



The Cognitive Enterprise for Oracle ERP Cloud in Energy and Utilities

Powered by IBM and Oracle



ORACLE | Partner

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Contents

The Cognitive Enterprise for Energy and Utilities	02
Finance and Procurement Challenges	06
The Cognitive Enterprise for ERP in Energy and Utilities	09
Conclusion	24
Why IBM	25
Authors	26

1

The Cognitive Enterprise for Energy and Utilities

A new era of business reinvention

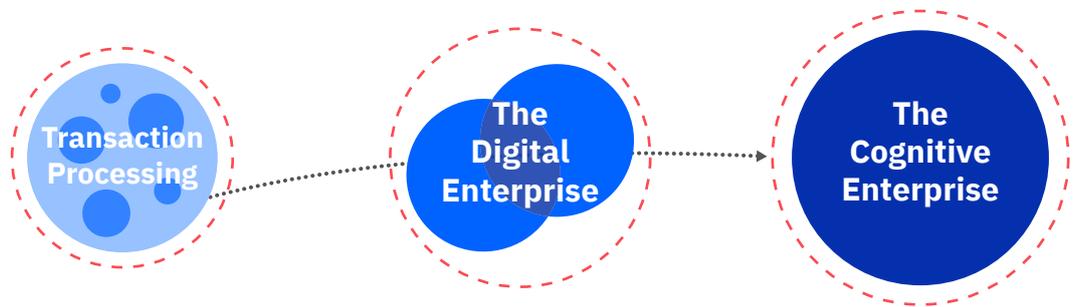
A new era of business reinvention is dawning in the Energy and Utilities Industries. Organizations are facing an unprecedented convergence of technological, social and regulatory forces. As cloud, artificial intelligence (AI), automation, Internet of Things (IoT), blockchain and 5G become pervasive,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

We call this next-generation business model...

The Cognitive Enterprise

The shift to a Cognitive Enterprise

Radically changes how organizations create, deliver, and capture value



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, and experiences.
HOW	<ul style="list-style-type: none"> • Lift and shift • Labor arbitrage • Limited globalization of practices 	<ul style="list-style-type: none"> • Process automation point solutions • Design thinking principles • Enterprise adoption and change management 	<ul style="list-style-type: none"> • Intelligent workflows • Pervasive automation • Design Thinking+ agile • Rapid experimentation • Embedded change mindset • Work elimination with blockchain

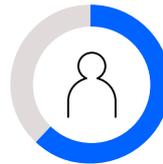
Digital ERP Finance and Procurement – The opportunity

Energy and utilities organisations continue to see new challenges from evolving legislation, the increasing demand for green technologies and increasing customer competition.

New and exponential technologies – including AI, the IoT, robotic process automation, virtual and augmented intelligence are being deployed either within or alongside traditional ERP applications

The Cognitive Enterprise for Energy and Utilities sets out the business platforms powered by IBM and Oracle that allows each business to:

- differentiate through process;
- better exploit and enrich its data to improve planning and create competitive advantages and;
- ensure it more efficiently manages its legislative and compliance obligations.



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

Digital ERP

With IBM and Oracle

IBM and Oracle technologies are designed to work cohesively for the energy and utilities industry and to adapt to the future demands and challenges faced in finance and procurement

ORACLE®

IBM®

 <p>Procure to Pay</p>	<p>Supplier Qualification Management Sourcing and Procurement Contracts Invoice Imaging (OCR) Intelligent Payment Discount</p>	<p>IBM Supplier IQ Blue Prism Automated Matching Watson Agent Assist Maximo Asset Management</p>
 <p>Budgeting, Forecasting and Controls</p>	<p>Reval for Cash and Liquidity Cash Management Accounts Reconciliation Project Portfolio Management Fixed Assets</p>	<p>Cognitive Financial Planning</p>
 <p>Record to Report</p>	<p>Revenue Cloud Management Financial Cloud and Consolidation</p>	<p>IBM Touchless Close</p>

2

Finance and Procurement Challenges

In a recent survey for CFO Magazine when asked about the state of their finance function's technology, most of the respondents — a combined 63% — describe it as “inefficient,” “silo-constrained,” or “not linked to decision-making.”

— CFO Magazine

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

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

CFO – India

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

74%

of CFOs cite existential threats of some kind to their enterprise's current business model. Well over half of that 74 percent say their organizations face threats from competitors using innovative technologies or approaches.

SOURCE: IBM Institute for Business Value
CFO Perspective. IBM Institute for Business Value. 2018.

