The Cognitive Enterprise for Oracle ERP Cloud in Professional Services

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The Cognitive Enterprise for Oracle ERP Cloud in Professional Services

Contents

Executive Summary

What is the Cognitive Enterprise Business Platform?

The Cognitive Enterprise™ is IBM's vision for the next-generation business model.

As a new era of business reinvention dawns:

- Organizations are facing an unprecedented convergence of technological, social and regulatory forces.

- Artificial intelligence (AI), automation, Internet of Things, blockchain and 5G are becoming pervasive, and their combined impact reshape standard business architectures.

- The "outside-in" digital transformation of the past decade is giving way to the "inside-out" potential of data exploited with these exponential technologies.
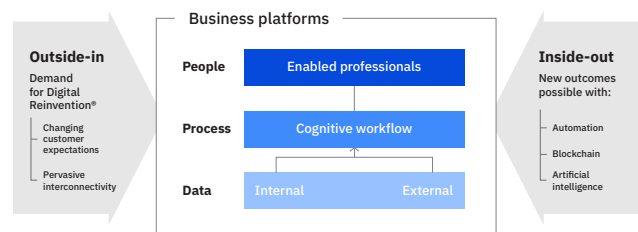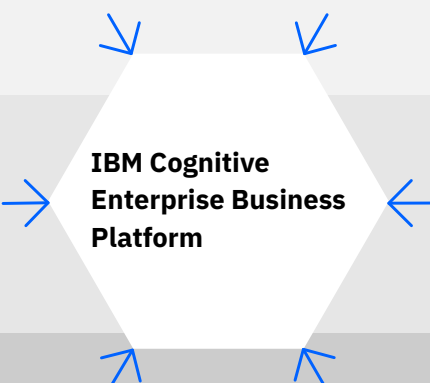
IBM Cognitive Enterprise Business Platform for Professional Services

Our suite of IBM and Oracle technologies for digital ERP are designed to work cohesively for the Professional Services industry to adapt to the future demands of change across multiple finance, project and reporting challenges.

The solution addresses key organizational challenges in your core Project to Profitability business value chain from integrating business acquisitions, though executing profitable projects and services with optimal workforce utilization, to managing accurate billing and collection of receivables.

The IBM Cognitive Enterprise suite of add-ons to Oracle ERP Cloud, leverage and enhance core functionality to deliver added business value as outlined in the table below:

	Business Value Drivers	IBM	ORACLE
Project to profit	Business insight and speed of execution		Oracle Project Portfolio Management Cloud
Record to report	Improved financials closing process	IBM Cognitive Enterprise Business Platform	Oracle Financials Cloud
Procure to pay	Optimized procurement		Oracle Procurement Cloud Oracle Purchasing Cloud

The following sections discuss details on how the IBM Cognitive Business Platform for Oracle Cloud will drive key business values for Professional Services organizations.

1

The Cognitive Enterprise for Professional Services

A new era of business reinvention

A new era of business reinvention is dawning in the Professional Services industry. Organizations are facing an unprecedented convergence of technological, social and regulatory forces. As cloud, artificial intelligence (AI), automation, Internet of Things (IoT), blockchain and 5G become pervasive, their combined impact will reshape standard business architectures and business as usual.

IBM calls this next-generation business model…
The Cognitive Enterprise

The shift to a Cognitive Enterprise

Radically changes how organizations create, deliver, and capture value

	Transaction Processing	The Digital Enterprise	The Cognitive Enterprise
WHAT	Early information technology improved efficiency by applying technology to individual resources or processes	Digital transformation digitizes whole aspects of a business producing customer experiences that support what individuals need or want	The cognitive enterprise incorporates exponential technologies to create revenues and results via **innovative strategies, products, platforms, process transformation, and user experiences**.
HOW	• Paper tracking • Lift and shift • Limited use productivity tools • Labor arbitrage • Localized practices • Labor arbitrage limited • Globalization of practices	• Process automation point solutions • Design thinking principles • Enterprise adoption and change management	• Intelligent workflows • Pervasive automation • Design Thinking+ Agile • Rapid experimentation • Embedded change mindset • Work elimination with blockchain

What is a Cognitive Enterprise?

To understand what a Cognitive Enterprise is, it is important to understand a fundamental concept called-**Business Platforms.**

As professional services companies around the world describe their strategies in terms of platforms, they are anchoring to the idea of a "stage" or "field of operation" — an area where a range of unique capabilities can be deployed and where the companies can seek to establish a control point over a range of value-creating activities.

Thus, **business platforms differentiate an organization by combining data, unique workflows and expertise to drive competitive advantage.** Such Business Platforms will often be underpinned by technology platforms and may connect into other ecosystem business platforms as well.

Imagine the **Cognitive Enterprise as composed of multiple business platforms**. One or more of these acts as the core or primary platform(s), providing key differentiation.

At IBM, we see companies placing bets on the creation of business platforms to solidify competitive advantage and differentiation. These platforms must be digitally connected from the outside-in and cognitively enabled from the inside-out.

Specifically, for Professional Service organizations, we see potential for quantum leap in project execution capability, personnel resource utilization and optimizing the invoice-to-collection cycle, there by delivering clear competitive advantages.

Others see the chance to play a platform role across their industries. A few companies are using platforms to expand their expertise and compete in markets adjacent to — but until now separate from — their traditional businesses.

Frequent enhancements in professional services area include a move to assisted self-service cloud for service delivery and the use of artificial intelligence system capabilities to deliver services by means of resources with lower skill levels.

Types of Business Platforms
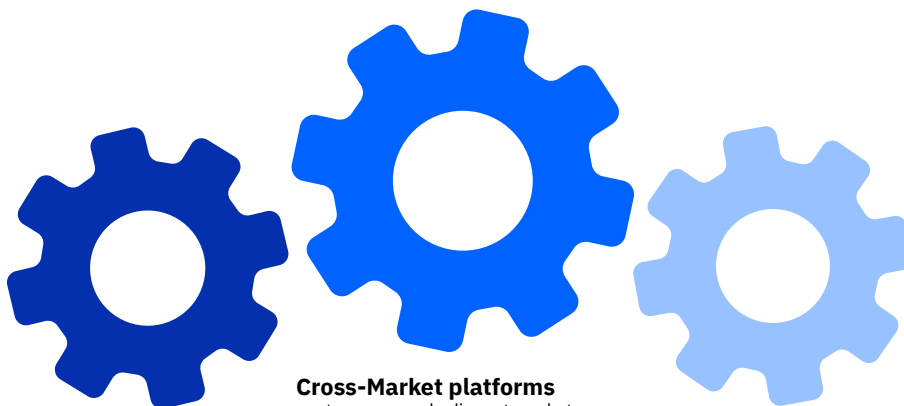
Internal platforms
enable operational competitiveness and make activities within the company more effective and efficient by using new technologies and skills

Cross-Market platforms
capture new and adjacent marketspace by managing essential or value-added processes on behalf of a broader ecosystem of partners that could be previously unrelated

