

Clearing a Path to Success in the Cloud: 5 Insights to Keep Your Finance and HR Initiatives On Time and Under Budget

The move to the cloud ushers in both a digital and a cultural transformation within your organization. Achieving success in the cloud requires that your organization consider the impact the cloud will have on your people, processes, and organizational structure.



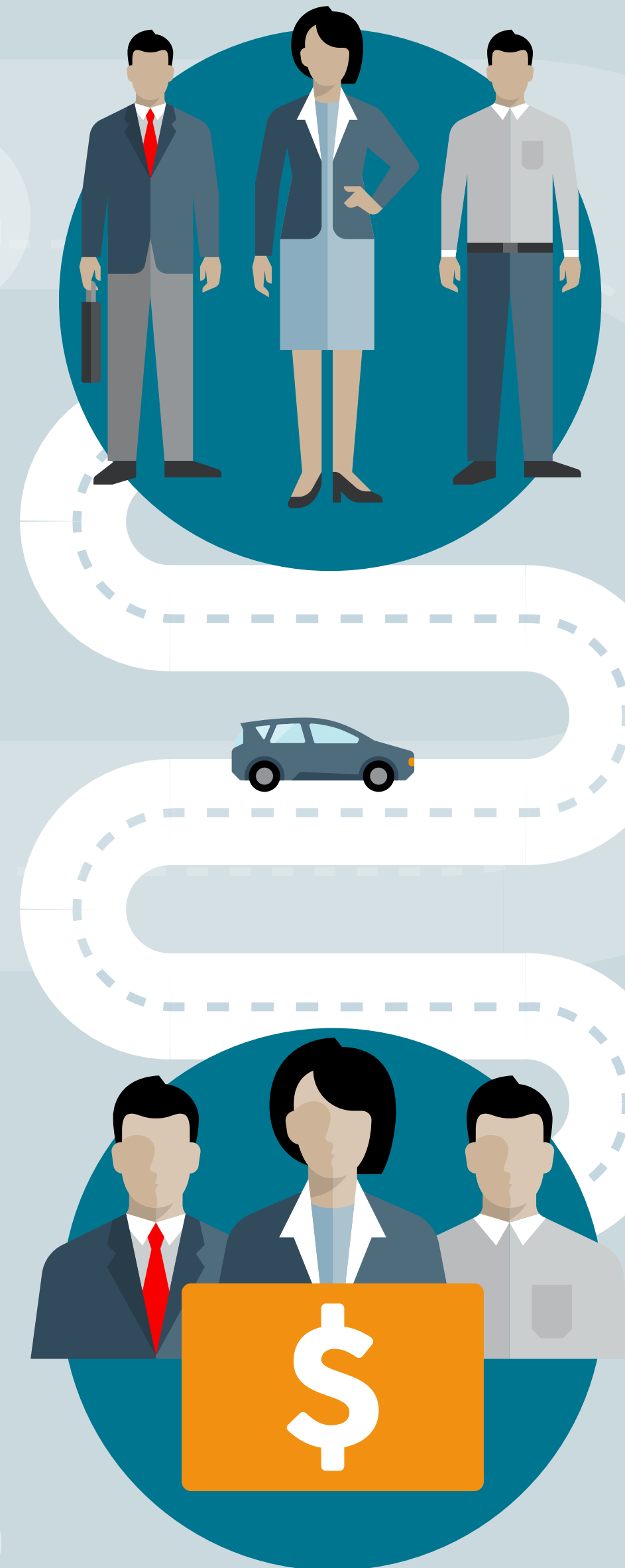
IMPORTANCE OF COLLABORATION FOR CLOUD TRANSFORMATION

Organizations have discovered that close collaboration between Finance and HR can help ease the transformation to the cloud. Leveraging Finance and HR during the cloud transformation helps drive success because it couples two of an organization's most powerful assets: people and money.

As in any transformation, there are challenges to overcome. For example, Finance and HR tend to have different perspectives: Finance values hard

metrics and views people as a cost, whereas HR tends to focus on soft metrics and views people as an asset. By combining these distinct perspectives, organizations find that they improve both functions.