Finance and Procurement challenges in the Energy and Utilities Industry



Complex Supplier Sourcing and Tracking

- Specialist suppliers who are compliant is often as much a consideration as cost, therefore maintaining a record of the appropriate suppliers for specific activities is critical in ensuring only valid suppliers are considered
- The selection of suppliers to undertake work or provide services necessitates robust selection tools which provide a robust audit trail prior to contracting



Invoice Matching

- Significant effort is often required in matching of invoices to the correct orders and/or receipts as well as early identification of exceptions
- Poor results in matching can lead to manual intervention as well as the loss of discounts or disruption in the supply chain from slow or non payment
- In turn this can result in the additional overhead of managing queries from suppliers



IFRS15/ASC606 Compliance

- Whether selling services into the wholesale market or to customers, energy and utilities manage multiple types of revenue
- New IFRS15 and ASC606 legislation requires that revenue to be accounted for and managed in a way which reflects many of the nuisances of how goods and services are billed (e.g breakages, installations, standard tariffs)



Capital and Cash Management

- Complex cash management arrangements result from the high volume of cash receipts and payments received from customers and reconciling these
- In addition, due to the large amounts of capital investment often required by utilities and energy providers maintaining a view of short, medium and long-term liquidity is critical to ensuring the business can operate successfully



Budgeting and Planning

- Continual budgeting and forecasting are a critical financial planning activity in any organization, but particularly in energy and utilities
- Sophisticated short, medium and long-term planning tools are needed to support strategic decision making and enable potential changes to be assessed based on different scenarios and outcomes



Project Controls, Costs and Management

- Running many thousands of projects and programs means having to maintain complex reporting structures which allow the progress and scope of projects to be monitored
- Ensuring the costs associated with those projects are accurately and efficiently recorded is critical in enabling financial planning and reporting



Asset Tracking and IFRS16/ASC842 Compliance

- Utilities and Energy companies often have many assets, ensuring they operate successfully is critical to them and their customers. Therefore, early identification of potential issues and repair and replacement is key.
- Energy and utilities companies often have a varied range of assets and due to the specialist nature of operations may lease high value of assets for a period. These leased assets now fall under IFRS16 legislation which requires organizations to maintain a record of and account under specific rules



Period End Close Management

- Multiple systems and participants often result in complicated, time consuming processes required to manage the financial close at period end.
- Distributed operations and project accounting/financial management teams often working across multiple lines of business result in complex data sets which require consolidation for analysis

3

The Cognitive Enterprise for ERP in Energy and Utilities

“Using cognitive capabilities embedded within procurement, IBM experienced a USD 65M saving year on year in 2017 and expected a similar saving to be achieved in 2018”

SOURCE: IBM Institute for Business Value
Cognitive Procurement: Seizing the AI opportunity.

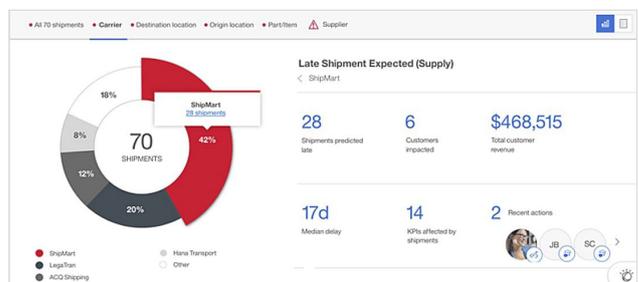
Cognitive Sourcing, Selection and Qualification

- Model and track supplier sourcing activities from requisition through to contract using applications and data integrated with the core ERP.
- Use cognitive tools to inform and support better decision making around supplier selection

Supplier IQ is IBM's procurement insights solution using big data and analytics to measure supplier performance and support sourcing decisions. It enables employees to improve productivity and decision making, by providing:

- **Comprehensive company profile assessments** based on aggregated data from internal and external sources
- **Analytical Insights** which provide KPI benchmarking assessments
- **Analysis of unstructured data** such as news reports and general market analysis to drive decision making

IBM Supplier IQ



Using Supplier IQ can help an organization more quickly get a more rounded picture of the suppliers it maybe seeking to contract with. It provides a suite of data that **helps procurement professionals make informed decisions** based upon market data, makes them less reliant on the responses that would typically be received via an RFX, and removes the need for time consuming research.

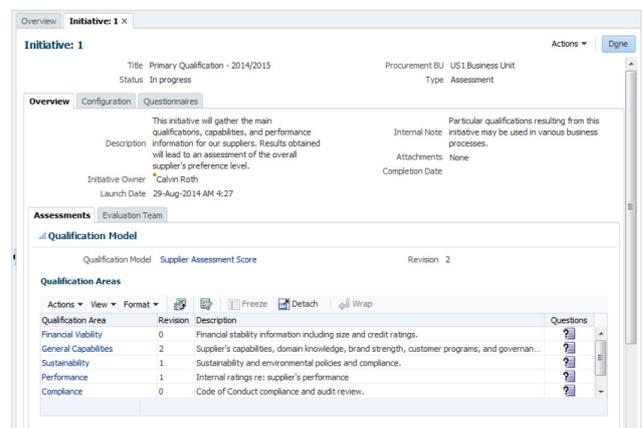
Oracles suite of core procurement products provides a means of capturing and qualifying your suppliers through to contracting with them quicker and more efficiently. In addition, it allows you to leverage the master data within Oracle used for other Purchase to Pay processes to enable more consistent and efficient use of data and provide consistent, reliable reporting throughout the source to pay cycle. Specifically, Supplier Qualification, Sourcing and Contracting tools provide:

- **Online collaborative tools:** Allowing you to request and maintain qualification information, share RFX and ITT requirements and negotiate contracts
- **Maintain a single source of truth:** Maintain data sets about suppliers and their contracts, allowing you to better understand their ability to participate in new procurement activities or more quickly identify their suitability for participation in sourcing events
- **Expedite the Contracting Process:** Use the information captured in supplier qualification and configurable terms libraries to reduce the amount of time in tendering and contracting
- **Maintain Control:** Use configurable online approvals and controls to ensure the necessary checks are in place prior to approving a new contract

Oracle Sourcing



Oracle Supplier Qualification



Efficient Invoice Matching and Management

- Use Optical Character Recognition (OCR) to automate the creation and matching of invoices to purchase orders
- Manage exceptions through automated distribution of notifications and automated matching using robotics

The receipt, sorting and management of supplier invoices often leads to a large amount of paper being handled by accounts payable, procurement teams and local plants and depots.

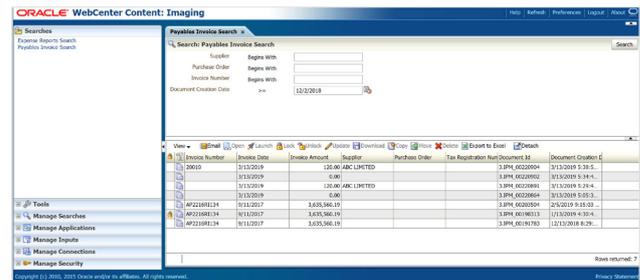
This can lead to delays in payment, lost paperwork and a frustrating experience for internal stakeholders as well as the supplier.

Multiple invoice contact points for suppliers and a manual workflow for each invoice incurs a significant cost in the processing of each invoice.

The **Integrated Invoice Imaging Centre** from Oracle provides 2 primary options to enable the automated receipt, match and workflow of invoices:

- Suppliers email their invoices to a common address from where it will be imported directly into the ERP
- Where suppliers still send paper copies, scan the invoice locally to create an electronic record and have the invoices automatically imported into the ERP

Oracle Invoice Imaging Centre



Whether scanned or received via email Oracles Intelligent Character Recognition will read the invoice, create an invoice record, attempt to match to a Purchase Order (where appropriate) and where there are exceptions send these via electronic workflow to the relevant internal teams for resolution

According to a recent survey for the AP Association:

- 57% of all invoices were just received loosely on pieces of paper
- 54% of businesses said invoices were being sent to the wrong place
- 36% said they were concerned with late payments due to process delays

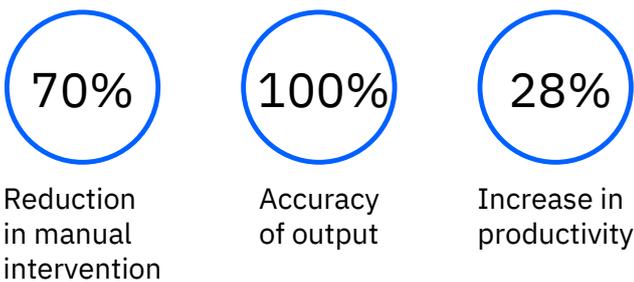
Source: AP Association (Accounts Payable Association)
www.ap-association.com/facts-statistics

The **Blue Prism Automated Matching** solution provides the opportunity to significantly reduce manual intervention from the AP team in managing:

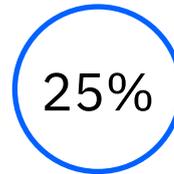
- Either those invoices where OCR has not been able to achieve a match; or
- Enable automated matching for those suppliers who are used on a one-time basis or persist in sending paper invoices

Using Blueprism, the automated Robotic Process is typically able to book more invoices per month, with improved accuracy and significantly reduce the need for manual intervention.

IBM implemented Blueprism to automate the booking of receipted Purchase Order invoices from workflow to the ERP and achieved the following results:



The **Watson Agent Assist in Accounts Payable** provides a Guided call assist for Accounts Payable and Travel and Expense helpdesk agents via cognitive question and answer support. It has proven to support higher client satisfaction through better first call resolution and reduced call center costs in dealing with supplier and internal queries relating to payment and invoices.