Industry platforms
enhance the company's relative market relevance and position by delivering key process capabilities on behalf of partners and potentially competitors
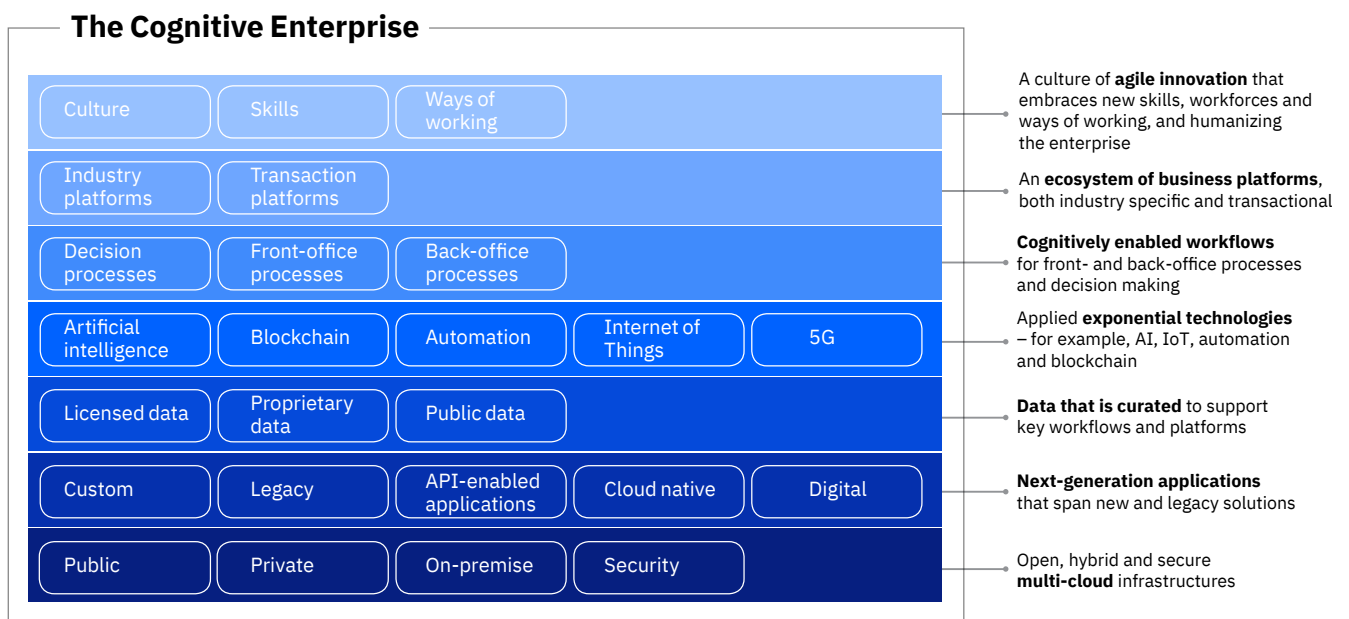
Source: IBM Institute for Business Value (IBV) analysis

Inside the Cognitive Enterprise

A business platform is made up of capability layers, i.e. key aspects of business process or functionality, as highlighted in the diagram below. Each of these capability layers is subject to major transformation with a huge potential for professional services

organizations. We think that incumbents will — as we are increasingly seeing — strike back if they can orchestrate change at scale. Companies have the opportunity not only to enter and secure new markets but also to restructure their cost bases for the long term — with a potentially huge payoffs to their bottom lines.

Capability Layers for the Cognitive Enterprise

The Cognitive Enterprise

| Culture | Skills | Ways of working |

A culture of **agile innovation** that embraces new skills, workforces and ways of working, and humanizing the enterprise

| Industry platforms | Transaction platforms |

An **ecosystem of business platforms**, both industry specific and transactional

| Decision processes | Front-office processes | Back-office processes |

Cognitively enabled workflows for front- and back-office processes and decision making

| Artificial intelligence | Blockchain | Automation | Internet of Things | 5G |

Applied **exponential technologies** – for example, AI, IoT, automation and blockchain

| Licensed data | Proprietary data | Public data |

Data that is curated to support key workflows and platforms

| Custom | Legacy | API-enabled applications | Cloud native | Digital |

Next-generation applications that span new and legacy solutions

| Public | Private | On-premise | Security |

Open, hybrid and secure **multi-cloud** infrastructures

Source: IBM Institute for Business Value (IBV) analysis

Our objective is to leverage exponential technologies listed above in the different areas of Professional Services:

- Artificial Intelligence: Identifying irregularities in insurance and financial assurance, assigning optimal project resources

- Blockchain: Recording compliance in financial, medical and environmental services

- Automation: Period close and reconciliation automation for financial services

- Internet of Things: Monitoring patient well-being in medical services, tracking inventory movements in warehousing

- 5G: Enabling IOT, consignment tracking and fleet health monitoring in transportation services

Digital ERP
With IBM and Oracle

As a trusted and long-standing provider of Oracle services, IBM offers an immense breadth of experience and we believe that we have unparalleled insights into the design, build and deployment of cognitive technologies.

IBM and Oracle technologies for digital ERP are designed to work cohesively for the Professional Services industry to adapt to the future demands of change across multiple finance, project and reporting challenges.

In addition, IBM Cognitive Enterprise suite of add-ons to Oracle ERP Cloud, leverage and enhance core functionality to deliver added business value as outlined in the table below:

	Business Value Drivers	IBM Cognitive Enterprise Platform	ORACLE
Project to profit	• Integrating business acquisitions • Executing profitable projects • Maximize talent utilization • Billing projects with precision • Managing customer collections	• IBM RapidMove for Oracle Cloud • IBM Cognitive M&A System Integration • Project Invoicing Dashboard • Artificial Intelligence Resource Management • IBM Cognitive Collections	• Project Billing • Project Resource Management • Project Management Dashboard • Accounts Receivable • Advanced Collections
Record to report	• Efficient period end close • Intercompany reconciliations	• IBM Project Financials Portal • IBM Touchless Close for Oracle ERP Cloud • BluePrism Intercompany Process Automation	• General Ledger • Financial Consolidation and Close Cloud • Profitability and Cost Management
Procure to pay	• Optimize indirect procurements	• IBM Trust Your Supplier Digital Identity Platform	• Self Service Procurement • Supplier Portal • Accounts Payable and Payments

The following sections highlight industry challenges and detail how the IBM Cognitive Enterprise Business Platform addresses our focused solutions for Professional Services.

2

Enterprise Resource Planning Challenges

Cognitive Enterprise Solutions

Three-quarters of CFOs have cited existential threats of some kind to their enterprises' current business model.

- Six in ten CFOs point to more **innovative competitors** delivering more compelling value propositions.
- Three in ten indicate **new entrants are taking market share**, and approximately one in six point to some combination of product commoditization eroding margins, or online and mobile channel threats.
- One-sixth cite their own **enterprise's struggle to scale for growth** as a leading issue.

"An effective finance organization is not enough — we have to help enable the rest of the enterprise to be agile. That requires reliability, support and understanding the business through insights"

CFO – Brazil
Source: Elevate Your Enterprise — IBM C-Suite Institute for Value

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"We use digital and cognitive capability for better decision making and collaboration."

CFO – India
Source: Elevate Your Enterprise — IBM C-Suite Institute for Value

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Enterprise Resource Planning (ERP) Challenges in the Professional Services Industry

Integrating Business Acquisitions

- **Business Challenge**: Lack of careful planning of manpower and process system integration in Mergers and Acquisitions (M&A) increases the risks to a successful merger.

- **ERP Solution:** A structured IT system integration process decreases overall M&A costs and delivers efficiencies on target.

Executing Profitable Projects

- **Business Challenge**: Significant effort is often required to monitor project costs and profitability to planned targets.

- This is compounded by ongoing changes to project scope, resources and schedules.

- **ERP Solution**: An on-going, 360° view of end-to-end profitability, from planning to collections, facilitates profitable project execution.

Maximize Talent Utilization

- **Business Challenge**: The key challenge is to optimize utilization of resources while simultaneously maximizing billing and profitability.

  - Additional challenges include timely training and subcontracting.

- **ERP Solution**: Resource management tools to optimally assign both generic and specialized personnel, is critical to maximize profitability utilization and successful project completion.

