



# Transform And Innovate

Business Processes  
Using SMART Technologies

**BUSINESS LEADERS**  
in **FINANCE** and **TECHNOLOGY**  
at the core of  
**DIGITAL TRANSFORMATION**  
**AGENDA**

# TABLE OF CONTENTS

## FOREWORD



[Read here](#)

Message from Oracle

## INTRODUCTION



[Read here](#)

### Section I



[Read here](#)

## CFO OPTIMISM LEVELS

This section covers the optimism level of Chief Financial Officers (CFOs) for various parameters related to the performance of their individual company and the overall corporate sector for the last three years.

### Section II



[Read here](#)

## FUTURE READINESS OF BUSINESSES

Future Readiness of Businesses are captured by understanding the readiness of Finance leaders in the following core areas - Digital adoption, Data security and Investment in Digitization. The barriers to adopting digitization, degree of challenges faced in the absence of digitization, benefits of digitization and plans of migrating to cloud by Finance leaders have been captured through a survey.

### Section III



[Read here](#)

## TRANSFORMING AND INNOVATING BUSINESS PROCESSES

This section covers the digital transformation that organizations have gone through by migrating various functions of finance to cloud. The benefits derived from the various cloud solutions have been quantitatively and qualitatively captured.

## FOREWORD



Oracle shares the same challenges as other companies and organizations across industries and across the world. Expectations of those we each serve has evolved. Every constituent is demanding more –customers, partners, employees, and citizens. This means we have to provide exceptional experiences from beginning to end and we all need to stay ahead of ever-changing expectations.

To do this, we have leveraged cutting-edge technologies using Oracle Cloud to drive increased efficiencies across our business – ultimately reducing time-to-value and achieving significant cost savings.

As we've embarked on our business transformation, Oracle Cloud for ERP and EPM has proven to be the ideal platform for Finance. The benefits we have seen boil down to four categories:

**1.Higher Efficiency.** Automation across the business enables our employees to collaborate and work more productively. We've eliminated routine work and manual intervention, enabling our teams to focus on what matters most – customer success. For example, by leveraging Oracle ERP Cloud, we eliminated 35% of manual accounting activities, and reduced time to complete monthly accounts payable close by 30%.

**2.Smartier Decisions.** Our finance leaders are able to make smarter decisions quickly based on visibility from analytics and data as well as emerging technologies, like machine learning and artificial intelligence. For example, at Oracle we are now able to close our books and report earnings in less than 12 days.

**3.Faster Rate of Change.** With Oracle Cloud ERP and EPM, our teams have the ability to leverage quarterly updates to stay ahead of changing expectations and needs. Every 90 days, we uptake 100 new features on average to continuously improve and innovate the experience.

**4.Better User Experience.** At Oracle, we've implemented a unified, consumer-grade user experience across the finance tasks. The new experience makes it simple, fast, and intuitive to complete tasks.

Beyond our own successful transformation, Oracle has been helping organizations of all sizes and industries tackle their own cloud transformations. The Oracle Cloud enables them to embrace advanced digital tools to drive enhanced strategic decisions, and empowers them to leverage their own resources to discover productivity unseen before. There are countless success stories, and we believe if there is any time for your organization to engage in a technology driven transformation, it is now.

# INTRODUCTION

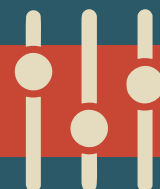
Understanding the optimism level of Finance leaders/CFOs and their priorities helps to gauge the changing aspects of businesses on a micro level. Today's rapidly changing, volatile and competitive business environment demand Finance leaders to take strategic decisions based on real time information and quick insights. Finance leaders thus have to take charge from merely managing the financial performance of a company to assume the role of a strategic business partner, drive business transformation and contribute to risk management; balancing performance, efficiency and risk at the same time. As finance is the core for any business transformation, Finance leaders must be equipped with the latest smart digital technologies. Without digital technologies they will be unable to detect and respond to real-time business challenges. Faced with various degree of challenges with respect to managing processes, costs and reaching out to customers or markets and falling behind their peers who have been able to transform their business models through digitization, Finance leaders are embracing advanced digital tools to drive enhanced strategic decisions. Finance leaders across organizations are thus becoming technologically ready.

Technology readiness of Finance leaders which also indicates the future readiness of businesses can be broadly measured by the level of digitization adopted, quantum of data security measures taken and the level of investment on digitization. Cloud technologies are becoming one of the major investments for businesses of all sizes and Finance leaders adopting various level of digitization are planning to migrate to cloud. While there are various considerations, the major benefits are related to ease of access to various smart technologies without upgrading infrastructure, absence of cost of equipment and software upgrades, flexibility to scale up, easy access to different functionalities in cloud, increase in value added analysis, access to applications anytime and anywhere and reduction in time-to-market. This in turn has led to increased efficiency and productivity of organisations.



# Section I

CFO OPTIMISM LEVELS

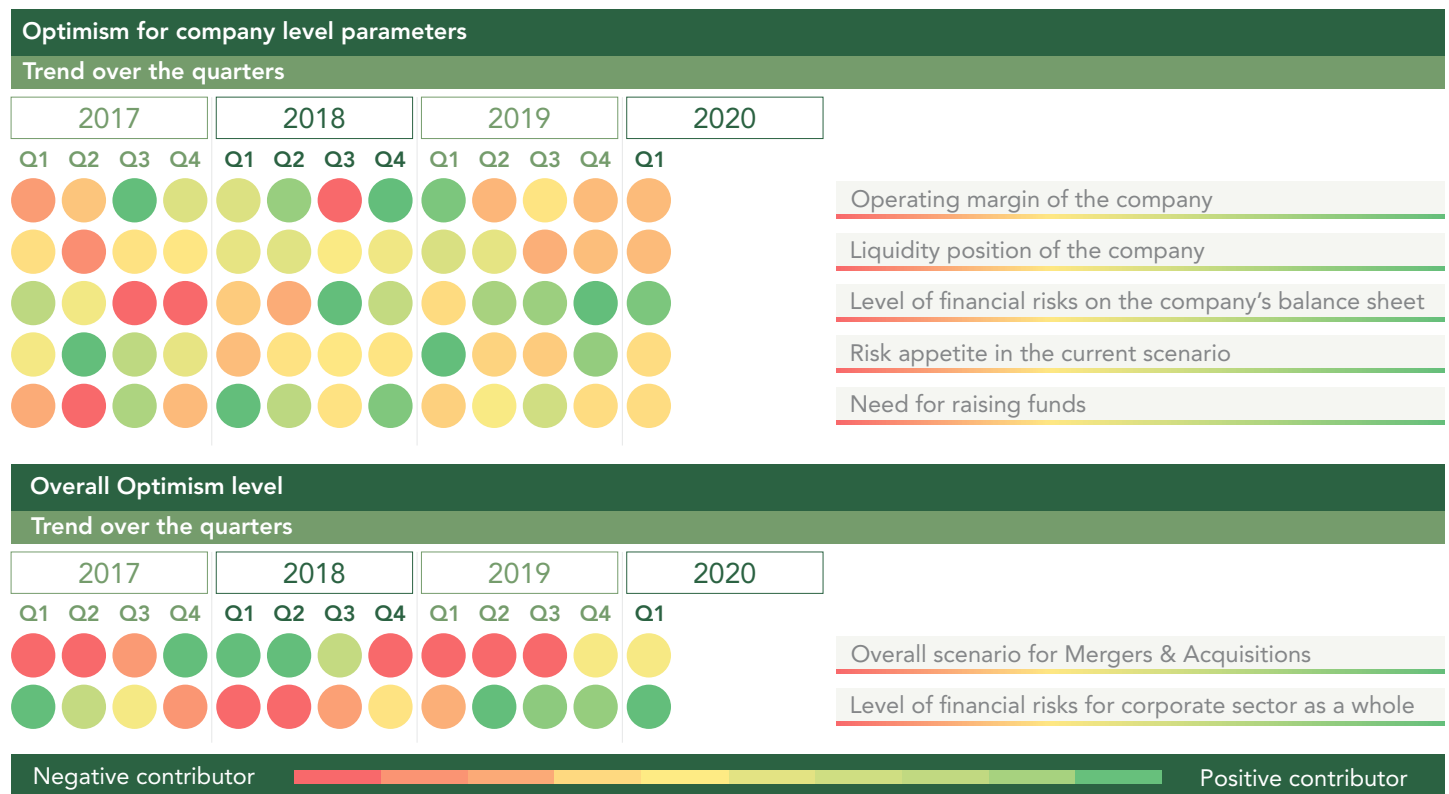


# Understanding the Optimism level of CFOs to gauge the business dynamics

Capturing the optimism levels of CFOs who steer the financial performance of a company helps to gauge the dynamics of businesses at a micro level.