Almost half (46%) of survey respondents report that collaboration between Finance and HR professionals has significantly improved, and 52% say that the relationship between IT, HR, and Finance is even better than expected.



Based on survey data leveraged from *Finance and HR: The Cloud's New Power Partnership*, this guide identifies five proven tactics to smooth the transition to the cloud:

- 1 PREPARE
- 2 ANTICIPATE
- 3 REVERSE
- 4 UNDERSTAND
- 5 BE PROACTIVE

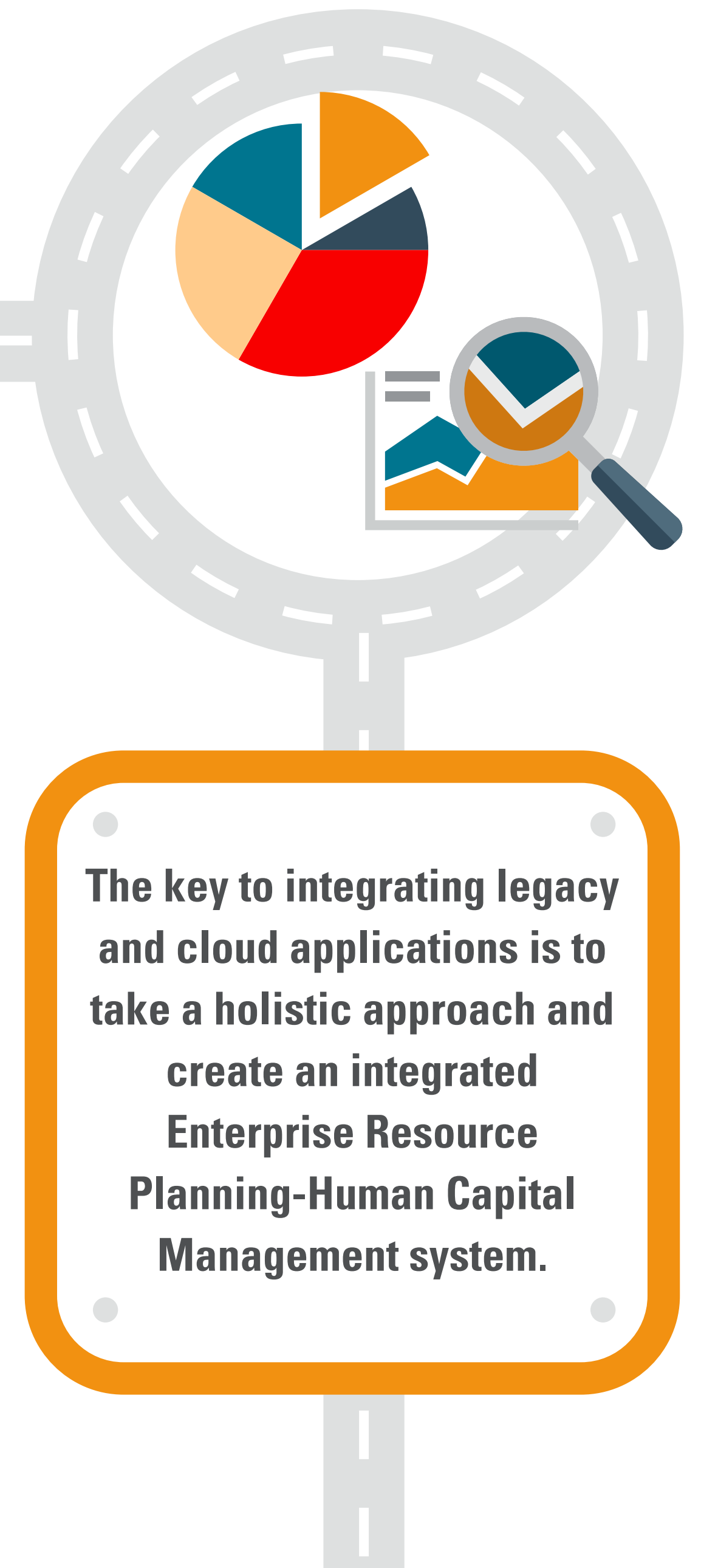


Following this methodology, your organization can anticipate and avoid problems—both technological and cultural—that can put your cloud migration project at risk.