Billing Projects with Precision

- **Business Challenge**: Lack of accurate invoicing leads to disputes, and reduced tracking and collection efficiencies.

- **ERP Solution**: Timely and accurate project invoicing reduces receivables leakages and timely collection.

Managing Customer Collections

- **Challenge**: Lack of overdue receivables tracking reduces working capital and profitability.

- **ERP Solution**: Rigorous tracking of overdue balances becomes an essential collection function.

Efficient Period End Close

- **Business Challenge**: Multiple entities and shared resources could result in complicated processes to manage financial period close.

- **ERP Solution**: Efficient close and timely financial reporting and metrics tracking (such as revenues and margin) are key KPIs.

Intercompany Reconciliations

- **Business Challenge**: Movement of manpower resources and deliverables between different entities result in the need for intercompany cross charging, which often leads to large volumes of intercompany transactions to be initiated and reconciled.

- **ERP Solution**: Automating system functionality to generate and account intercompany transactions and to reconcile them at period end are essential to minimize intercompany overheads.

Optimize Indirect Procurement

- **Business Challenge**: Multiple suppliers, or frequent changes to suppliers, to ensure the optimal price and quality lead to complex supply chains and bureaucracy.

- **ERP Solution**: Tracking, reliability of shipments and visibility of goods from source through sale can be time critical in the event of product defects being identified, providence of the goods sold or meeting the ever-increasing demands of consumers.

# Opportunity in Digital ERP Finance and Procurement

While Professional Services organizations continue to see new threats and challenges from innovative organizations and new entrants, new and exponential technologies — including AI, blockchain, the IoT, robotic process automation, virtual and augmented intelligence are being deployed either within or alongside traditional ERP applications.

The Cognitive Enterprise for Professional Services sets out the business platforms that allows each business to differentiate through process and enable the exclusivity of its data to create competitive advantages and new business models.

IBM Cognitive Enterprise Business Platform provides a suite of solutions to supplement Oracle ERP Cloud functionality to address the individual challenges to Professional Services organizations. The solutions will be addressed in detail in the following sections.

61% of CFO's have identified **competitors using innovative technologies** as an existential threat.
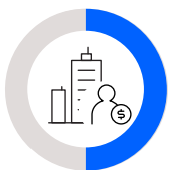
Approximately 50% of CFO's report their finance organizations **aren't as effective as they need to be.**
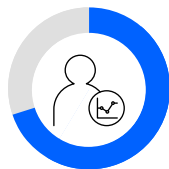
70% of finance leaders have **developed the analytical talent in their finance organization** to partner with the business.

Source: IBM Institute for Business Value
The Cognitive Enterprise: The Finance Opportunity

3

Effectively Integrating Business Acquisitions

Mergers & Acquisitions (M&A) is a low-risk path to professional services growth, bringing in ongoing business, existing clients and pertinent resources from the acquired entities.

Early uptake of your organizational standards and processes by the integrating entities is the key to successful M&A integration.
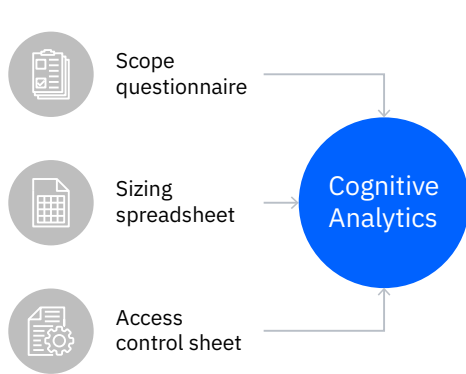
Streamlining the merger processes with enabling technologies will significantly increase likelihood of successful integration.

To enable successful integration of M&As, IBM's Cognitive Enterprise Solutions provide the following approaches:
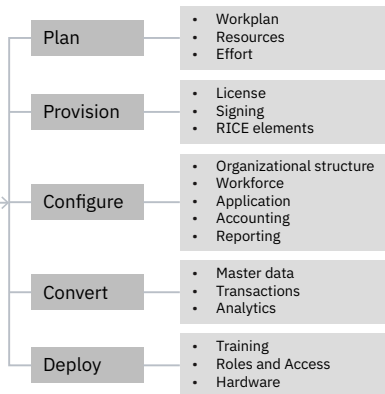
- Utilize **IBM's Cognitive M&A Systems Integration Playbook** to comprehensively plan integration activities, model organizational changes and setup the required configuration.

- Use **IBM RapidMove for Oracle Cloud**, an industry leading tool, that expedites configuration of newly acquired organizational entities in TEST and PROD roll-out environment.

- Leverage Oracle's out of the box data conversion capabilities to easily integrate newly acquired organization master data, open transactions and historical transactions.

IBM Cognitive M&A System Integration Playbook

Integration Inputs

Application Integration Roadmap

Scope questionnaire

Sizing spreadsheet

Access control sheet

Cognitive Analytics

Plan	• Workplan • Resources • Effort
Provision	• License • Signing • RICE elements
Configure	• Organizational structure • Workforce • Application • Accounting • Reporting
Convert	• Master data • Transactions • Analytics
Deploy	• Training • Roles and Access • Hardware

IBM Cognitive M&A Systems Integration Playbook is a list-based intelligent integration tool that uses a suite of templates to collect the business parameters of newly acquired entities to accelerate the timeline to onboard these entities to the acquiring organization's ERP.

IBM's M&A Systems Integration Playbook for Oracle Cloud is driven by the following inputs:

- Scope Questionnaires, to determine updated enterprise legal, operational and financial structures, workforce integration, third-party sizing and new functionality additions;

- Sizing Spreadsheets, to assess configuration and conversion data volumes; and,

- Access Control to Oracle Cloud Applications, to determine numbers and roles for new personnel to be on-boarded

The IBM Cognitive Analyzer is a rule-based engine that processes the inputs to deliver an Applications Integration Roadmap enabling integration activities to:

- **Plan**: High-level Workplan Tasks with Resources and Effort

- **Provision**: Infrastructure sizing, and additional licencing for SaaS and PaaS tiers

- **Configure**: Setups to implement organizational, workforce and application changes

- **Convert**: Data Conversions required for master data, transactions and analytics

- **Deploy**: Provision system roles, data access and PCs and support role-based training
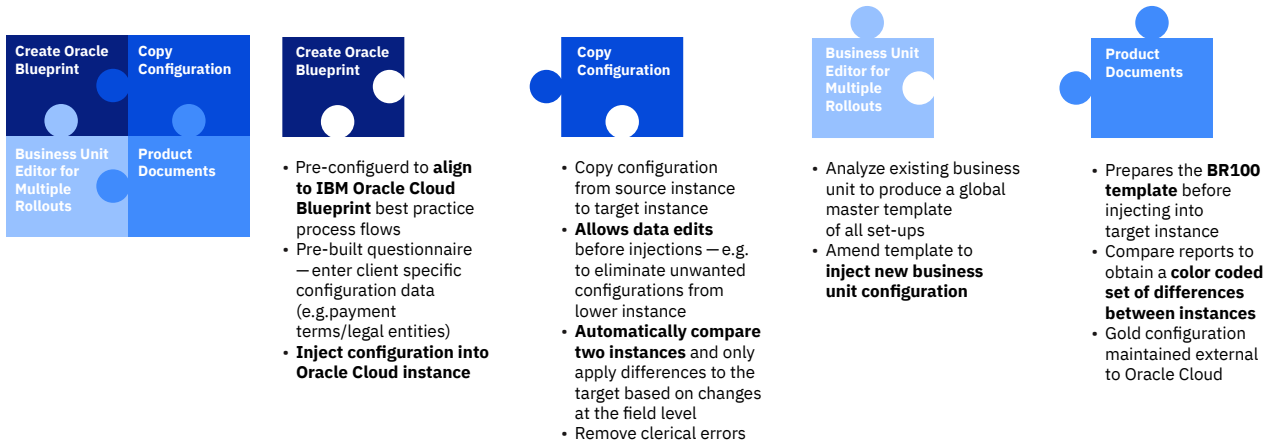
IBM RapidMove for Oracle Cloud

IBM RapidMove for Oracle Cloud is an IBM Method and suite of accelerators developed for Oracle Cloud Applications to accelerate implementation and time to value. One tool within IBM RapidMove is the **Rapid Configuration Manager** which significantly accelerates the process of configuring, upgrading, promoting and propagating application module configurations across the different environments. The tool not only **reduces time to configure by over 80%** but also removes typical risks associated with clerical input errors during manually set-up.