Dun & Bradstreet conducts survey to gauge the optimism levels of CFOs across pan India on a quarterly basis. The survey captures how optimistic CFOs are about the financial performance of their companies and the overall business scenario in a dynamic and volatile environment.

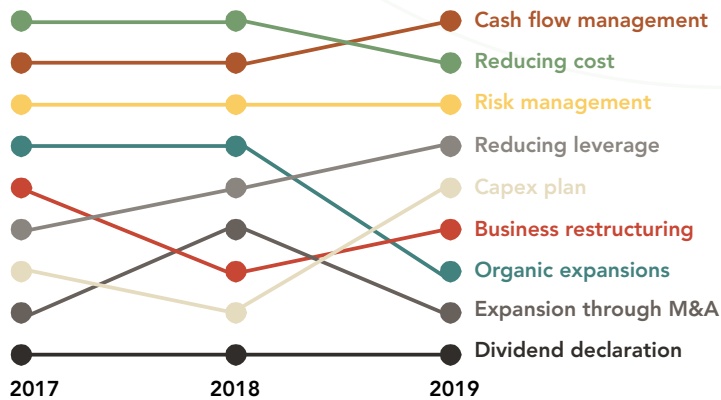
A look at the optimism of the CFOs over a period of time reveals that:



- Optimism level of CFOs remain subdued for the **Operating Margin** of the company, the **Liquidity Position** of the company and **Need for Funds** since **Q2 2019** i.e. **April -June 2019** to **Q1 2020**
- CFOs continue to remain optimistic with respect to the **Level of Financial Risks** for the 4<sup>th</sup> consecutive quarter in **Q1 2020**
- The optimism for Overall scenario for Mergers and Acquisitions has improved for two consecutive quarters of **Q2 2019** and **Q1 2020** compared to the period of **Q3 2018** and **Q3 2019**

# Priorities indicate the strategies considered by CFOs

Comparing on a yearly basis, the survey shows some interesting trend on how the CFOs would want to prioritize their strategies over the next six months

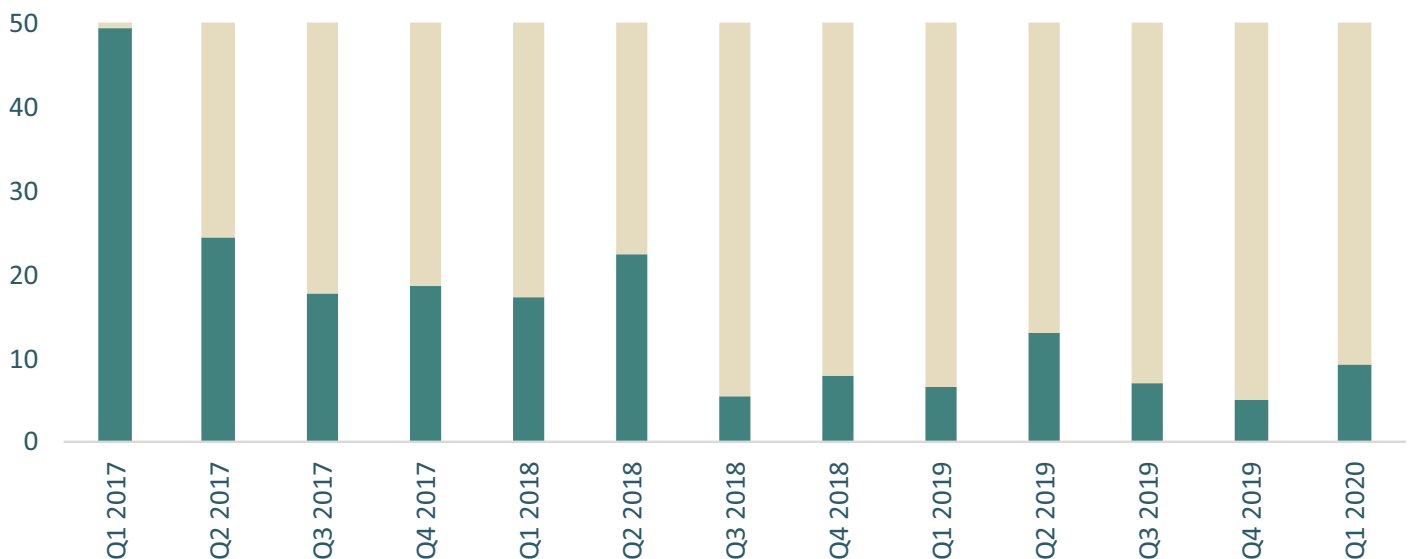


- CFOs have indicated **Cash Flow Management** and **Reducing Cost** as their topmost priorities during the last 3 years.
- Interestingly **Reducing Leverage** and **Capex Plan** have moved up the most on the list of priorities during the last two years.
- Percentage of CFOs choosing **Organic Expansions** as their topmost priority have fallen steeply during 2019 compared to 2018 and 2017.

## Expansionary priority

Given the slowdown in growth momentum, the percentage of CFOs choosing expansionary priorities have fallen since Q3 2018. This marked a deviation in the trend observed during early 2017 to early 2018.

Expansionary priorities of CFOs over the years



- An average of 25% of CFOs indicated adopting expansionary strategies during Q1 2017 to Q2 2018. This has dropped to an average of 8% of CFOs over the last year i.e. during Q3 2018 to Q1 2020

Note: Expansionary Priority refers to Organic expansions, Expansion through M&A, Capex plan and Dividend declaration. Defensive Priority refers to Reducing leverage and cost, Risk management, Cash flow management and Business restructuring.

Data from the latest survey are captured at the time of the release of the report.

Source: D&B Survey and analysis



# Section II

**FUTURE READINESS OF BUSINESSES**





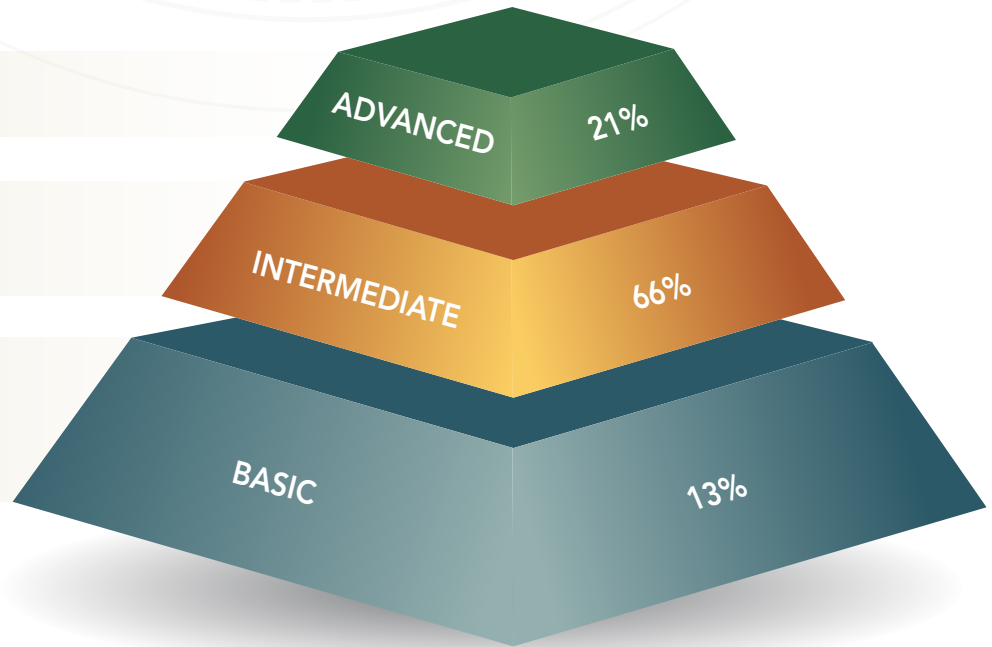
# TECHNOLOGY READINESS OF FINANCE LEADERS