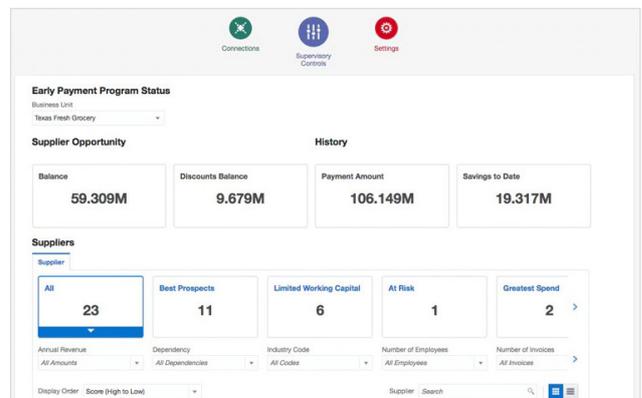
Reduction in service call re-open rates



Increase in user satisfaction

The **Oracle Intelligent Payments** application is part of Oracles adaptive intelligence suite in which recommendations for discounts are made based upon the most up to date supplier profile data. It enables discounts historically missed under contracts to be recognized and savings made.

Oracle Intelligent Payment Discounts



IFRS15/ASC606 Compliance

- Comply with revenue management legislation using sophisticated reporting tools
- Use standard integrations to derive data from the ERP and other sources to monitor compliance

New revenue recognition standards have been introduced under IFRS15 or ASC606. This is applicable to energy and utilities companies as it defines how to account for revenue when managed under a contract between two parties. In energy and utilities this could apply to scenarios such as:

- **Power Sales Agreements** – Where a generator sells energy into the market
- **Revenue from regulated tariffs** – As this is an implied contract between customer and provider
- **Home Services** – Including installation and monthly, quarterly or annual support services

New standards in how and when revenue is recognized and accounted mean traditional contract management and billing solutions either within your ERP or 3rd party systems do not provide the capabilities to manage the new accounting guidance.

Oracle's Revenue Management solution enables you to meet the new accounting standard using data from Oracle Fusion along with other 3rd party systems which may support billing and customer management.

Data including contracts, sales orders, service contracts and projects can all be imported and used in determining the appropriate revenue recognition calculation.

Oracle Revenue Cloud Management

The screenshot displays the Oracle Revenue Cloud Management interface. At the top, it shows 'Edit Customer Contract' with a 'Header Information' section. Below this, there are fields for 'Number' (200), 'Date' (1/1/16), 'Transaction Price' (2,379.00 USD), 'Status' (Revenue Not Reported), 'Press Date' (1/1/16), 'Revenue Recognized' (873.45 USD), 'Allocation Status' (Allocated), 'Exchange Rate Date' (1/1/16), 'Billed' (540.00 USD), and 'Allocation Pending Reason'. A 'Performance Obligations' section is visible below, containing a table with columns: Number, Classification, Full Satisfaction Date, Selling Amount, Allocated %, Allocated Amount, Revenue Recognized, Billed, Extended Revenue Price, Exemption Implied, Identification Rule, and Last Updated Date.

Number	Classification	Full Satisfaction Date	Selling Amount	Allocated %	Allocated Amount	Revenue Recognized	Billed	Extended Revenue Price	Exemption Implied	Identification Rule	Last Updated Date
306	Subscription	1/1/16	120.00	4.17	99.95	99.95	120.00	120.00	No	Subscription PCl rule	4/15/16
308	Subscription	1/1/16	945.00	32.81	780.84	0.00	0.00	945.00	No	Subscription PCl rule	4/15/16
400	Device	1/1/16	209.99	29.30	673.41	673.41	209.99	614.99	No	Device PCl rule	4/15/16
401	Subscription	1/1/16	1,014.96	34.73	626.55	102.99	126.87	1,000.32	No	Subscription PCl rule	4/15/16

Using the capabilities and data imported into the Revenue Cloud Management, the solution can:

- **Identify the Contracts and Separate Performance Obligations** – By storing data in a central repository it can analyze and use the configured rules to identify and create performance obligations and contracts
- **Determine Transaction Price** – By calculating the total of order values included within a contract
- **Allocate Transaction Price** – By automating the calculation of stand-alone selling prices. Selling prices can equally be uploaded using spreadsheets
- **Recognize the revenue when the performance obligation is satisfied** – Using complex configurable rules it will then automatically generating the appropriate accounting for liabilities, assets, discount liabilities and revenue

