of weeks; shortening budgeting and forecasting cycle times, reducing reliance on spreadsheets, and improving the accuracy of their forecasts.

## Built on Oracle Cloud

### The Most Complete, Modern, Flexible And Secure Enterprise Cloud


Oracle Planning and Budgeting Cloud Service is built upon the robust Oracle Cloud, and, as pointed out above, integrates with other on-premises and cloud applications.

Not all clouds are created equal, and one size does not necessarily fit all. Unfortunately, many organizations are finding out the hard way that the value of lower up-front costs is often overshadowed by significant integration problems.

By contrast, Oracle delivers a full suite of integrated, enterprise-grade applications services. By choosing Oracle Cloud, businesses can avoid the fragmented data and business processes that can result from using multiple, siloed clouds from different vendors.

### The Customizable Cloud

Our goal is to provide the most flexible deployment options to our customers. That can include on-premises deployments, pure cloud-based deployment, or a hybrid approach where development is done in the cloud, and testing and production deployment is on-premises. We have found many organizations welcome the ability to adopt public, private, and hybrid clouds as they wish and to alter the mix when business circumstances dictate.



*"Oracle Planning and Budgeting Cloud Service reduces our reliance on spreadsheets and puts critical information into the hands of decision-makers. It provides us with in-depth, holistic data from all parts of the business, allowing us to streamline our operational planning process without sacrificing visibility into key operational metrics."*

*Tim Oakes, Chief Financial Officer, Edgewater Technology, Inc.*



## Changing Perceptions

### Reality Can Improve on Expectations

Whether they were users of Oracle Planning and Budgeting Cloud Service or of another cloud-based platform, most of the organizations in our survey cited cost as the primary reason for moving their EPM applications to the cloud (Fig. 5). But once the move had been made people's views changed significantly: cost became the fourth most cited benefit realized—not the first (Fig. 6). The top two benefits were faster results and a better service.