Measured by understanding the readiness of Finance leaders/CFOs in the following core areas –

 **Digital adoption**

 **Security and data**

 **Investment**



## LEVEL OF DIGITIZATION

Finance leaders have been divided into three segments based on the level of digitization adopted by them. Level of digitization has been categorized based on adoption of digital technologies, application of digital and data security measures and investment in digitization. Each level of digitization has been defined as:

### Basic

Analysis of financial information on excel spread sheets, use of basic data security softwares such as spyware, ransomware, etc. and percentage of profit spent on digitization

### Intermediate

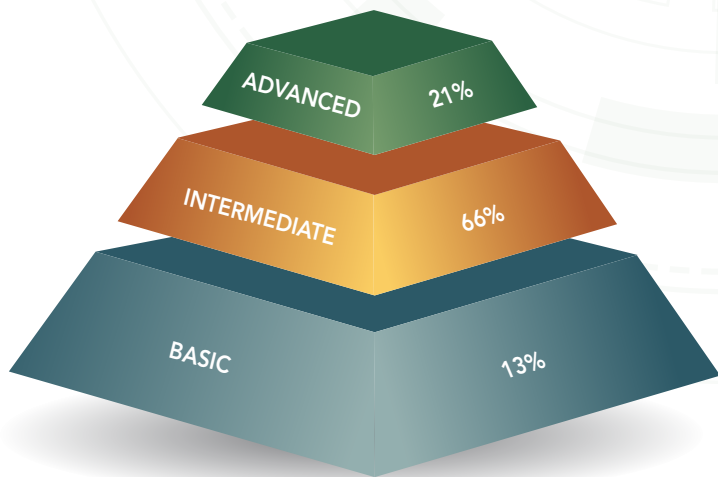
Analysis of financial information using excel in combination with Tally and local softwares, advanced level of data security such as Network Segmentation, Intrusion Detection (IDS) and Intrusion Prevention System (IPS) and percentage of profit spent on digitization

### Advanced

Focuses on advanced data mining and predictive analytics by using advanced softwares, using advanced data security applications such as Data loss prevention (DLP), Security Information and Event Management (SIEM), threat monitoring, Structured Incident Response (IR) and percentage of profit spent on digitization

21% of Finance leaders are digitally advanced, while majority i.e. 66% have intermediate while the remaining 13% have adopted basic level of digitization

66% of Finance leaders have adopted intermediate level of digitization



### Basic

- 24% of Finance leaders use basic digital technologies
- 5% of Finance leaders have basic data and data security measures
- 16% of Finance leaders have invested 4.8% of their profits in basic digital technology and security measures

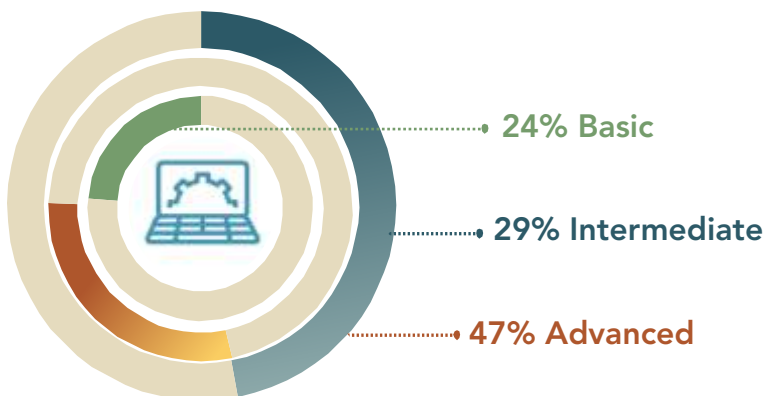
### Intermediate

- 29% of Finance leaders use intermediate digital technologies
- 42% of Finance leaders have intermediate data and data security measures
- 39% of Finance leaders have invested 11.3% of their profits in intermediate level of digital technology and security measures

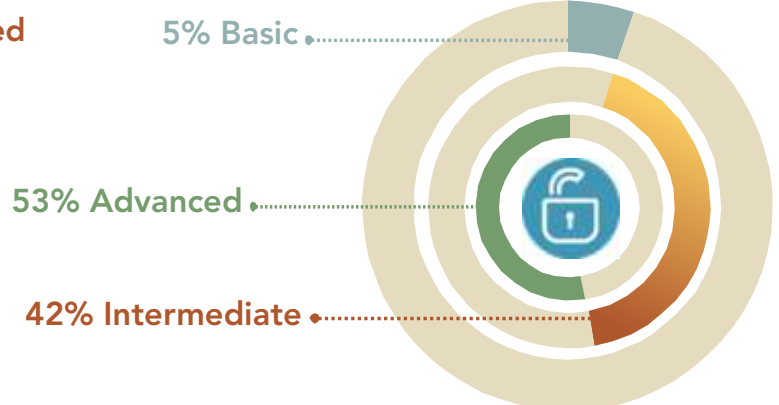
### Advanced

- 47% of Finance leaders use intermediate digital technologies
- 53% of Finance leaders have advanced data and data security measures
- 5% of Finance leaders have invested 7.6% of their profits in advanced digital technology and security measures

## DIGITAL ADOPTION

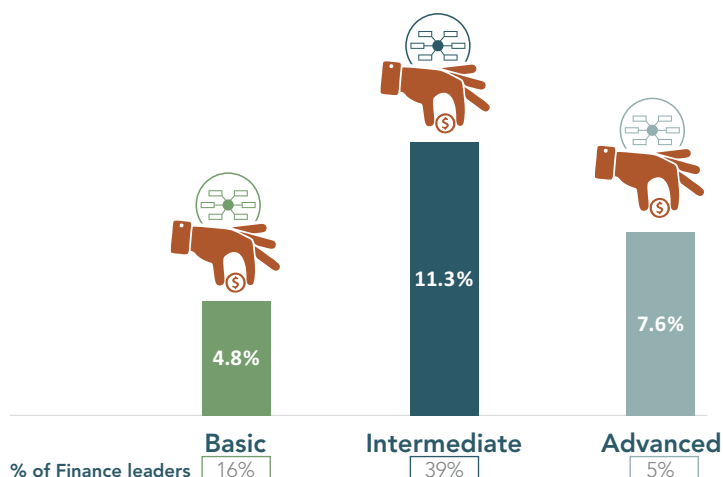


## DIGITAL AND DATA SECURITY



## DIGITAL INVESTMENT

% of profit invested in digitization



Finance leaders have invested an average of 8.6% of their profits in digitization

# Barriers in adopting digitization

Internal collaboration, Managing disparate data and Competing priorities in terms of resources and budgetary allocation has emerged as the top 3 barriers in adopting digitization.