The tool facilitates integration of acquired entities in M&As by rapidly enabling creation of new TEST environments and PROD roll-out of configurations that reflect the business parameters and requirements of these entities.

IBM Rapid Configuration Manager includes the following components for the different stages in the lifecycle of an ERP project implementation:

- **Create Oracle Blueprint** enables the initial reference environment configuration, based on an IBM Oracle Cloud Blueprint, to enable Conference Room Pilot (CRPs) and rapid proto typing.

- **Copy Configuration** enables synchronization of a new environment or existing "GOLD" environment to an updated test environment with finalized configurations.

- **Business Unit Editor for Multiple Rollouts** Enables creation of configured environments by supplementing existing structure with new Business Units for additional countries and acquired business entities.

- **Product Documents** provides configuration reports and allows for review and comparison of multiple Business Units configurations across one or many Oracle Cloud environments.

IBM RapidMove for Oracle Cloud

Create Oracle Blueprint
- Pre-configuerd to **align to IBM Oracle Cloud Blueprint** best practice process flows
- Pre-built questionnaire — enter client specific configuration data (e.g.payment terms/legal entities)
- **Inject configuration into Oracle Cloud instance**

Copy Configuration
- Copy configuration from source instance to target instance
- **Allows data edits** before injections — e.g. to eliminate unwanted configurations from lower instance
- **Automatically compare two instances** and only apply differences to the target based on changes at the field level
- Remove clerical errors

Business Unit Editor for Multiple Rollouts
- Analyze existing business unit to produce a global master template of all set-ups
- Amend template to **inject new business unit configuration**

Product Documents
- Prepares the **BR100 template** before injecting into target instance
- Compare reports to obtain a **color coded set of differences between instances**
- Gold configuration maintained external to Oracle Cloud

Oracle File-Based Data Import

The **File-Based Data Import (FBDI)** is an end-user component of External Data Integration Services for Oracle Cloud and a data loader into Oracle Cloud Applications from external sources, such as legacy systems and third-party applications.

The File-Based Data Import (FBDI) for Oracle Cloud includes the following components:

- Templates to structure, format, and generate the data file according to the requirements of the target application tables.

- File-based load process to load the data files into the interface tables.

- Application-specific data import processes to transfer data from interface tables to the application tables in Oracle Cloud Applications.

The following flow diagram outlines the steps involved in loading data from external sources.
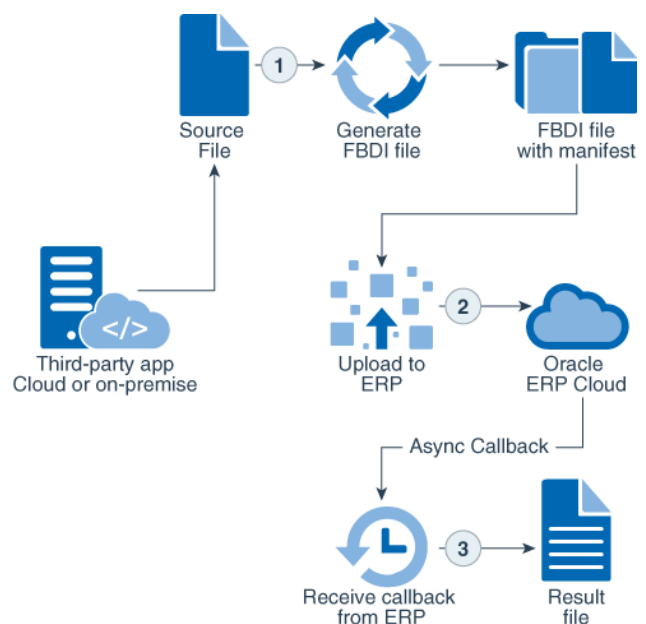
FBDI is a flexible set of integration services that enables automation of some or all components of data conversion steps, especially the transfer to and import of data from interface tables. This tool enables rapid uptake of the acquired entity's transactional data.

4

Executing Profitable Projects

Enabling comprehensive and timely analysis of professional services performance is the key to project profitability, achieved by rigorous monitoring of the financial parameters and taking early corrective actions for any deviations

A key challenge here is the availability of analysis/ reporting on a 100% project basis, as this enables assigning and tracking accountability of individual projects, customers and portfolios.

The IBM Cognitive Enterprise Solutions provide approaches to enable profitable project execution, as detailed below:

- Adopt **IBM Project Financials Portal** for project performance overview and detail.

- Utilize **Oracle Project Management Dashboard** and **Project Financials Reporting** for a 360° view of project cost, revenues, billing and profitability with project status, trends, Key Performance Indictors (KPIs) and financial reports.

Oracle Project Management Dashboard

The **Project Management Dashboard** provides an end-to-end application configuration and administration process to:

- Enable Project, Financial and Team Managers to perform their day-to-day monitoring tasks quickly and more efficiently.

- Utilize Dashboard Infolets to highlight exceptions performance measures and identify key actions required to bring projects back on track.

- Manage the entire project lifecycle from planning, scheduling, costing and revenue from a single location.

Project Management Dashboard
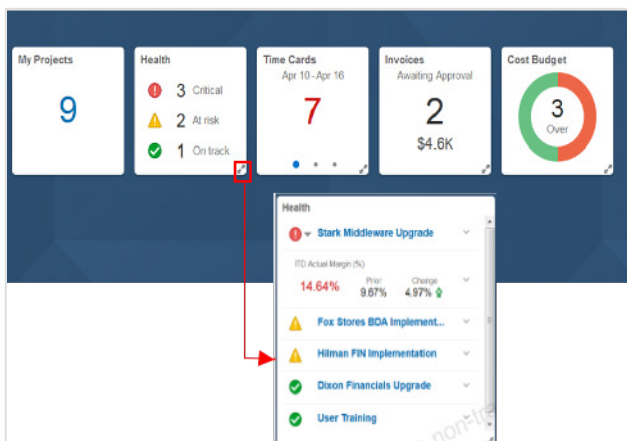
Oracle Project Financials Reporting

Project Financials Reporting provides multiple methods/ tools for reporting, with each method delivering the best match for efficient and relevant reporting within a specific area—this addresses the diverse needs of management reports, financial analysis, transactional intelligence and statutory reporting.

- **Financial Reporting Center** delivers boardroom-quality management reports based on live project balances and hierarchies. With interactive analysis with the report through filtering, expansions and drilldowns for comprehensive understanding of project performance.

- **Smart View** is an Excel-based analysis tool, for financial analysts who need to quickly define financial reports and ad hoc queries within an Excel-based tool. Smart View is directly integrated to Oracle Cloud Project balances in real-time.

- **Transactional Business Intelligence (OTBI)** is designed for operational users who want to create their own custom queries, reports, dashboards, charts and graphs to aid in daily decision-making, based on real-time transactional data in Oracle Cloud Projects.