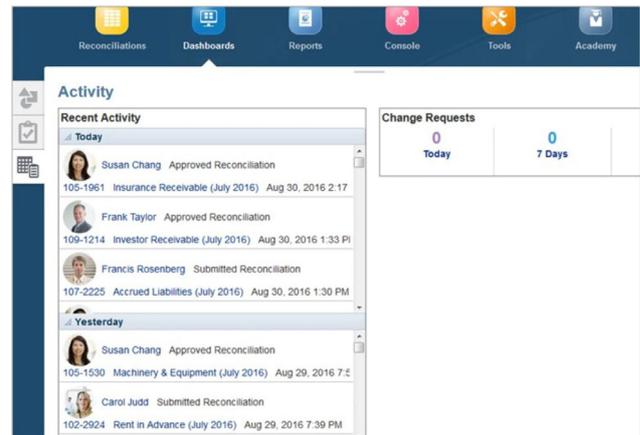
Capital and Cash Management

- Manage the multiple sources of receipt data whether from other businesses or consumers and use configurable rules to automate the reconciliation and report on exceptions
- Use real time insights to report and manage liquidity positions and risks

Oracle **Accounts Reconciliation Cloud Service (ARCS)** is a configurable matching and reconciliation tool that provides workflow and seamless integration with Oracle Cloud ERP, EPM or other data sources to enable large volumes of data such as receipts to be brought together from modules including **Oracle General Ledger, Cash Management** and **3rd party sources** and reconciled.

Reconciliations can be automated using pre-built or configured rules. The application includes dashboards and workflows to support exception resolution and therefore allows the reconciliation of sales to the multiple receipt types (e.g. cash, direct debit etc) to be completed without the need for significant manual analysis.

Accounts Reconciliation Cloud Service



Additionally, ARCS provides re-assurance via:

- **Compliance** – Using audit controls to track all activities
- **Workflow** – Sign off and Approvals
- **Role Based Controls** – Ensuring access to specific data sets or functions are only accessible to relevant teams

Whilst Utilities and energy companies typically have large amounts of small cash transactions to manage from consumers, equally they need to manage long term cash flow based upon the required investments in large capital projects.

“ Our operations are complex, but IBM Planning Analytics makes it simple to get an overview of our financial performance. We can build every report we need within the platform.”

Olli Niiranen
Business Controller
Huurre

To ensure companies are able to monitor their cash and liquidity position IBM recommends **Reval**, an Oracle partner who provide a leading class solution with the following capabilities:

- **Enterprise-wide view** – of a company’s cash position, providing a view of risk exposures and support decision making
- **Integrated planning** – use the integration tools to draw data from Reval and other sources to support strategic funding and investment decisions
- **Liquidity Monitoring** – Provides the capabilities to set limit monitoring controls, manage debt and investments and monitor and report on intercompany loans.

Budgeting and Planning

- Use integrations with the ERP to manage project and wider corporate financial planning activities
- Use standard dashboards and reports to get immediate views on the state of the organisation based on forecasts and plans
- Define custom financial models which can be continuously refined to support improved decision making

IBM Planning Analytics, powered by IBM TM1, automates your planning, budgeting, forecasting and analysis processes. It offers the full functionality of spreadsheets while eliminating manual tasks to drive efficiency.

The solution can access data from multiple sources, including your Oracle ERP along with other ERP and 3rd party systems to automate the planning, budgeting and forecasting activities.

The analytics tools it provides are critical to a business in an industry such as energy and utilities where changing customer demands, new legislation, climate change and complex long term investment programs need sophisticated agile planning tools. Using IBM's Planning Analytics you can:

- **Use configurable models** to perform in-depth, what-if scenario analysis to test assumptions and compare alternatives
- **Build multidimensional models** to analyze profitability by service, region, offering and more
- **Identify and unlock insights**, with predictive insights uncovered automatically
- Report on and communicate insights with **compelling, self-service visualizations**
- **Use online collaboration** with multiple internal parties to refine and maintain the plan
- **Integrate multiple plans** across Finance, Sales, Supply Chain, Operations, HR and more

IBM Cognitive Planning Analytics



Project Controls, Costing and Management

- Control and report on project financials and execution throughout the entire life cycle
- Use the inherent integrated transactional data to ensure costs are captured and reportable quickly to ensure accuracy and visibility using standard dashboards and reporting capabilities

Managing projects which run for short periods or for many years is a common consideration for many energy or utilities organizations.

Maintaining what can often be a varied range of projects whether in terms of length, value or complexity means having to enable sophisticated master data and reporting tools to structure your projects and then manage the costs and billing associated with those projects.

Oracle's Project Portfolio Management suite provides a full spectrum solution to meet these requirements. It is also completely integrated with Oracles wider financial and procurement capabilities as well as providing standard out of the box integration with Oracles broader EPM planning and reporting tools.