## Top barriers for Finance leaders as per the stage of digitization adopted

The top barriers for adopting digitization differ for companies at different stages of digitization

### Basic

- Cost outweighs benefit to business
- Lack of familiarity with digitization
- Senior leadership buy-in

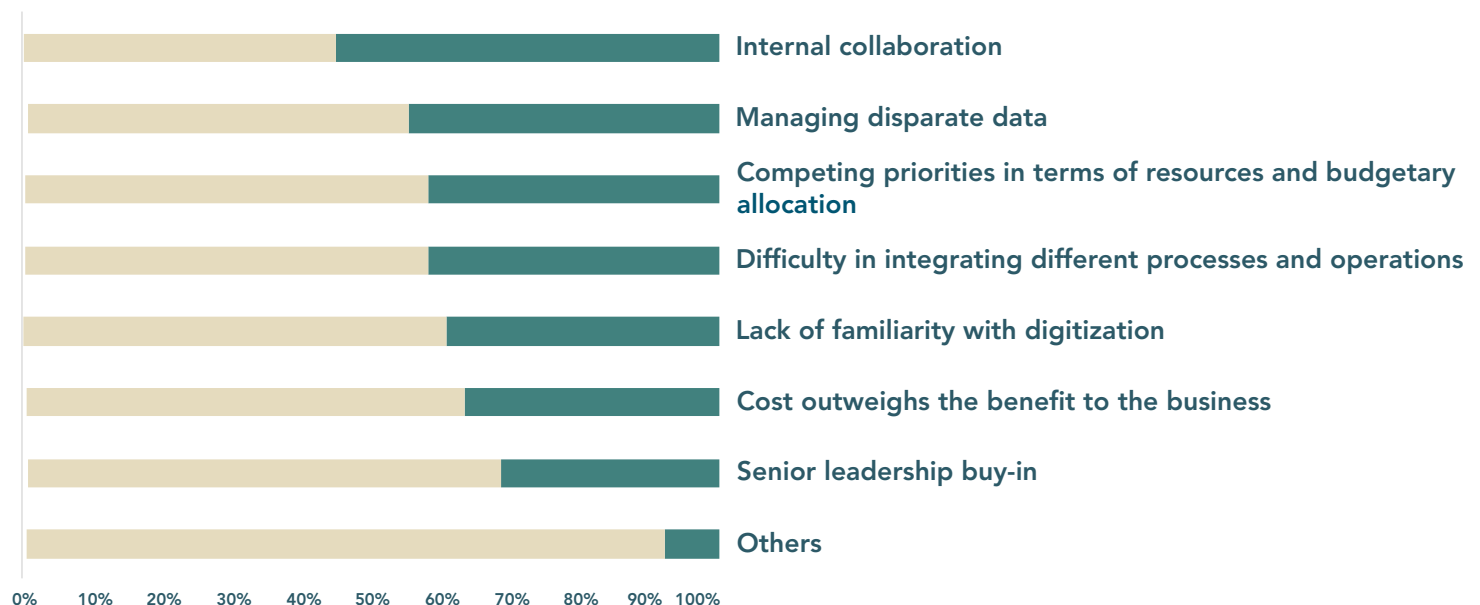
### Intermediate

- Internal collaboration
- Difficulty in integrating different processes and operations
- Managing disparate data

### Advanced

- Managing disparate data
- Internal collaboration
- Senior leadership buy-in

## Main barriers in adopting digitization of all Finance leaders covered in the survey



Internal collaboration is the biggest barrier for adopting digitization, while cost has emerged as one of the least important barriers

# Degree of challenges faced in the absence of digitization

The survey revealed the challenges that Finance leaders faced in the various finance functions in the absence of digitization.

## DEGREE OF CHALLENGES

Majority of the Finance leaders found it difficult to improve processes, governance and risk management in the absence of digitization

- 45% Finance leaders found it difficult, to a great extent or to a very great extent, to improve upon building agile processes in the absence of digitization
- One in three Finance leaders found it difficult to a very great extent, to improve governance and control in the absence of digitization

Finance leaders stated difficulty only to a small extent in managing and reducing cost in the absence of digitization

- 35% of Finance leaders found it difficult, to a great extent or to a very great extent, to reduce cost without digitization.
- 53% Finance leaders stated they found it difficult to improve operating margins without digitization

Majority of the Finance leaders experienced difficulty, to a great extent, to connect with the market or customers

- In the absence of digitization, 43% of Finance leaders found it difficult to reduce the time-to-market
- 40% - 57% of Finance leaders found it difficult to increase the functional flexibility and speed of decision making without digitization

## PROCESSES

Building agile processes in line with market changes



Risk from a volatile environment



Improving governance and control



## COST

Reducing cost of finance



Managing working capital



Improving operating margins



## CUSTOMERS/MARKET

Time-to-market



Flexibility and speed of decision making



Functional flexibility



# Top 3 benefits that digitization will bring in the next 3 years

Overall, Improved efficiency, Financial savings and Improved sales cycle are the top 3 benefits that the Finance leaders are likely to get from digitization in the next 3 years as stated by 92%, 58% and 39% of Finance leaders respectively.

## Top benefits as per the stage of digitization

### Basic

Improved efficiency, Financial savings, Improved ability to identify growth opportunities