Prepare for the integration challenges you will face.



In the vast majority of organizations, the IT infrastructure is a complex web of legacy, on-premises systems, and cloud applications from a variety of providers. Integrating legacy applications with cloud apps in a multi-provider environment poses both technological and cultural challenges.

Not only do multiple legacy applications require dedicated resources for daily management as well as upgrades and patches, but siloed data makes it difficult to provide management with a

single version of the truth, severely crippling the organization's decision-making.

The key to integrating legacy and cloud applications is to take a holistic approach and create an integrated Enterprise Resource Planning-Human Capital Management system. This approach requires identifying and maximizing data-sharing and analytics, and updating business processes that impact how data is received and distributed throughout the organization.

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Analyzing workflow and business processes prior to integrating systems pays big dividends. One-third (32%) of survey respondents say that simplifying and standardizing processes in advance was a critical success factor in their cloud transformation.

From a people perspective, the skills needed to support a legacy infrastructure environment are different than those needed to excel in a cloud environment. Legacy systems require traditional IT skills, while the cloud environment requires more creative and innovative approaches to data, including time management, active learning capabilities, problem solving, mathematical reasoning, and analytics skills.

Identify skills deficiencies within Finance, HR, and IT, and develop a plan for bridging those skills gaps. Organizations have achieved success with cross-enterprise intermingling that encourages employees to share their knowledge and skills. For example, to help Finance and HR employees take advantage of new technologies, 42% of organizations plan to bring IT staff into Finance and HR.

Other organizations are using management skills training to help employees break out of their traditionally administrative responsibilities, as well as training IT employees on new skills such as data science and statistical analysis expertise.



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Anticipate and address the fear of disruptive change to familiar processes and ways of working.

The changes levied by cloud transformation reverberate throughout the organization. Traditional methods of doing business likely need to be updated, and these adjustments can be alarming to employees who find that they need to learn new skills or who fear that organizational restructuring may make their current roles and responsibilities obsolete.

One way to alleviate some of the fears is to foster closer collaboration between Finance and HR so that employees can work together to solve challenges related to process redesign and organizational restructuring.

Since HR is often considered a support function,

it's important to elevate HR to the level of strategic importance enjoyed by Finance. Involve both Finance and HR in retooling and rebuilding standardized processes. This allows the organization to get the most out of cross-departmental collaboration and fosters a culture and business model in which continuous change is welcomed rather than feared.