- **BI Publisher** is ideal for high volume, specifically-formatted transaction-based reports, that provide details of current operational data and formatted documents including invoices, shipping labels, government forms, EFT / EDI files and cheques.

Project Financial Reporting
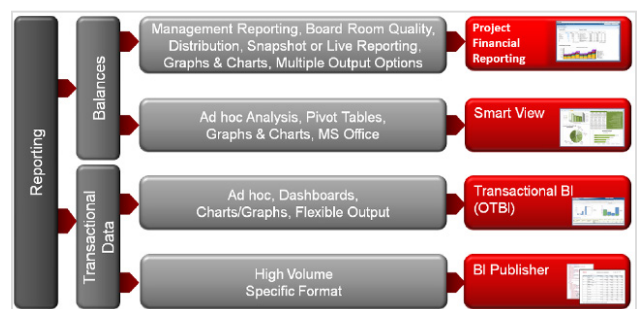
IBM Project Financials Portal

IBM Project Financials Portal provides a comprehensive layer, on top of Oracle Project Billing and Costing module, for analysis of key project financial elements such as costs, revenues, billing and unbilled transaction price/ WIP with a full project-centric view from planning through to collections. This tool:

- Enables multi-tiered analysis of project financial performance

  - Incurred: Evaluates performance on an accrual basis for financial reporting

  - Committed: Assesses current exposure to liquidation value, incl. damages

  - Cash: Appraises project cash flow and actions required to remain cash-positive

  - Budgeted: Forecasts financial results based on current or project-end date with predictive analytics

- Facilitates parameterizable analysis based on financial criteria

  - Filters by customer, manager, portfolio grouping, project type and period range

  - Provides selection/ exclusion parameters for expenditure, billing event and budget type

  - Reports at a summary or detail level with drill-down to underlying transactions

  - Provides predictive analytics to extrapolate expected results based on historic performance on similar projects

IBM Project Financials Portal enables in-depth analysis of financial elements at different levels as detailed in table below:

Project Analysis Tier	Financial Element			
	Cost	Revenue	Invoice	Unbilled Transaction
Budgeted	**ETC Forecast Cost** Time Expense Supplier Invoice Inventory / WIP	**ETC Revenue**	**ETC Invoice**	**ETC Unbilled**
Committed	**Committed Cost** Charged Time Entered Expenses Approved Policy Requisitioned Inventory	**Committed Revenue** Revenue on Committed Cost Provision Commitment	**Invoice in Approval / Transit**	**Committed WIP**
Incurred	**Incurred Cost** Accounted Time Processed Expenses Goods / Invoice Received Released Inventory / WIP	**Revenue** Recognized Accounted Provisioned	**Presented Invoice** Invoices Credits / Concessions Bad Debt Provisions Overdue Provisions	**Unbilled Revenue (Net provision)**
Cash	**Paid Cost** Paid Invoices/ Expense Time Standard Cost Inventory Standard Cost		**Received Payments** Cleared AR Receipts Write Off	**Net Cash**

Project financial management goes well beyond simply planning, capturing, and managing costs on individual projects. It must also address the customer's need to maintain a balance between the project investment and the expected benefits or returns associated with that project, ..., and the overall impact on their business results.

Source: Wilson, S. & Schwartz, C. (2011). Powerful project financials. Paper presented at PMI® Global Congress 2011
www.pmi.org/learning/library/powerful-project-financials-6339

5

Maximize Talent Utilization

Professional Services organizations have varied resource pools of both generic and specialized talent, to enable service delivery in both routine and focused/niche areas.

Also, changes to project timelines and/or scope are common in the industry, especially for organizations with significant number of short-term assignments lasting a few hours or days.

Hence, a predictive, iterative and reliable resource planning and scheduling system is imperative to:

- Utilize and share the available resources equitably among projects

- Maximize billing and profits with optimal utilization of available talent

- Ensure project deadlines are met while quality output is generated

Further, manually updating and monitoring project and resource plans becomes difficult as organizations expand, and projects and resource volumes increase significantly. In these scenarios, Artificial Intelligence (AI) solutions ably supplement manual intervention in resource planning.

AI completes repetitive tasks at a much faster pace and can process a large amount of metadata to provide valuable analytical recommendations for Project Managers such as selecting the most appropriate resource and adjusting task duration based on resource fit.

The IBM Cognitive Enterprise Solutions provide approaches to enable profitable project execution:

- Adopt **IBM Artificial Intelligence Resource Management** to optimally manage project resource, assignment duration and cost.

- Utilize **Oracle Project Resource Selection Dashboard** to select the most appropriate project resource from employee or external resource pools.

IBM Artificial Intelligence (AI) Resource Management

IBM's AI Resource Management supports the following features:

- Human Capital Management: AI Resource Management recommends the best suited employees for a project by matching project requirements with the skill sets of the employees and contractors talent parameters that have been recorded in the system. Additionally, AI factors in past performance of employees in similar projects and requirement profiles.

- Time Management: AI combines current schedule with analysis of past projects and resources to produce an optimal project schedule. If there is a change in project scope or resource plan, AI immediately provides a revised schedule at as well.

- Cost Management: Depending on the type of project, different mathematical models are used for cost estimation, including predictive analysis. AI can use any or all of these models and derive insights from past data to determine accurate forecast of project cost.

Oracle Project Resource Selection Dashboard

Oracle's Project Resource Selection Dashboard helps manage the capacity and deployment of people assets for project work by finding and deploying the most qualified resources to projects, based on centralized repository information such as skills, availability and resource needs.

The net result is improved customer and employee satisfaction, increased utilization, and higher project and enterprise profitability.

Key capabilities of the dashboard include:

- Global resource repository, schedules and availability
  - Access a complete repository of resources, their profiles and shared calendars
  - Secure functions based on project role or organization
- Concise and precise talent requirements, targeted searches
  - Define resource profiles with competencies, availability, job levels, and location
  - Find right people for the right project at the right time

- Candidate nomination and selection
  - Schedule automatic or manually nominate candidates for open requirements
  - Enables workflow for candidate approvals and deployment
- Integrated forecasting and utilization
  - View planned and actual utilization information by individual or organization
  - Generate project budgets or forecasts based on staffing plans
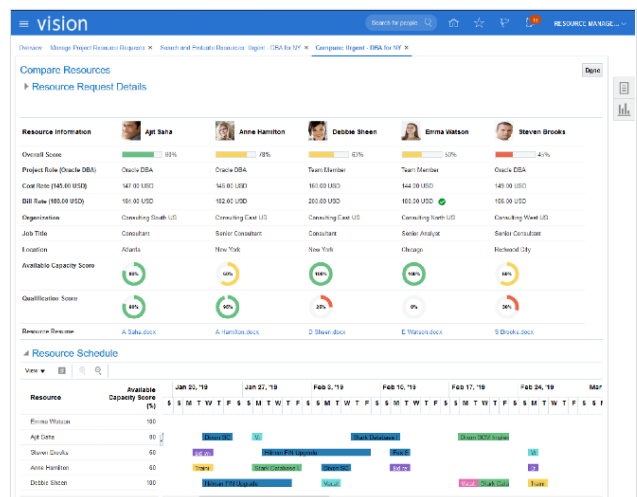
6

Billing Projects with Precision

The Oracle Project Billing module provides a highly flexible approach to project contract-based billing with a variety of billing methods, flexible formatting of invoices and parametrizable billing cycles.

Further, the module enables project invoicing and revenue recognition as independent streams as required by IFRS and GAAP compliance requirements.

A key challenge is the ability to rapidly review, adjust and release generated invoices on a customer, project type or other cross-project, for less structured and lower-value contracts that are less rule-based and more flexible.