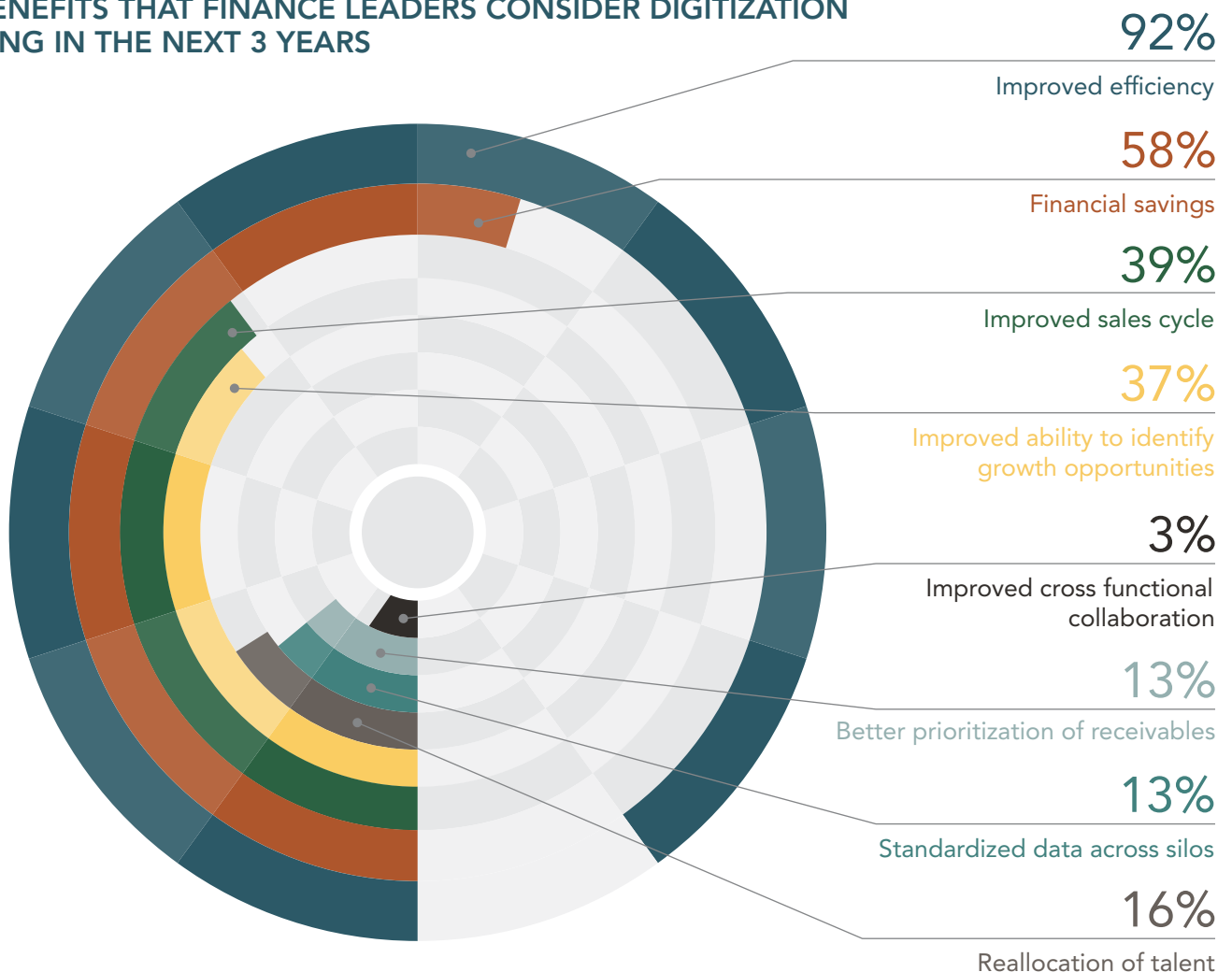
### Intermediate

Improved efficiency, Financial savings, Improved sales cycle

### Advanced

Improved efficiency, Financial savings, Improved cross functional collaboration

## TOP 3 BENEFITS THAT FINANCE LEADERS CONSIDER DIGITIZATION WILL BRING IN THE NEXT 3 YEARS

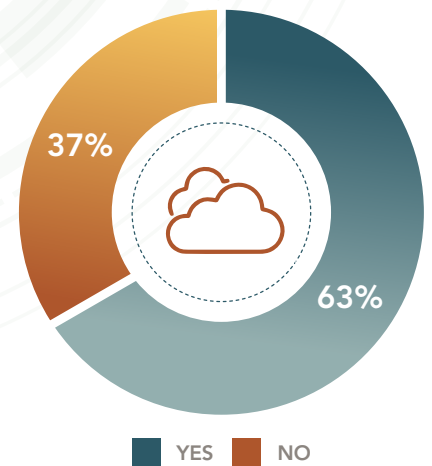


Improved efficiency and financial savings were cited by majority of the Finance leaders as the top benefits that they would realise in the next 3 years

Note: Around 5% of Finance leaders have mentioned other benefits for digitization

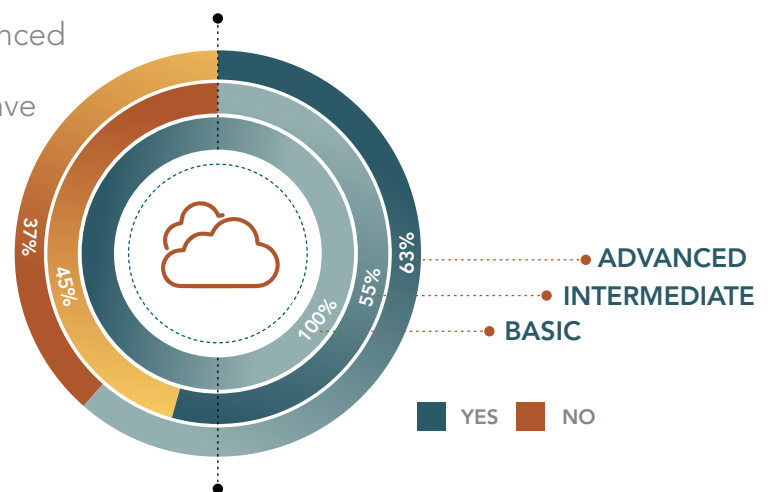
## Planning to migrate to cloud

63% of the surveyed Finance leaders stated that they are planning to migrate to cloud.



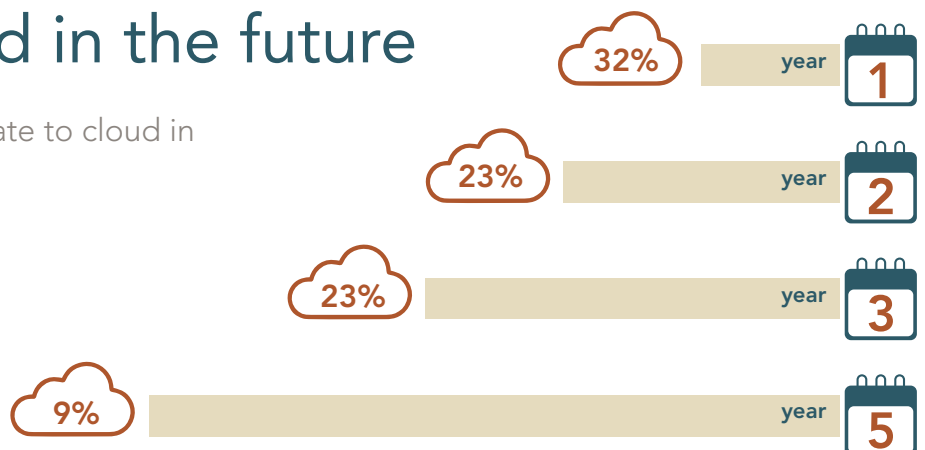
## Migration to cloud- As per the level of digitization

63% of Finance leaders who have adopted advanced levels of digitization have a plan to migrate to cloud. Around 55% of Finance leaders who have intermediate level of digitization and 100% of Finance leaders who have basic level of digitization also plan to migrate to cloud.



## Migration to cloud in the future

55% of Finance leaders plan to migrate to cloud in the next one to two years.



Around 90% of Finance leaders who plan to migrate to cloud want to do so in the next 3 years

Note: Around 13% of Finance leaders did not mention the time frame for migration to cloud

# Roadmap on migration to cloud

Around 57% of Finance leaders have a cloud map as per the survey

## Advanced

63% of Finance leaders in this category plan to migrate to cloud and 75% have a cloud roadmap

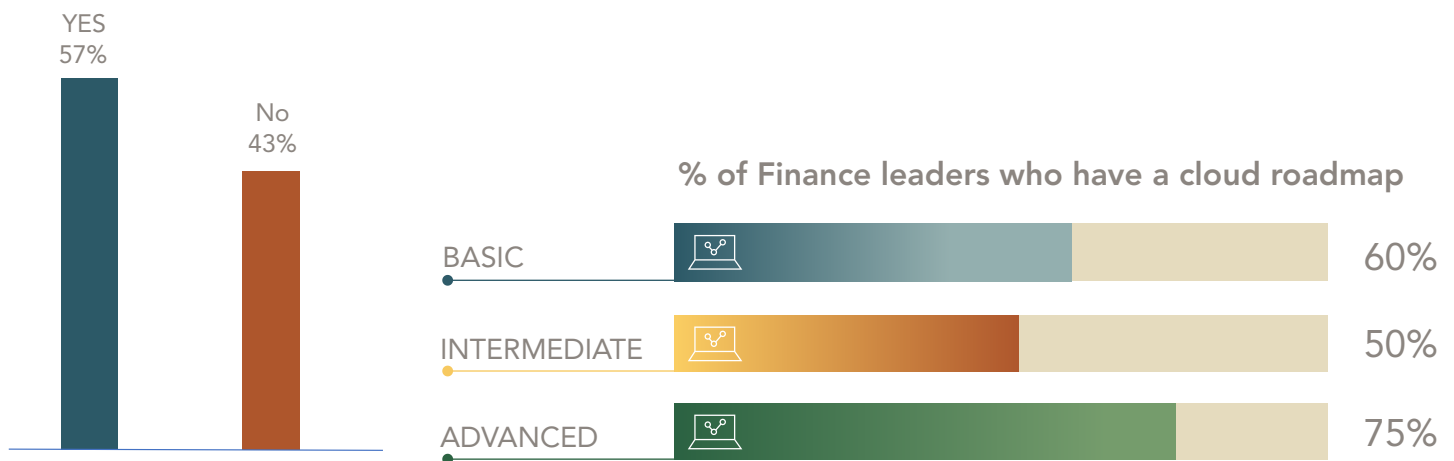
## Intermediate

55% of Finance leaders in this category plan to migrate to cloud and at the same time 50% have a cloud road map

## Basic

100% of Finance leaders in this category plan to migrate to cloud, while 60% have a cloud roadmap.