Specifically this allows you to:

- Maintain complex projects and work break down (WBS) structures, but **align these with your broader enterprise structure** to support reporting
- **Use configurable workflows** to manage the approval and automate the capture of costs and commitments against your project and WBS using purchase requisitions

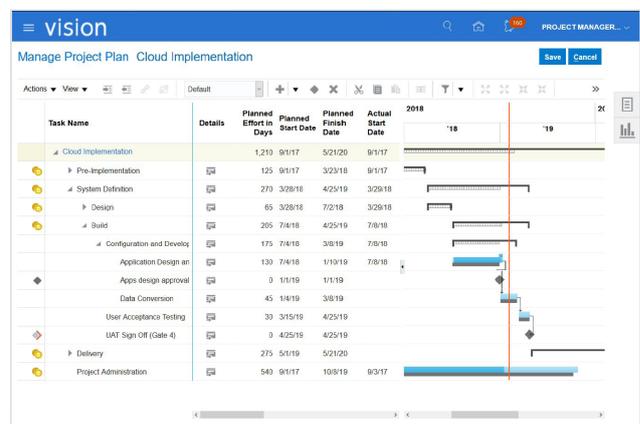
- Define and maintain budgets and forecasts against your project that enables **controls over spend**
- **Automate the billing** and associated accounting to customers for work carried out as part of a project or program of work

Some of the specific capabilities of Project Portfolio Management are described below:

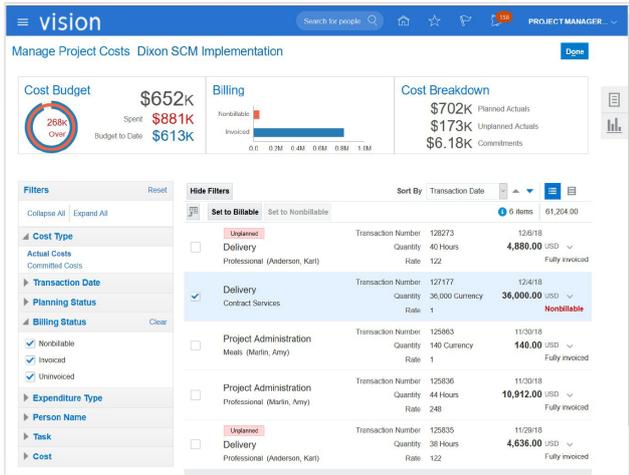
Project Management, which provides:

- Microsoft Projects type capability, including **resource assignment and interactive gantt charts**
- Exception based progress threshold management
- **Integrated with Oracle Sourcing** to allow you to initiate RFx events from the plan
- Visibility of **resource capacity** and planned utilization
- **Manage plans collaboratively** between multiple participants
- Get **real time reporting** of project progress

Oracle Project Management



Oracle Projects Financial Cloud



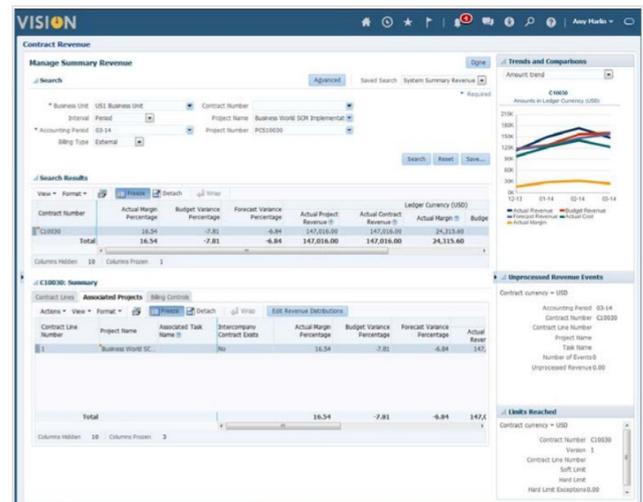
Project Financial Cloud is the primary mechanism for tracking and reporting project costs and revenue provides:

- Complete **integration into the wider ERP and HR** suite including finance, procurement and HR for capturing time labor costs for both internal employees and contractors
- **Automated integration with Oracle Assets**, capturing CIP and final creation of the asset(s) on completion
- Budgeting and forecast management which can be integrated with EPM or uploaded from Excel if required
- **Real time reporting of project actuals vs budget** and forecasts allowing you to view your project costs whether in Oracle or using sophisticated 3D reporting tools like **Smart View**.
- Generate and report on key performance indicators using **embedded dashboards**

Project Contract Billing is the primary mechanism for managing billing and revenue on projects for those energy or utilities providers who deliver complimentary services on behalf of related third parties or directly to customers. Specifically, it provides:

- Complete **integration into the wider ERP** enabling automated billing, collections via AR and configurable accounting rules to support complex revenue and cost recognition requirements
- **Templated Contracts** including terms and conditions which allow speedier, standardized creation of new customer contracts
- **Flexible Invoice management** including automated billing and the ability to independently bill outside of the constraints of the plan milestones
- **Real time reporting** and analysis of billing against cost profile and revenue status

Oracle Projects Contract Billing



Asset Tracking and IFRS16 Compliance

- Monitor assets and automate the replacement of assets or sub-components using cognitive, automated ordering processes
- Remain compliant with IFRS16 legislation for leased assets

Maximo is IBM's market leading asset management software used extensively in industries such as energy and utilities alongside others where managing and monitoring high volumes of complex assets is critical to the business success.