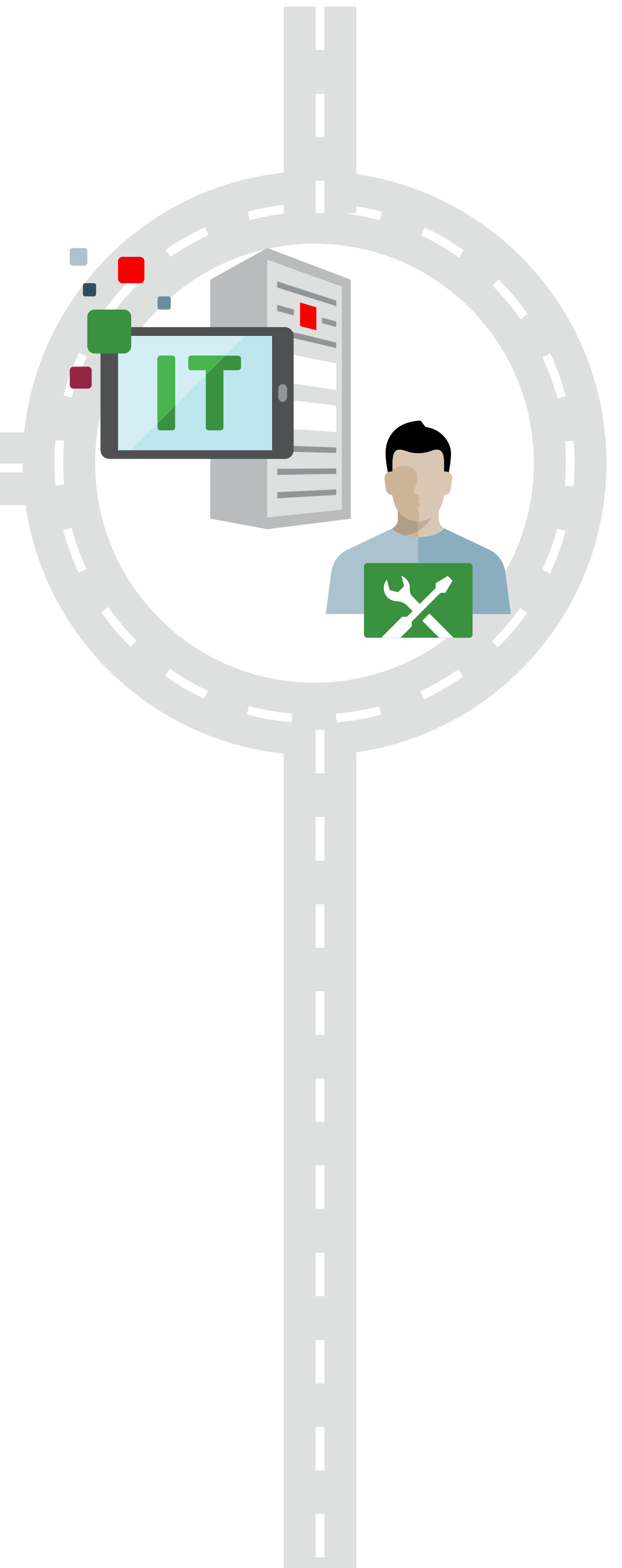
Creating a shared Finance and HR team was cited as a critical success factor in cloud transformation for 36% of respondents, and 35% say that creating the right internal team was critical for success.



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Recognize and reverse the impact of organizational inertia on major cloud initiatives.



Collaboration between the Finance and HR functions is critical in cloud transformation, but IT also has a major role to play. In fact, 46% of survey respondents say that IT cooperation was a critical success factor in the move to the cloud.

When bringing in IT staff to help Finance and HR take advantage of new technologies, it's also important that the collaboration flows in both directions. IT can benefit from learning about non-technical business drivers of the

organization's cloud transformation and what will define success for the business from Finance and HR.

Some collaboration will occur naturally as IT, Finance, and HR work together, but the organization's leadership should help foster goodwill and cooperation between the departments. Many organizations view Finance and HR collaboration as a strategic necessity, and 76% say the cloud improves IT relations with Finance and HR.