# Cloud roadmap

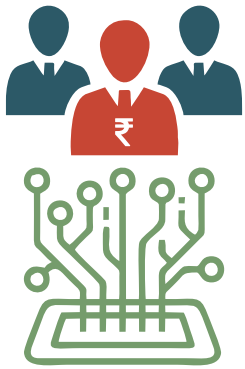


Close to 60% of the surveyed Finance leaders have a cloud road map



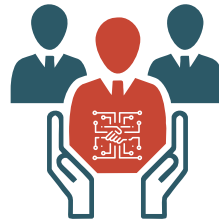
## KEY TAKEAWAYS

### Today's Finance leaders are digital transformers



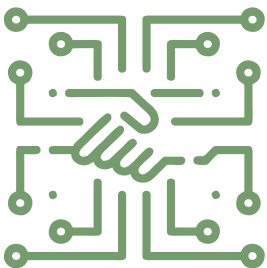
Survey reveals 47% of Finance leaders use advanced level of digital technologies, 53% of Finance leaders have implemented advanced data and data security measures and 5% of Finance leaders have invested an average of 7.6% of the profits to adopt advanced level of digitization

### Technology Readiness of Finance Leaders



- 21% of Finance leaders have adopted advanced level of digitization
- 66% of Finance leaders have adopted intermediate level of digitization
- 13% of Finance leaders have adopted intermediate level of digitization

### Barriers to adopting digitization



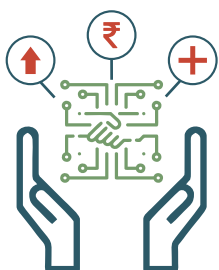
Internal collaboration, managing disparate data and competing priorities in terms of resources and budgetary allocation are the main barriers to adopting digitization

### Degree of challenges in the absence of digitization



- One in three Finance leaders found it difficult to a very great extent, to improve governance and control in the absence of digitization
- 53% of Finance leaders found it difficult to improve operating margins without digitization
- In the absence of digitization, 43% of Finance leaders found it difficult to reduce the time-to-market

### Benefits of Digitization



- 92% of Finance leaders expect improved efficiency from digitization in the next 3 years
- 58% of Finance leaders perceive financial savings from digitization in the next 3 years

### Migration to Cloud



90% of Finance leaders who plan to migrate to cloud want to do so in the next 3 years and around 57% of Finance leaders have a cloud map



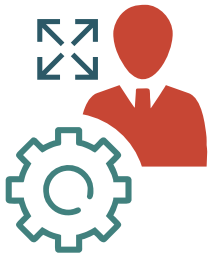
# Section III

TRANSFORMING AND INNOVATING BUSINESS PROCESSES



[Back to TOC](#)

# Transforming and Innovating Business Processes using SMART Technologies



## Role of CFOs have expanded from the traditional functions: CFOs are now playing a new role by

- Contributing to operational decision making
- Becoming the strategic business partner i.e. creating new business models/new markets

## The top factors that have driven the need for migration to cloud



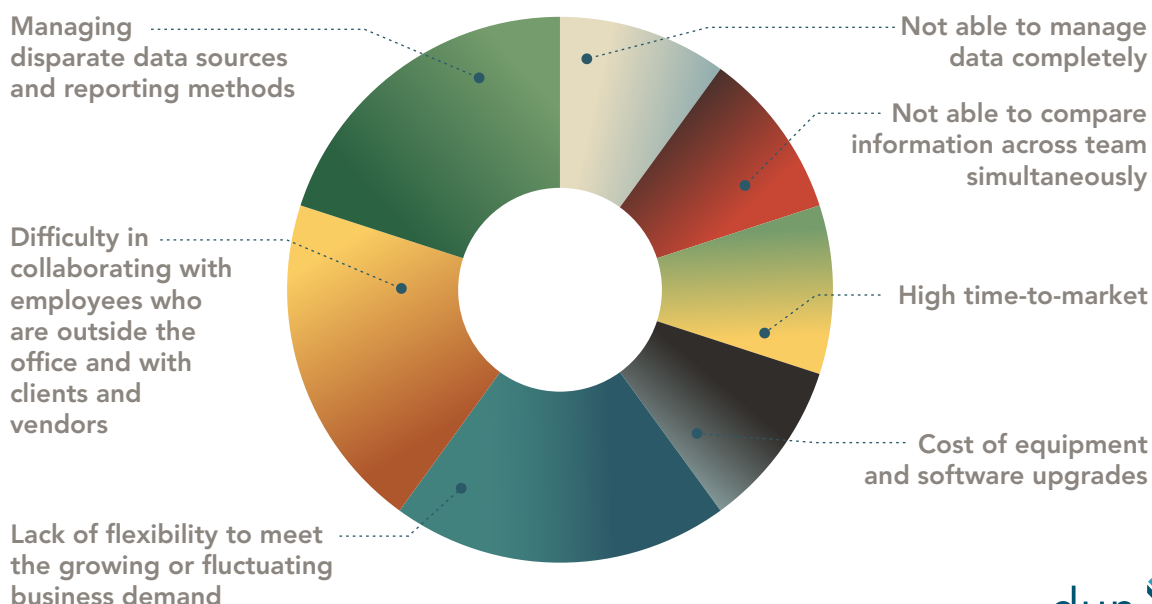
- Funding/Budget
- No additional capital-expenditure
- Work from anywhere
- New or different functionality
- Current system is not able to support additional requirements/ new business expansion
- Increased/automated testing
- More frequent updates
- New organizational structure
- Expansion of the company into new markets/countries



## Criteria's considered in terms of importance while selecting applications offered by Oracle vis-à-vis others

- Speed of implementation & rollout
- Availability of many relevant analytics & dashboard
- Cost of deployment
- Opex Vs Capex commercial model
- Business need met by the applications
- Security effectiveness
- Implementation expertise
- Flexibility in customization
- Ease of change management
- Low maintenance

# Challenges that your business faced before moving over to cloud



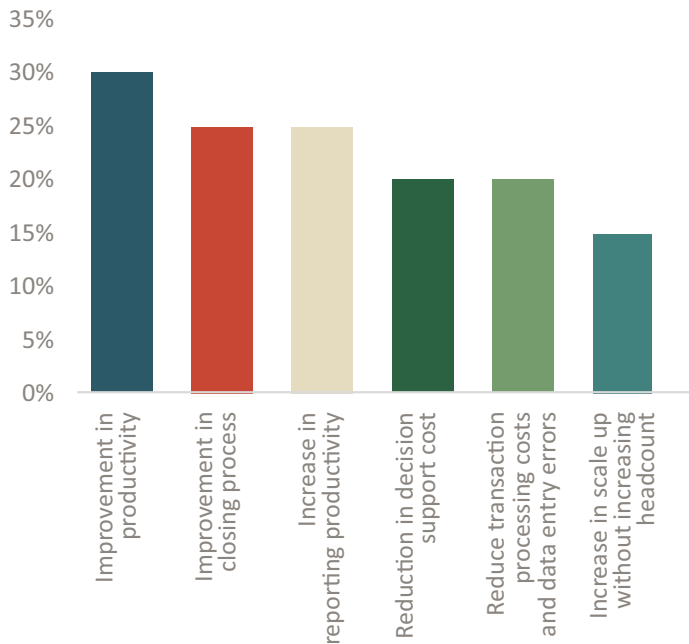
## Benefits of implementing

Oracle fusion financials  
Cloud service

## Higher improvement than expected in each of the categories by implementing

Oracle fusion financials cloud service

(% change)



Comply with accounting standards and multiple legislative or industry requirements