The reliability of assets used in utilities and energy is critical in ensuring consumers and businesses maintain a continual supply. Maximo provides:

- An **enterprise wide asset repository** from where you can manage all of your assets in a single place
- **Initiates planned and ad-hoc works order** process for maintaining and replacing assets
- Allows you to **plan and control the maintenance** activities associated with assets

IBM have also developed standard integration adaptors enabling seamless integration between Maximo and Oracle Finance, Project Portfolio Management and Procurement.

Combining the power of Maximo and Oracle via an integrated solution allows you to optimize processes for managing the finance and procurement activities associated with asset management.

Specifically this offers the opportunity to use the IoT (internet of things) capabilities inherent within Maximo to continually monitor the status and reliability of assets without the need for human intervention. Should an asset need replacing or maintenance to be carried out, Maximo can automatically initiate a works order, which in turn can automatically generate a purchase requisition or order in Oracle.

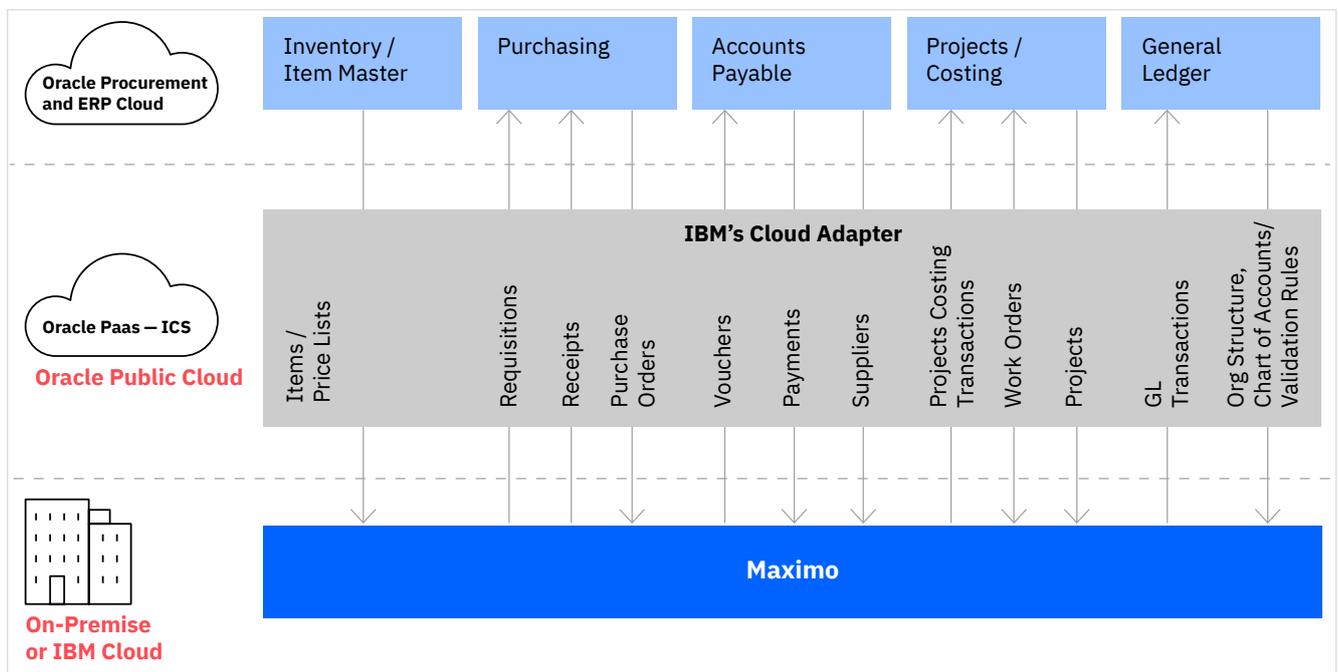
This capability allows you to automate the monitoring and repair and replacement of your assets, thereby:

- Ensuring greater reliability for your customers
- Freeing your engineering and maintenance teams to focus on planned activities

IBM Maximo



The full suite of integrations available that allows you to fully automate the processes between Maximo Asset Management and Oracle ERP are demonstrated below. These span the full range of finance, procurement and project costing processes.



New IFRS16 and ASC842 legislation means energy and utilities companies need to comply with new accounting standards for leased assets.