Oracle Project Billing provides a solution for every challenge:

Project invoice type	
• Structured • Complex • Rule bared • Controls • Low-volume	• Less structured • Simple • Ad-Hoc • Flexible • High-volume
Solution	Solution
Oracle Project Invoice Work Area	IBM Project Invoicing Dashboard
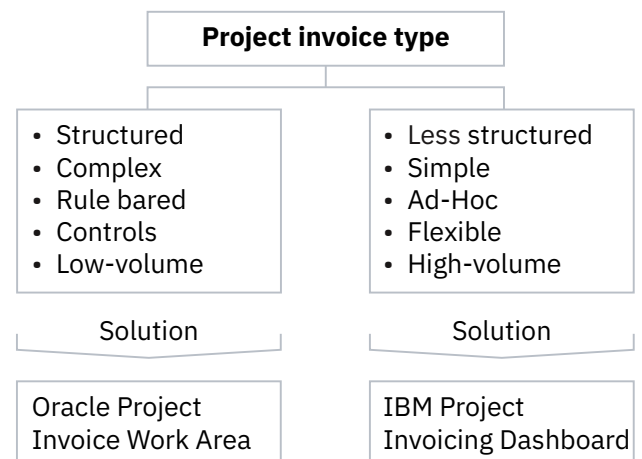
The IBM Cognitive Enterprise Solutions provide approaches to enable precision billing:

• Utilize **IBM Project Invoicing Dashboard** to bill efficiently and accurately with "single-touch" billing for less structured/ad-hoc invoicing with adjustment and ad-hoc charges.

• Use **Oracle Project Invoice Work Area** for automated project invoicing.

IBM Project Invoicing Dashboard

IBM Project Invoicing Dashboard has been specifically designed to cater to mass-invoicing of Professional Services invoices:

- Allows for rapid review, adjustment, generation and printing/ delivery of project invoices.

- Enables simultaneous selection, update and invoicing of unbilled transactions across multiple projects.

- Permits invoice selection based on search criteria like customer/ customer group.

- Provides a simple interface to cater for 'single-touch' billing with entry of minimal billing information.

- Automatically approves and/or released based on business rules specified, with optional extension for specific approval rules.

- Facilitates easy creation of predefined or event-based provisions and write-offs.

Oracle Project Invoice Work Area

Oracle Project Invoice Work Area is an intelligent workspace that:

- Provides single go-to interface to create, view, adjust, finalize and submit invoices for approval for individual projects.

- Presents eligible, billable project costs and events for processing and highlights exceptions in real-time.

- Enables flexible invoicing based on selection of billing basis, billing cycles and billing format.

Oracle Project Invoice Work Area

Invoice Format	Flexible Invoicing	Invoice Basis

Type
- External
- Intercompany
- Interproject

Layout
- Fixed
- Variable

Grouping
- Date
- Task
- Resource

Invoice Format

Flexible Invoicing

Invoice Basis
- Account Based
- Percent completed
- Percent spent
- Rate based
  - Bill rate
  - Cost plus
  - Mark-up

Invoice Cycle

Frequency	Date based	Ad-Hoc
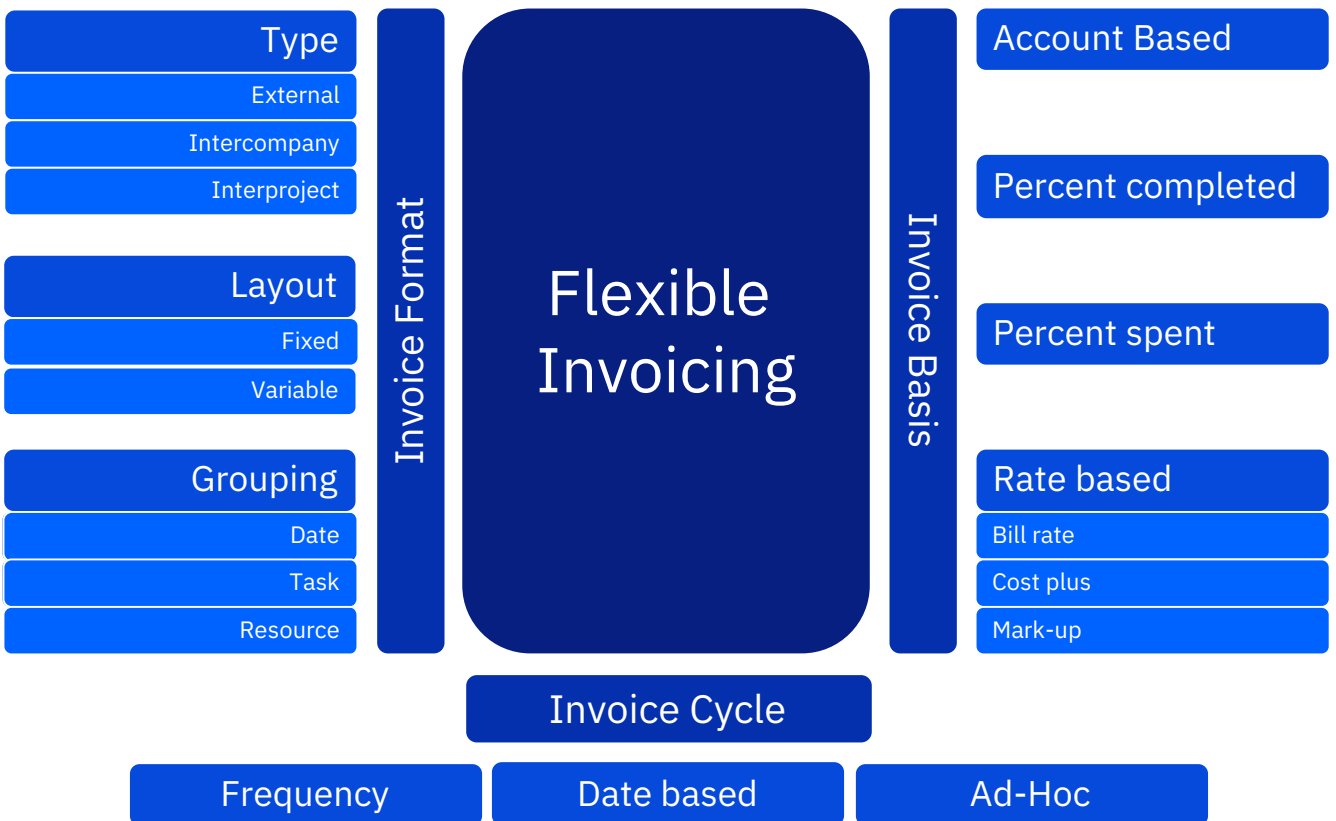
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Managing Customer Collections

Professional Service organizations have multiple collection channels depending on size and complexity of services provided, from EFT and checks to on-line credit card payments and cash receipts.

Oracle Advanced Collections Cloud Service provides a feature rich collection solution allowing optimal and automated collection strategies to be applied to overdue receivable based on client score and transaction history to minimize days sales outstanding (DSO).

In addition, this enables managing and monitoring of customers who have periodic/installment payment commitments and those with overdue and delinquent receivables.

The IBM Cognitive Enterprise Solutions provide approaches to manage customer collections:

- Implement end-to-end trade collections workflow **IBM Watson® Cognitive Collection Platform** (CCP).

- Streamline collection and delinquency handling process with the **Oracle Advanced Collections Cloud** using the appropriate collection strategy.