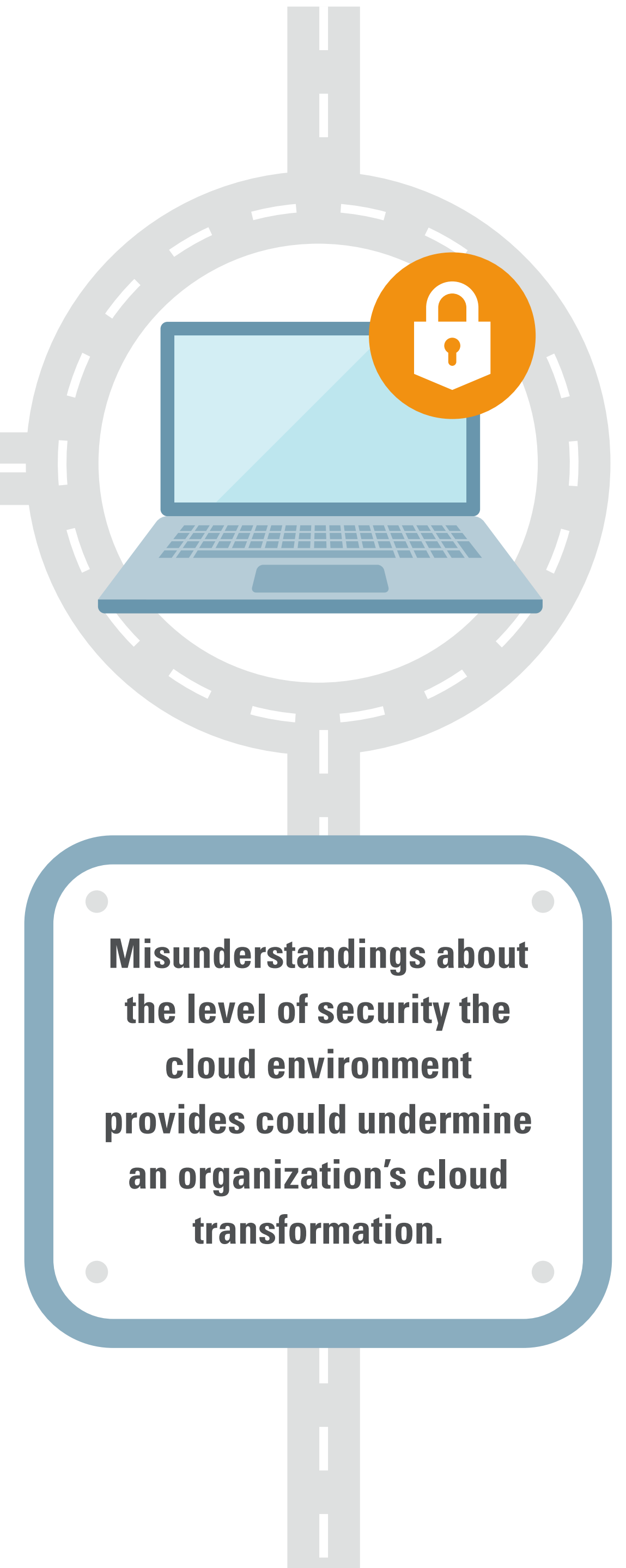
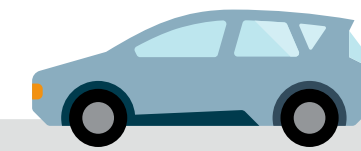
People are the major reason a cloud transformation will fail or succeed. Educate management on how developing and managing people drives value for organizations, define a common language of human capital management, and create a framework to assess

and measure how successful the organization is in developing people to drive higher levels of performance. Strong leadership that supports and reaffirms the commitment to continuous transformation will enable an organization to seize market opportunities.

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Understand the realities of cloud security and use this knowledge to combat misconceptions.



In the not too distant past, organizations were hesitant to move mission-critical applications, or applications that store or process sensitive information, to the cloud, citing security worries. As cloud technology has evolved, so has security—and more than one-third (36%) of respondents cite improved security as one of their top objectives in moving Finance and HR to the cloud.

Although cloud security has matured, some within their organizations may cling to the belief that data stored in the cloud is less secure than data stored