Leased assets might include the buildings, warehouses and offices you operate from, but it might also include specialist equipment leased for construction or support services.

Using the **Oracle Assets** module, you can ensure you are compliant with the solution enabling you to:

- Define leased assets along side other assets, but **categorise and identify them as leased**
- **Automatically calculate** and generate the necessary accounting entries compliant with the accounting standard
- Report on and manage leased assets, but using a **common set of processes** to be used for all assets

Faster closing cycle	Easy reconciliation	Reduced cost	Operational efficiency	Dashboard
 <p>There is a 70% improvement in the time needed for financial</p>	 <p>Automating repetitive task reduces manual efforts by 90%</p>	 <p>40% reduction in cost</p>	 <p>Resources utilisation is increased nearly 80%</p>	 <p>In-depth review and analysis</p>

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

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

Oracle Cloud Applications for finance and procurement combined with cognitive solutions from IBM provide a powerful solution to meeting challenges in energy and utilities

	Business outcome	Our solution
Complex Supplier Sourcing and Tracking	<ul style="list-style-type: none"> Contract at the best prices with the correct suppliers Work more efficiently with your suppliers to negotiate and contract 	<ul style="list-style-type: none"> Cognitive insights and big data to identify the correct supplier and prices to contract with Intuitive procurement solutions allow seamless interaction across internal and external stakeholders to quickly negotiate and contract for goods and services
Invoice Matching	<ul style="list-style-type: none"> Productive Accounts Payable function with removal of unnecessary administration Maximise supplier payment discounts 	<ul style="list-style-type: none"> OCR and automation to enable a controlled, touchless invoice matching and payment process Chat bots to respond to invoice and payment queries Identify the greatest opportunities for payment discounts through machine learning
IFRS15/ ASC606 Compliance	<ul style="list-style-type: none"> Ensure the business remains compliant with IFRS15/ASC606 legislation Automate the necessary legislative calculations, removing the need to perform detailed analysis 	<ul style="list-style-type: none"> Sophisticated feature rich tools integrate with the wider ERP to perform the necessary calculations The necessary compliance reports are generated to support internal and external monitoring
Capital and Cash Management	<ul style="list-style-type: none"> Automate the reconciliation of cash receipts from end consumers Manage and track long term capital requirements 	<ul style="list-style-type: none"> Use a configurable rules engine to automate the reconciliation of receipts, automatically identifying exceptions and presenting outcomes in dashboards Provide an enterprise wide view of cash flow and liquidity allowing you to agree, monitor and validate investment decisions.

Budgeting and Planning	<ul style="list-style-type: none"> • Better exploit business data to Improve planning • Use configurable models to validate multiple planning scenarios and outcomes 	<ul style="list-style-type: none"> • Use predictive Insights to Identify and track potential short, medium and long term business events and Investments • Feature rich dashboards and reports provide immediate visibility of business trends and performance
Project Controls, Costs and Management	<ul style="list-style-type: none"> • Manage and track projects and associated work break down structures • Maintain visibility of project costs and track against budgets 	<ul style="list-style-type: none"> • Using integrated project management tools, track the status and compliance of projects as well as automate related processes • Capture and track spend by project providing real time insights into spend against budgets and forecasts
Asset Tracking and IFRS16/ASC842 Compliance	<ul style="list-style-type: none"> • Enable pro-active monitoring, management and repair or replacement of your assets • Ensure the business remains compliant with IFRS16/ASC842 legislation 	<ul style="list-style-type: none"> • Using a combination of the IoT and seamless Integration between asset management and the ERP quickly Identify and Initiate action to repair or replace • Compliance accounting and reports are automatically generated to support new lease management requirements
Period End Close Management	<ul style="list-style-type: none"> • Reduce time spent on managing and closing the period end 	<ul style="list-style-type: none"> • Automate period close processes automatically notifying participants of status and exceptions

4

Conclusion

Among many examples in recent case studies IBM has helped clients recognise the following:

- Purchase to Pay: 5-10% reduction in Non-Compliant spend enabling better realization of savings from contracted spend
- Budgeting, Forecasting and Controls: Deployed solutions which enable 10M+ calculations within 10 seconds helping predict market demands and optimize the business response
- Record to Report: 50% reduction in close cycle time [2 – 8 days] and forecast and budget cycle time

Convergence of technological innovation, social and regulatory transformations has made the energy and utilities industries a dynamic market place. To keep up with the disruption, the emergence of the Cognitive Enterprise is inevitable. The ability to manage the needs of your customers, suppliers, work force 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 Finance and Procurement Cloud with IBM's Cognitive capabilities has the potential to accelerate industry transformation into intelligent automation.

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

5

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6

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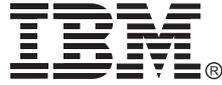
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