IBM Watson® Cognitive Collection Platform (CCP)

IBM Watson Cognitive Collection Platform (CCP) is an end-to-end trade receivables collection and dispute management capability providing the following key functions when integrated with Oracle:

- Collection Strategy – accelerators for analytical models that predict customer payment behavior and propensity to dispute

- Smarter Workflow – optimal distribution of workflow to maximize cash collections and enhance customer experience

- eDialer functionality – Enables automated customers communication using channels like email and phone

Oracle Advanced Collections Cloud

Oracle Advanced Collections Cloud Service establishes the link between back-office transactional data and front-office customer management processes, while improving agent productivity and collection results.

Module functionality significantly increases collection success by streamlining processes to apply the right collections strategy to the right customer and to help collect more accounts receivables faster and with less effort.

Collections agents and their managers can use Oracle Advanced Collections to:

- Identify and resolve customer delinquencies
  - Track each delinquency as it moves through the collections lifecycle.
  - Support standard methods of payments that will quickly resolve the delinquent situation.
- Track customer's payment history
  - Calculate collections scores for customers.
  - Review a customer's aging data.
  - View key customer collections metrics and attach notes.
- Plan and execute collections strategies to automate collections management process
  - Identify and automate collection strategy based on customer scores.

All the above functionalities provide tools for the organization to track key collection metrics such as DSO to improve collection efficiency and overall profitability.

Advanced Collections Cloud Service

Order to Cash: 5-7 Days improvement in days sales outstanding (DSO) through IBM CCP

8

Closing Financial Periods Efficiently

Period End Close routines often involve multiple participants liaising around the closure of sub-ledgers, General Ledger and consolidation ledgers to complete reconciliations and address exceptions.

The touchless close process can automate many of the time-consuming administrative activities in what is typically a highly pressurized, time sensitive period of the month.

The IBM Cognitive Enterprise Solutions provide approaches to manage the financial period close:

- Implement automated month-end workflow with **IBM Touchless Close for Oracle ERP Cloud**.

- Model and report profitability and cost from disparate sources with **Oracle Profitability and Cost Management Cloud.**

IBM Touchless Close for Oracle ERP Cloud

IBM Touchless Close for Oracle ERP Cloud automates a significant amount of the month end process, thereby reducing the overall time consumed and providing visibility across the life cycle of the close via dashboards to validate the outcome.

The solution can be configured to provide a flexible model based upon:

- Business Rules – which define the range of activities to be completed as part of the month end cycle

- Activity Definition – Specifying the relationship between each activity and how it should be enacted

- Task Structures – Which allow manual intervention points to be included if necessary

Faster closing cycle	Easy reconciliation	Reduced cost	Operational efficiency	Dashboard
There is a 70% improvement in the time needed for financial	Automating repetitive task reduces manual efforts	40% reduction in cost	Resources utilisation is increased nearly 80%	In-depth review and analysis

Once configured the touchless close provides a simple execution process that can be run and monitored centrally. Tasks, communications and reporting is automated to allow freeing finance teams to focus on value added tasks.

Finance teams often spend significant amounts of time analyzing and reporting data from within the ERP or across multiple systems to either validate or gain greater insight into period end balances and statements. Specifically, in professional services, analyzing large amounts of data to identify the profitability of lines of business is critical.

IBM Touchless Close for Oracle ERP Cloud
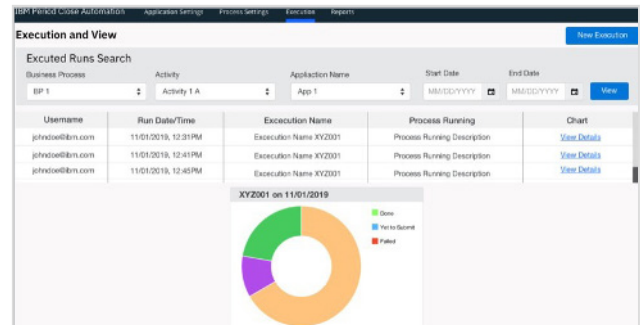
Oracle Profitability and Cost Management Cloud

Oracle's Profitability and Cost Management Cloud application allows multiple sources of data to be brought together from either the ERP or other enterprise applications into a single repository. The data can then be used by business users to configure and model profitability. Mobile enabled dashboard reporting provides a comprehensive view of the outcomes and can be used to support variance and what-if analysis. Alternatively, detailed three dimensional queries can be developed using Oracle's SmartView for Cloud SaaS capability to assess the make-up of account balances within the ERP.

Oracle Profitability and Cost Management Cloud

The Touchless Close process was deployed within a global manufacturing company with an annual revenue of $7.5B.

Decision support and issue resolution is now powered by chatbots and machine learning to resolve system and data issues.

This has led to a reduction in cycle time of 3 days in each month end and annual savings of $2.5M.

Most organizations have between 17-25 staff members participating in the typical period end close cycle with an average time of close taking around 7 days to complete and the cost being 0.2% of revenue.

9

Reconcile Intercompany Transactions

In a recent report based upon research by the McKinsey Global Institute:

40 percent of finance activities (for instance, cash disbursement, revenue management, and general accounting and operations) can be fully automated, and another 17 percent can be mostly automated.

Source: Bots, algorithms, and the future of the finance function, January 2018 Mckinsey.com

Typically, Professional Services organizations experience many intercompany transfers resulting from sharing manpower resources and deliverables across legal entities with similar businesses.

Labor-intensive month end procedures typically associated with reconciling those entries can be optimized using automated processes

The IBM Cognitive Enterprise Solutions provide an approach to intercompany reconciliation with **Blue Prism Intercompany Reconciliation.**

The Blue Prism Intercompany Reconciliation enables efficient processes which require critical control procedures to be automated.

Based upon our case studies we have estimated
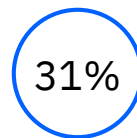
31%	100%	28%
Productivity gain based upon automation of intercompany	Accuracy in the results recorded	Reduction in the number of journals being raised to support intercompany
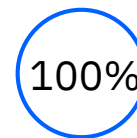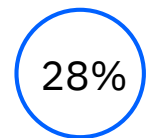
The solution has been scaled to work across large organizations with examples of conglomerates with hundreds of entities, each group having intercompany reconciliations automated.

The solution enables efficiencies to be recognized through:

- Analyzing historic requests and trends in intercompany requests and transactions.

- Establishing how these can be consolidated.

- Enabling common repositories and data sharing mechanisms for receiving and saving intercompany requests and their results.

- Automating the processing of the intercompany transactions.

10

Optimize Indirect Procurement

Embedding and enabling leading practices within procurement process requires enforcing rigor within the sourcing process to ensure the optimum value is derived.

Additionally, adopting streamlined systems, compliance and processes is critical to realizing those benefits.

The IBM Cognitive Enterprise Solutions provide an approach to optimize procurement using analytics insight with Trust Your Supplier Identity Platform:

- Enable **Trust Your Supplier** for supplier sourcing optimization with in-depth data insights to ensure compliance based on verified sources.

- Facilitate end-user requisitioning and receiving with **Mobile Oracle Self service procurement** templates and approval flows.

- Offload routine supplier management functions by facilitating supplier self-service with **Oracle Supplier Portal.**

Trust Your Supplier Digital Identity Platform

Trust Your Supplier (TYS) simplifies and accelerates Supplier Onboarding.

TYS is *the* trusted source of supplier information and digital identity that simplifies and accelerates supplier onboarding and lifecycle management.