Cash management/flow



Closing process



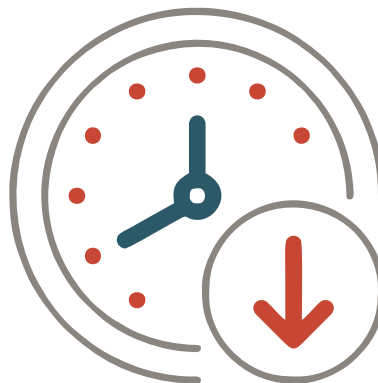
Managing assets life cycle

## Benefits realized by implementing

Oracle financial consolidation and close cloud service

20%

reduction in time to close the book



20%

decrease in manual adjustment

# Higher improvement than expected in each of the categories by implementing

## Oracle financial consolidation and close cloud service



Easy to use and maintain



Leveraging analytics for better insights

## Oracle fusion purchasing cloud service



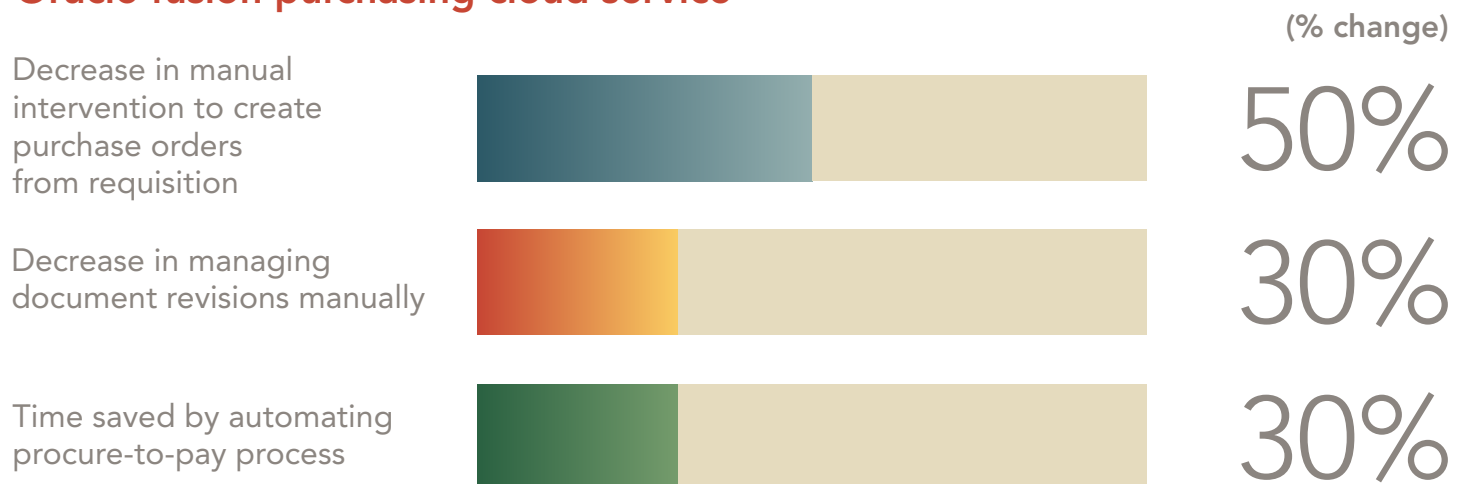
Enforce procurement policies



Efficiently manage document revisions with visual notifications and full change history

# Benefits realized by implementing

## Oracle fusion purchasing cloud service



Note: The above figure denotes percentage change

Prior to adopting a cloud solution business anticipate to gain certain benefits

## Top 3 benefits that are perceived to be realized by adopting:

**Oracle fusion enterprise resource planning cloud service and  
Oracle fusion enterprise resource planning for self service cloud service**

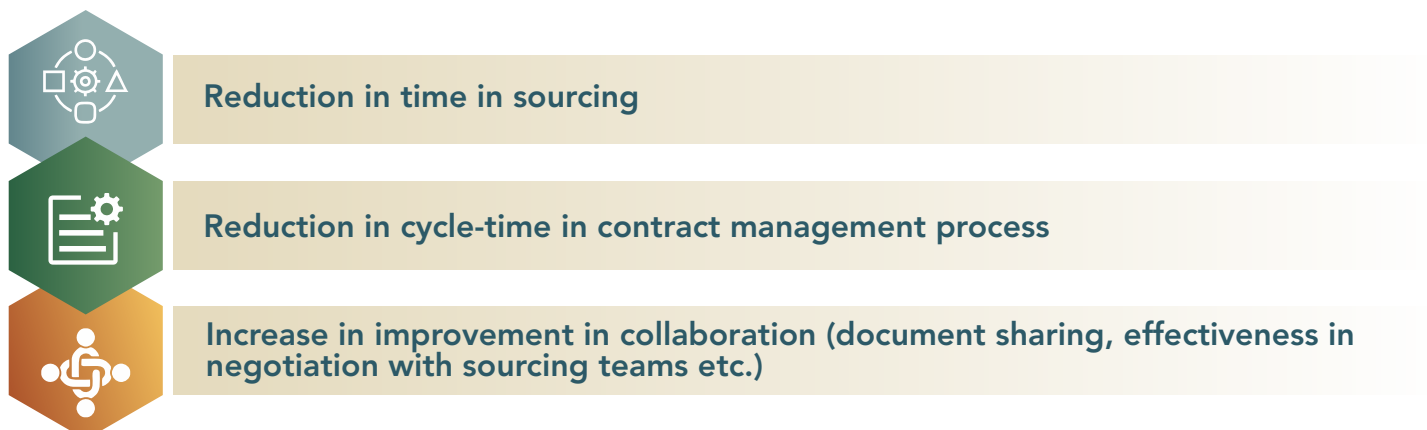


Amongst other benefits such as

Lower planning and budgeting cycle times	Streamlining processes
Controlling costs and increasing visibility into spending	Increase in staff productivity
Managing assets life cycle	Improvement in closing process
Optimizing processes	Improvement in account payables
Reduction in time in filing regulatory compliance statements	

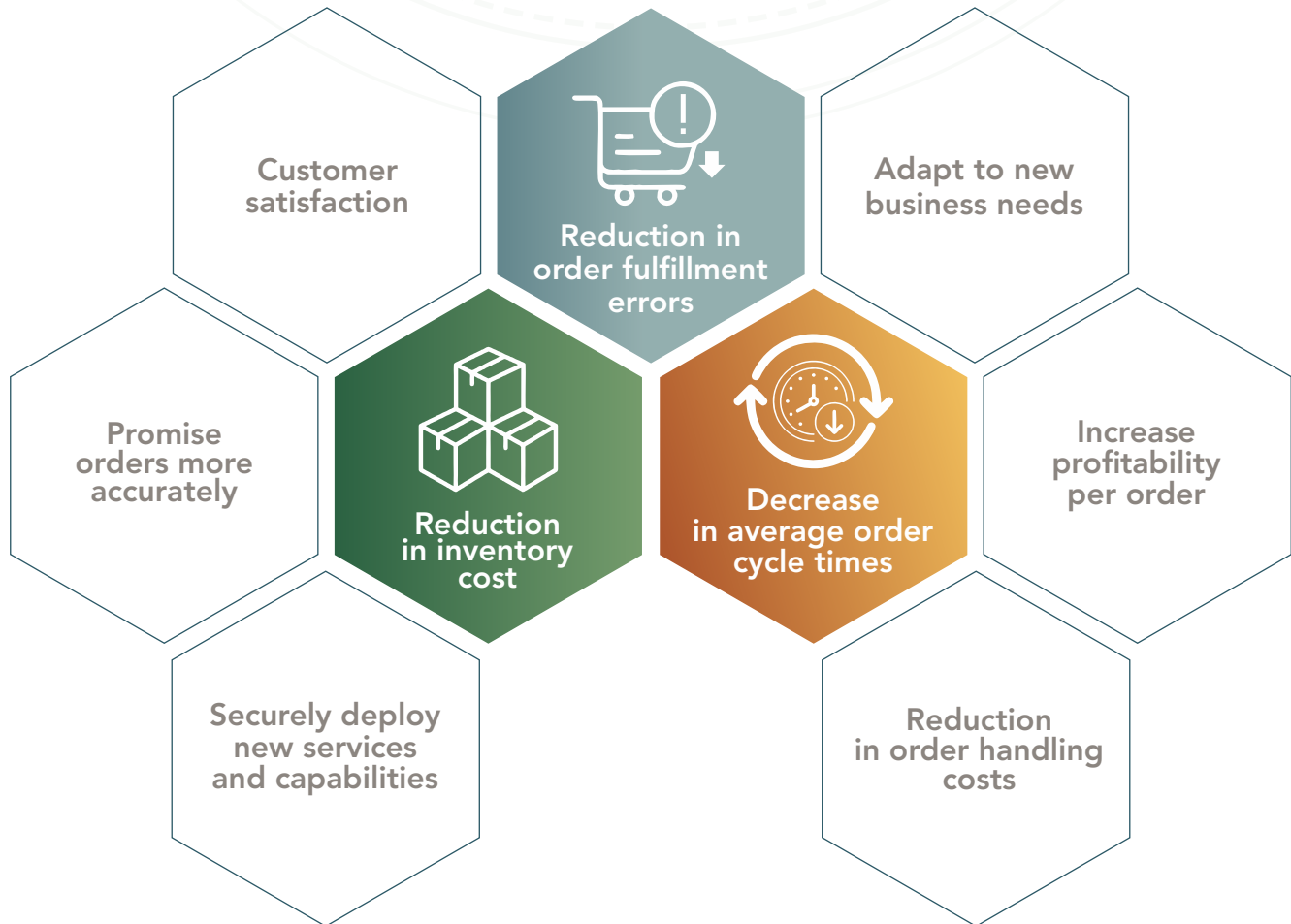
## Top 3 benefits that are perceived to be realized by implementing