Fig. 5

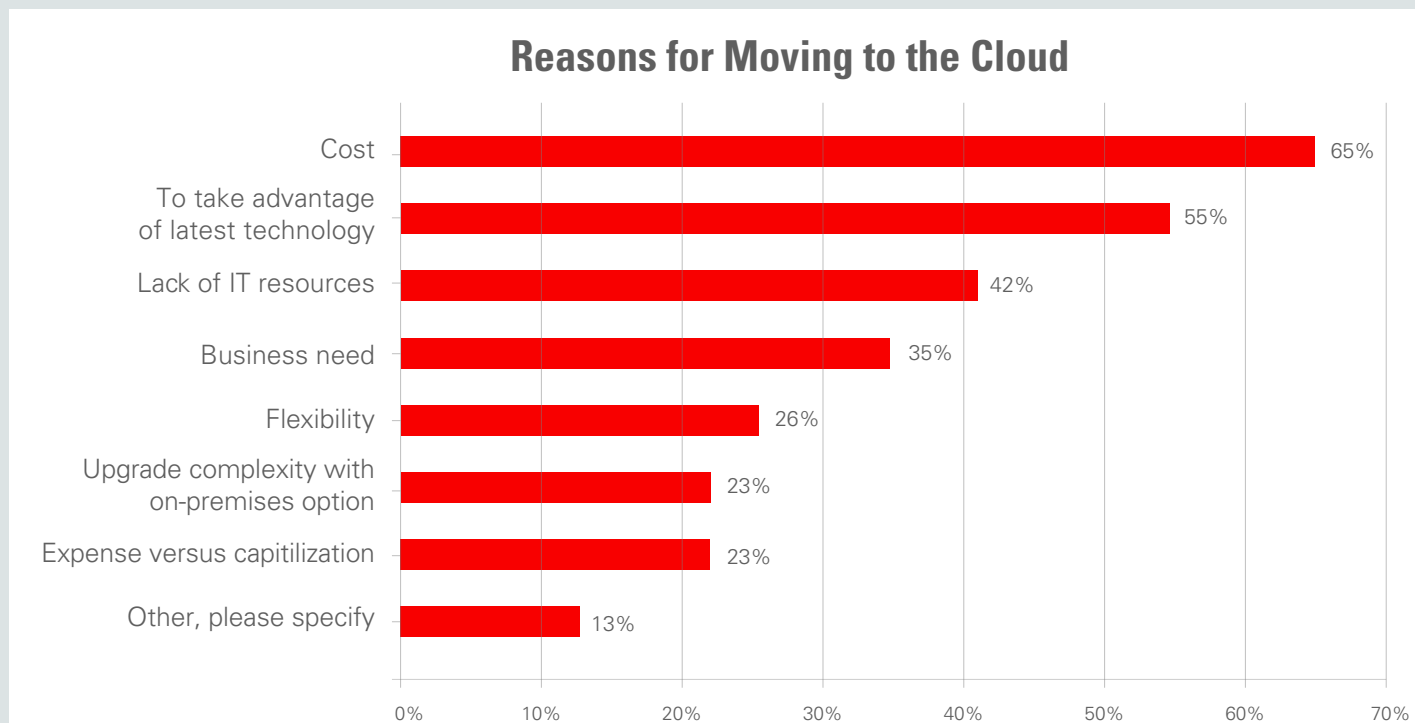
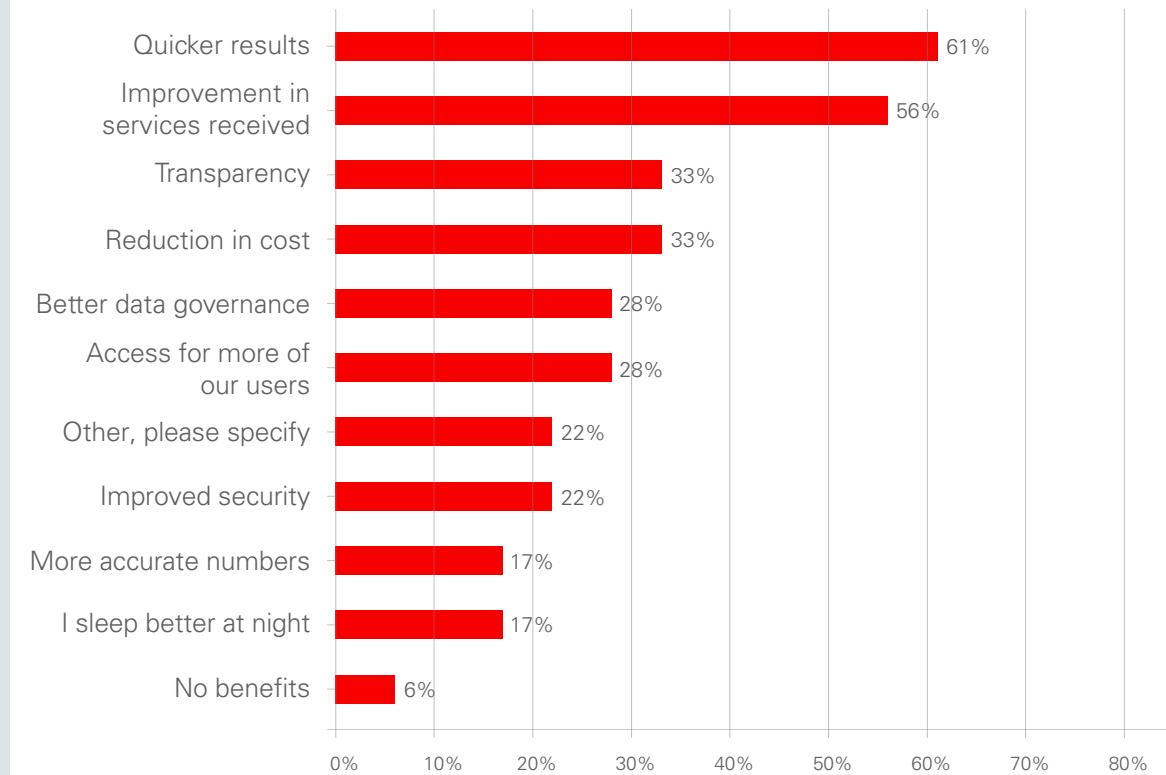