- Eliminates redundant submission of the same supplier information to different buyers
- Reduces time to first transaction
- Incorporates key supplier information verified by trusted third-parties
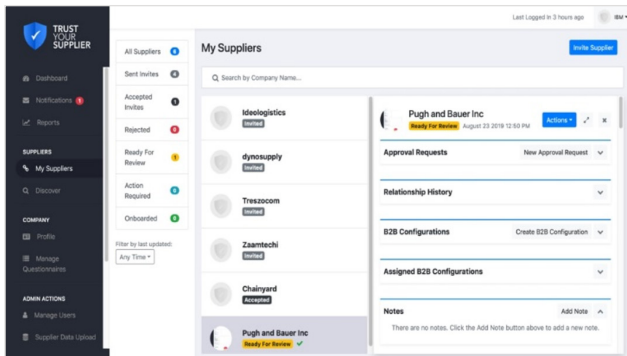
Key business benefits to suppliers, organizational buyers and verifiers are listed below:

Suppliers

Eliminates redundant collection and submission of the same information multiple times to different buyers

Reduces time for a new buyer to onboard you and get to the 1st PO

Increased trust in your identity across the network due to validations by 3rd parties and up to date information

Buyers

Provides immediate access, real time to updated and current supplier data at a fraction of cost

Greatly simplifies current technology and process, reducing supplier approval cycles

Minimizes supplier risk and ensures compliance

Verifiers

Easy, trusted access to supplier compliance data

Provide credibility and compliance of network members

Increased opportunity with visibility to the entire network of buyers and suppliers

Learn more about Trust Your Supplier by visiting www.ibm.com/blockchain/solutions/trust-your-supplier

How TYS works

- Trust Your Supplier creates a digital passport for supplier identity on the blockchain network that allows suppliers to share information with any permissioned buyer on the network.

- Blockchain ensures a permissioned based data sharing network. This should help reduce the time and cost associated with qualifying, validating and managing new suppliers while creating new business opportunities among suppliers and buyers.

- Third-party validators, such as Dun & Bradstreet, Ecovadis and RapidRatings provide outside verification or audit capabilities directly on the network.

Oracle Self Service Procurement Cloud

Oracle Self Service Procurement Cloud application from Oracle provides a means of categorizing, tagging and defining templates which allows for goods and services to be easily identified, selected and requested.

- Users raising purchase requisitions are provided with a UI which enables them to easily search, drill or punch-out to catalogues of goods and services.

- The application can be accessed either on a mobile device or from the user's desktop.

- A fully automated approval, notification-based system allows requisitions to raised, approved and purchase orders automatically issued.

**Mobile Self Service Procurement**
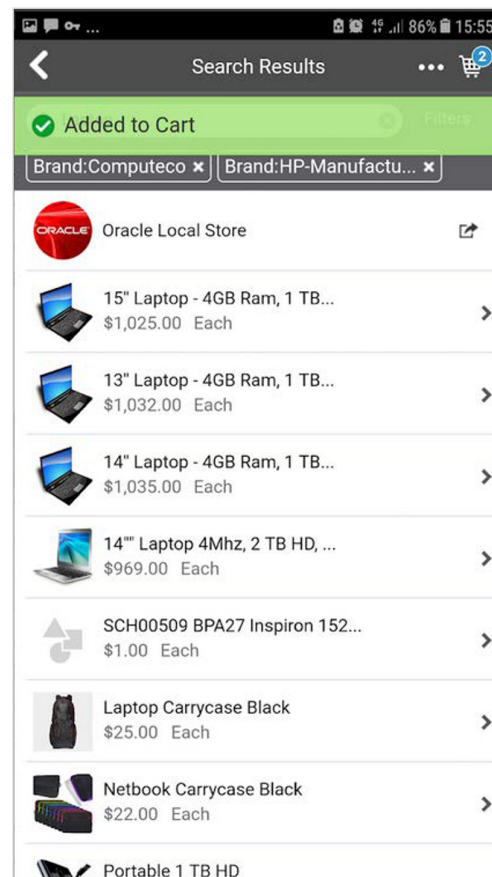
Oracle Supplier Portal

The Oracle Supplier Portal provides a self-service mechanism for suppliers to both receive their purchase orders and raise queries/request changes to them.

The Portal also includes several other self-service functions helping reduce the burden of administration and addressing queries. The Oracle Supplier Portal provides the supplier the capability to:

- Maintain catalog data

- Submit Advance Shipping Notifications

- Request changes to their data
  (e.g. changes in address)

- Submit AP Invoices

- View the status of their invoices and payment
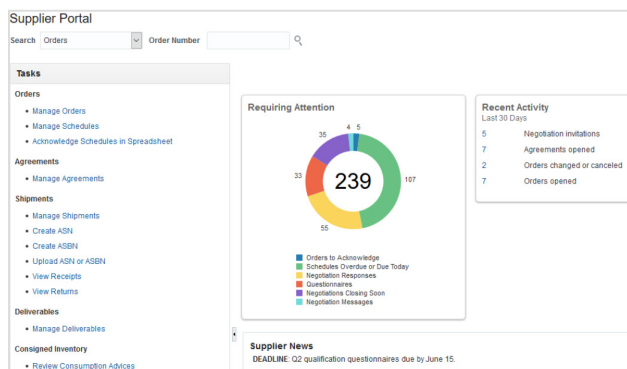
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Client Case Study

" Migrating a professional practice management system to the cloud in just over a year was a major achievement, and IBM made sure we met our deadline. "

— **Robert Mainville,**
   Vice President of Finance,
   Raymond Chabot Grant Thornton

Raymond Chabot
Grant Thornton

Problem

- Modernize old legacy enterprise applications with Oracle ERP Cloud to standardize on leading business practices.

- Enable real-time project information access for better decision making.

- Increase speed and accuracy of services billing.

- Provide integration with legacy application including in-house, client and project portals.

Requirements

- Harmonize and automate the project management process across various regions and project size.

- Access to management information with integrated Business Intelligence.

- Leverage Customer Experience (CX) tools to improve sales and marketing.

- Address specific gaps in the current system in: Business development, Management of resources and costs, Financial analysis, Financial statements and Data mining.

Read success story ibm.biz/rcgtcasestudy

Solution

- Oracle CX Cloud

- Oracle EPM Cloud

- Oracle ERP Cloud (Financials, Project Portfolio Management)

- Oracle SCM Cloud (Procurement)

- Integrated Transactional Business Intelligence

- IBM Project Invoicing Dashboard

Results

- Provides real-time access to business insights that replace overnight data processing and dated reports

- Takes advantage of modern business practices for increased workforce productivity

- Migrates and converts 150,000 open projects for 45,000 clients and 2,800 employees

12

What's Next?

Convergence of technological innovation, social and regulatory transformations have made the Professional Services industry a dynamic marketplace. To keep up with the disruption, the emergence of the Cognitive Enterprise is inevitable. The ability to manage the needs of your customers, regulators, suppliers, workforce and stakeholders to drive efficiency and optimize the finance and procurement function is paramount to the success of the enterprise.

The opportunity to harness Oracle's vertically integrated Project, Finance and Procurement Cloud with IBM's Cognitive capabilities have the potential to accelerate industry transformation into intelligent automation.

To learn more about or request a demo of IBM's Oracle Project, Finance and Procurement Cloud capabilities with Cognitive in the Professional Services industry, please reach out to your IBM client executive.

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Why IBM

IBM is one of Oracle's largest and most experienced systems integration partners, jointly helping customers for over 35 years

Oracle Partner

10,000+ dedicated Oracle consultants

2,000+ Oracle Cloud certifications

375+ Oracle Cloud go-lives

10+ Oracle-specific delivery centers

Oracle Cloud Garage

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Authors

Manny Subramani
North America
Oracle Consultant
mannys@ca.ibm.com

Christophe Lazure
North America
Oracle Consultant
christophe.lazure@ibm.com

Jean Bernard Caisse
North America
Oracle Partner
jbcaisse@ca.ibm.com

George Sirmalis
North America
Oracle Associate Partner
george.sirmalis@ibm.com

Rob Churchyard
Global
Oracle Practice Leader
robert.churchyard@uk.ibm.com