**Oracle fusion procurement cloud service and oracle fusion procurement for self service cloud service**



## Top 3 benefits that are perceived to be realized by adopting

Oracle fusion order management cloud service



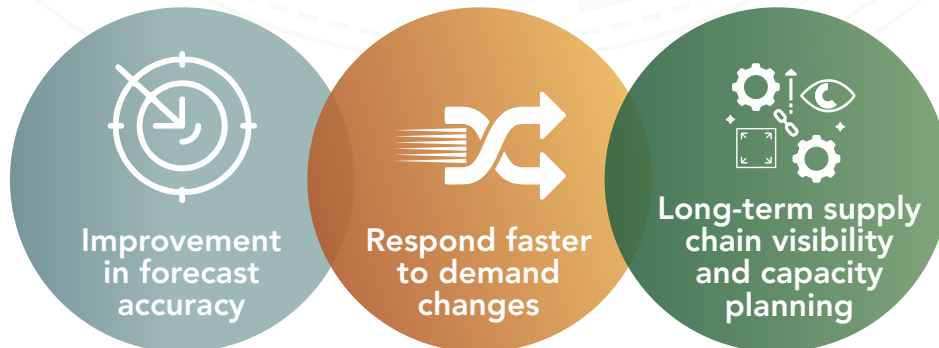
## Top 3 benefits that your company intends to realise by implementing

Oracle fusion product management cloud service



# Top 3 benefits that are perceived to be realised by implementing

## Oracle fusion supply planning cloud service

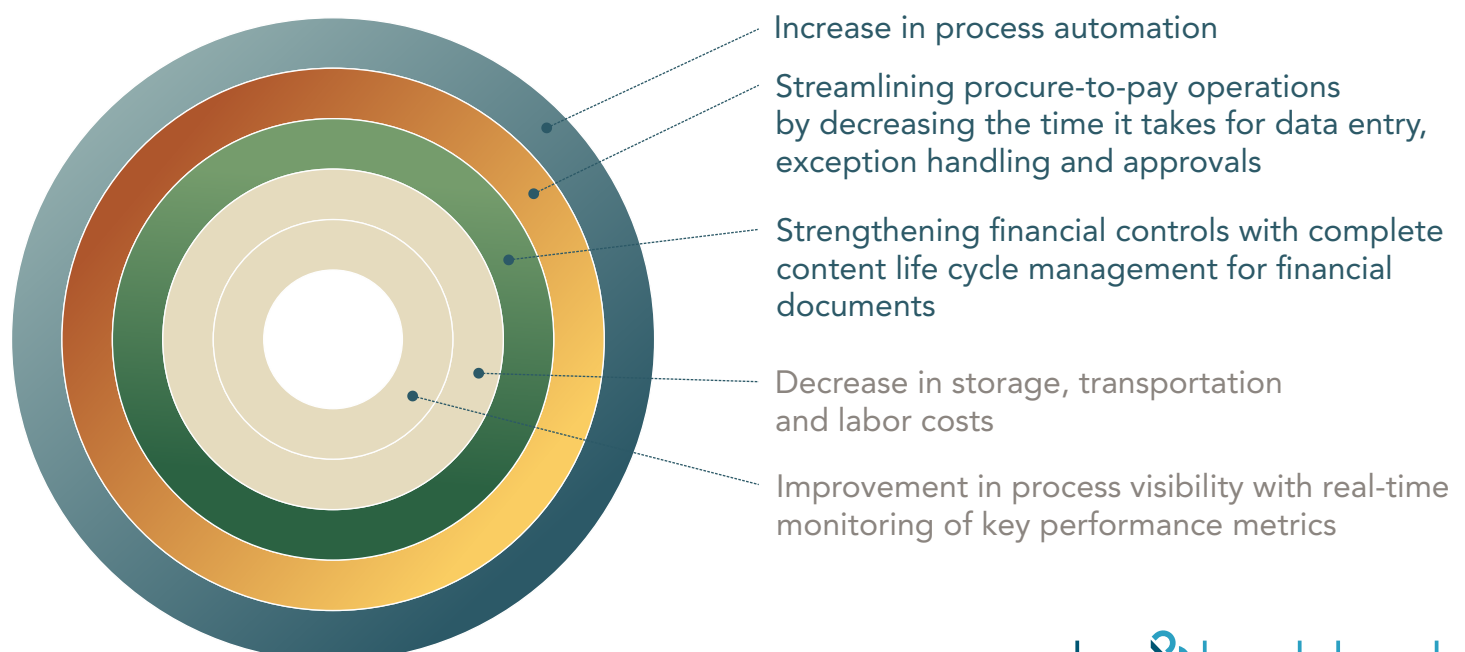


Amongst other benefits such as

Reduction in inventory investment	Reduction in labour costs	Increase in asset utilization	Improve customer service	Prevent manufacturing and supply disruptions	Real-time collaboration
Reduction in freight costs	Reduction in compliance risk	Increase in planner productivity	Organizational alignment	Scaling to meet rapidly changing demand	Less investment to adapt to change

# Top 3 benefits that are perceived to be realised by implementing

## Oracle fusion webcenter forms recognition cloud service





## Benefits realized by implementing Oracle enterprise planning and budgeting cloud service



## Higher than expected improvement in each of the categories by implementing

### Oracle enterprise planning and budgeting cloud service



### Oracle profitability and cost management cloud service



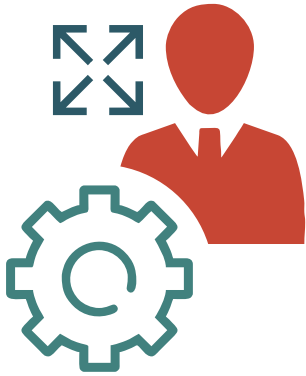
## Top 2 benefits realized by implementing Oracle profitability and cost management cloud service





## KEY TAKEAWAYS

### Role of CFOs have expanded from the traditional functions



- They have become the strategic business partner
- They contribute towards operational decision making

### Factors that have driven the need to migrate to cloud for the Finance and IT leaders



- Funding/Budget
- Increased/automated testing
- New or different functionality in cloud applications

### Criteria's considered in terms of importance while selecting applications offered by Oracle vis-à-vis others



- Speed of implementation & rollout
- Availability of many relevant analytics & dashboard
- Business need met by the applications
- Ease of change management
- Implementation expertise

### By deploying oracle cloud solutions

- 30% improvement in productivity and 25% improvement in closing process
- 20% reduction in time to close the book
- 30% time saved by automating procure-to-pay process
- Cycle time for producing management reporting has reduced from 30-40 hours to 4 hours



### Higher than expected improvement in



- Integrated financial statement planning
- Insight to drivers of profit and cost across key business dimensions
- Increase in accountability and transparency
- Leveraging analytics for better insights

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