Fig. 6

### Benefits Realized Having Moved to the Cloud



*"Oracle Planning and Budgeting Cloud Service is the gold standard of cloud-based planning solutions. We wanted a rapidly deployable system to improve our planning systems and forecasting accuracy during a period of ambitious global expansion."*

*Elaine McKechnie, Head of Group Management Information Systems,  
Baxters Food Group*

In short, any reservations enterprises may have had about moving EPM to the cloud were dispelled by the outcome. It wasn't merely a case of achieving the same for less money: it was rather that, with solutions such as Oracle Planning and Budgeting Cloud Service, far more could be achieved. More, in fact, than anyone expected. No wonder we found the proportion of organizations without reservations increased by 73 percent after they had made this transition.

**New possibilities**

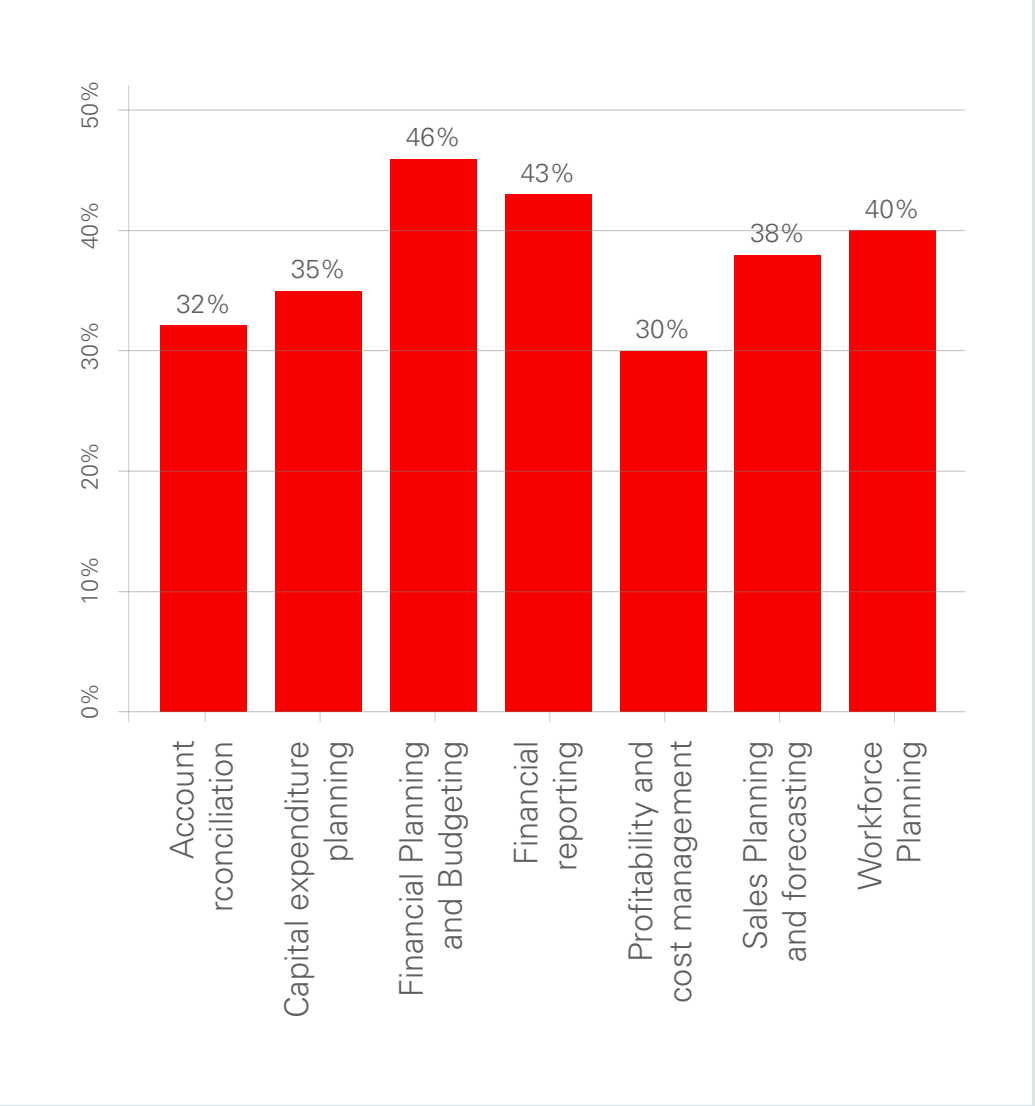
Two-thirds of the companies in our survey who had implemented cloud applications found they had been enabled to do something that simply hadn't been possible before. This outstripping of expectation has encouraged them to go further. We've found they're broadening their horizons to include more planning applications in their EPM cloud strategy (Fig. 7).