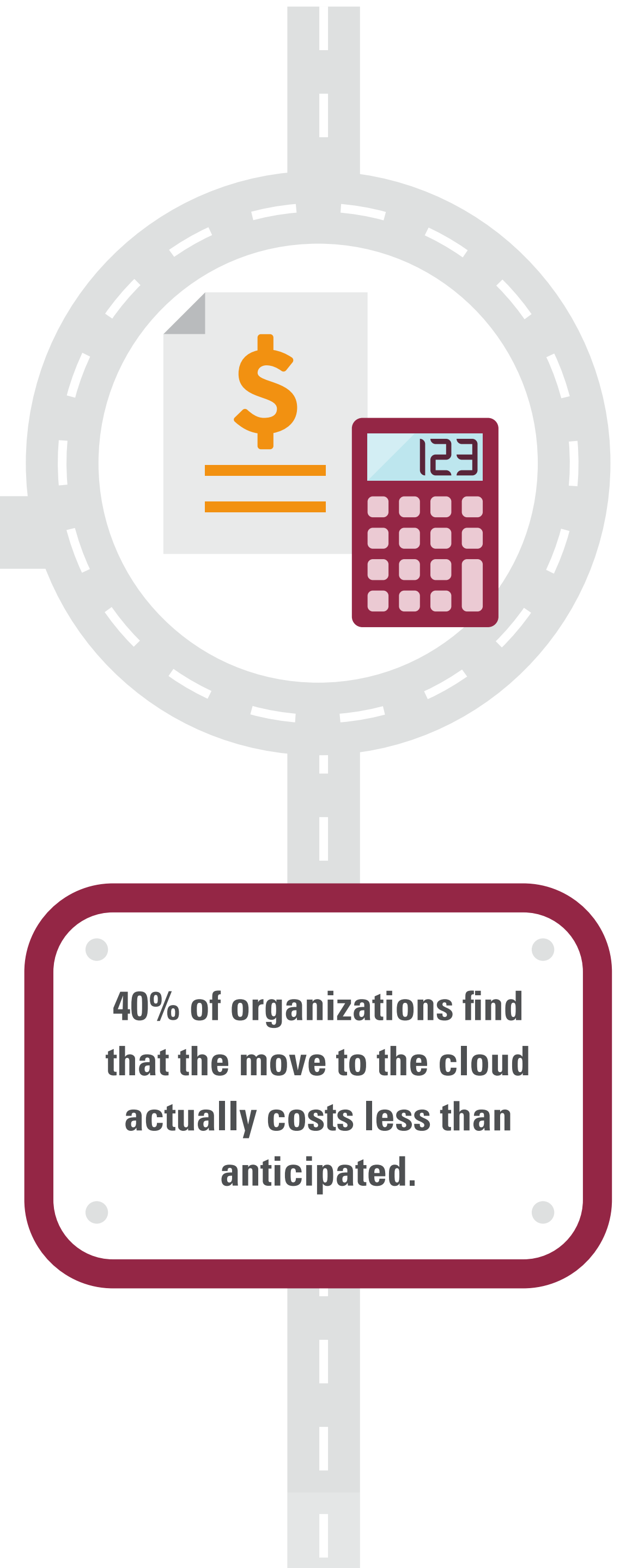
in on-premises legacy systems. Data protection mandates from regulatory bodies (such as [GDPR](#)), as well as from consumer expectations, puts organizations under growing pressure to ensure data security.

Misunderstandings about the level of security the cloud environment provides could undermine an organization's cloud transformation. Organizations need to address cyber security at all levels of the organization—including the board level—to dispel security myths.

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Take a proactive approach to getting the facts on cloud total cost of ownership, and defuse cost concerns with a fast and clear path to project ROI.



Large-scale projects are notorious for being late and over budget. To ease concerns that the cloud transformation will experience overages in time and money, demonstrate how and when the project will create a return on investment.

The good news is that 40% of organizations find that the move to the cloud actually costs less than anticipated, and only 14% say the costs were higher than expected.

A cloud-based transformation will deliver benefits well before the entire transformation is complete.

While cost savings may not be immediately realized, be sure to recognize additional, less-quantifiable benefits of a cloud-based infrastructure, such as the value of insights and visibility into the business and the ability to reallocate time from administrative tasks to high-value work. Outlining these benefits can help override doubts that could hamper cloud implementation.

As the transformation unfolds, measure the expected benefits against actual results, and rebalance priorities accordingly.

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Embrace the Opportunity to Transform

Organizations are motivated to transition to the cloud by improvements in productivity and performance that promote operational excellence and accelerate innovation. Moving to the cloud is an opportunity to recalibrate roles and responsibilities, and update processes and ways of doing business.

To recap the full benefits of a cloud transformation—and to ensure that the initiative stays on track—organizations need to create an environment that is comfortable with—and hopefully thrives on—continuous change.

Download the full MIT Technology Review Custom Research [HERE](#), and for more information about how Oracle can help your organization benefit from the cloud, [contact us](#).

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