The top application, as we expected, is financial planning and budgeting. However, organizations list sales, workforce planning and capital planning as applications they will put in the cloud within the next two years. In our experience, expanding into line-of-business planning will increase levels of integration across their entire planning landscape, improving accuracy and agility.

*"Oracle Planning and Budgeting Cloud Service enables us to focus on our retail core business and empower financial analysts and controllers to improve our decision making by acting on the future rather than struggling to analyze the past."*

*Bertrand David, CFO, Camaïeu S.A.*

Fig. 7



## The way ahead

The availability of 'enterprise' EPM solutions in the cloud is providing many organizations with the opportunity to improve their EPM processes and to do things that were difficult if not impossible before. As they experience these benefits their understanding of what the cloud can offer changes dramatically – and so do their concerns.

Our survey shows planning represents the ideal starting point to the adoption of the cloud for EPM processes. It's no wonder it is the leading cloud-based EPM application – and it's not surprising either to find Oracle Planning and Budgeting Cloud Service, in particular, is being deployed so successfully.

*"Oracle Planning and Budgeting Cloud Service will enable us to significantly reduce the time and effort needed to perform our Daily P&L Forecasting Process, which is our most critical business management practice. In addition, the real-time analytical data and comprehensive reporting that we can generate from the Oracle PBCS application will enable us to make timely and well-informed decisions in order to run our business better."*

*Paul Cardell, Vice President, Corporate Operations, CTDI*

*"Customers want powerful planning and budgeting capabilities, but are increasingly looking for solutions that require less administration and lower infrastructure investment. Oracle Planning and Budgeting Cloud Service presents a compelling business case for organizations of any size, in any industry, as evidenced by the tremendous adoption we've experienced thus far."*

*Hari Sankar, vice president of product management at Oracle*



*"Oracle Planning and Budgeting Cloud Service is very easy to use, and enables us to reduce the amount of manual work we spend maintaining spreadsheets. The cloud-based Oracle solution provides powerful planning and budgeting capabilities, while requiring less administration and a lower infrastructure investment."*

*Ed Abell, CFO, Racepoint Global*

## Features of Oracle Planning and Budgeting Cloud Service:

- Flexible Workflow, Plan Management and Reporting Capabilities
- Ability to move from 'conventional' to 'advanced' scenario modeling
- Out of the box support for best practices such as rolling forecast, multi-currency
- Deep MS Office Integration
- On-Premises Option In and Out of Cloud
- Drill Through and Source Integration
- Application Diagnostics
- Guided Demo Application
- Guided Implementation Navigation
- Built-in Starter Kits
- Excel-Based Admin Capabilities

For more information  
about Oracle Planning and  
Budgeting Cloud Service, go to:  
**[www.oracle.com/epm](http://www.oracle.com/epm)**