

Oracle IT Financial Management Cloud

Align IT to Run and Grow the Business

The role of the CIO is evolving. The expectation is no longer just *IT Operational Excellence*. In fact, 'keeping the lights on' is table stakes for the modern CIO. Instead, the most effective IT organizations are becoming active partners with the business. However, to accomplish this requires a level of engagement and financial acumen that was traditionally not required of the average IT department. Leading enterprises are now embracing best practice solutions like Oracle's IT Financial Management (ITFM) Cloud to provide greater transparency into IT shared services and more insight in support of IT investment decisions.

Oracle IT Financial Management in the Cloud

The Oracle IT Financial Management (ITFM) solution offers best practice capability that has been specifically designed for IT. Whether it is IT project financial planning, IT shared service allocations and chargebacks, or insight into IT spend, the Oracle ITFM solution is designed to be owned by the IT department. Furthermore, the solution provides an easy-to-use ITFM framework that can be seamlessly integrated with key operational and financial systems. This eliminates much of the manual effort associated with spreadsheet-based processes or systems from stand-alone ITFM vendors.

Built on the Oracle EPM Cloud, the Oracle ITFM solution easily translates IT operational metrics into financial reports that help the business make better decisions around usage and investment. Of course, the dashboards and analysis don't just benefit the business. The Oracle ITFM solution provides insight into IT spend in the context that helps IT make better decisions. For example, IT spend can be analyzed by operational considerations such as the nature of the investment (run the business vs. grow the business vs. transform the business) or technical views of IT spending. In short, Oracle's ITFM solution helps IT become a better partner with the business.

Provide Transparency for IT Shared Services

Running an effective IT shared service allocation and chargeback process is crucial in establishing credibility with the business. The lines of business demand transparency into the chargebacks thereby allowing them to make more effective decisions around IT service usage. The IT shared service allocation capability in Oracle's ITFM solution is based on the Oracle Profitability & Cost Management Cloud (PCMCS). Building on years of experience in allocation-based business process, PCMCS arms the IT department with industry's most comprehensive cloud-based allocation engine.

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ENTERPRISE PERFORMANCE MANAGEMENT CLOUD

KEY BUSINESS BENEFITS

- Transparency in ITFM promotes a culture of accountability and collaboration with the business
- Best practice ITFM framework provides multiple IT-specific views of financial, technical, and operational data
- A centralized ITFM system houses historical IT data (financial and operational) that promotes better IT investment decisions
- The Oracle ITFM Cloud leverages your organization's investment in Oracle / Hyperion products

The primary benefits of using PCMCS for IT shared service allocations are as follows:

- » **Easy-to-maintain allocation engine** - The PCMCS allocation engine allows IT financial analysts to take ownership of rule building and data acquisition. This is very important since IT services allocations must be updated as your business evolves (e.g. growth, acquisition/divestiture, regulatory changes, competitive landscape, etc.) For example, business users may want to explore the use of a different allocation driver for a certain stage of a multi-tiered allocation process. With the Oracle solution, users can easily make a change in the allocation assumptions and compare the new methodology with the previous methodology through scenario analysis capability.
- » **Bill of IT** – The allocation is not enough, the IT chargeback must be easy to understand and provide transparency into the methodology of chargebacks. The reports are viewable by end-users who may be impacted by the results of an allocation, and provide very clear insight into the nature of each allocation stage impacting their line of business. For example, business stakeholders often question large cost allocations that have impacted their business unit due to a lack of clarity. The allocation transparency features provide the lines of businesses with insight to understand the precise metrics that have driven the allocation.

Optimize IT Investment Decisions

IT budgets and investments have always received scrutiny. However, as the IT landscape continues to evolve, it is even more important to establish the value of IT. Defending IT spend is not just about creating a solid plan. Instead, it requires that IT can articulate the value of IT spend in the context of business activity. The ability to translate IT operations into business value requires a different kind of planning system. Unlike corporate FP&A planning systems, IT needs to plan and forecast at a level of detail that makes sense to the *business of IT*. The IT Planning capability of Oracle's ITFM solution is based on the Oracle Enterprise Planning & Budgeting Cloud (EPBCS). Therefore, IT has the power of rich planning features combined with purpose-built IT Project Financial Planning and IT Spend frameworks.

The best practice IT Planning processes are designed to be up and running with minimal effort, and are easy to maintain as your IT needs evolve. This is accomplished through simple-to-use wizards. Instead, of needing a deep understanding of the product, you simply answer questions in the step-by-step wizards. This allows even a technology novice to design complex planning processes well suited for the IT organization. The configurable planning framework provides immediate value by getting you up and running quickly with a targeted planning process. Then, it allows you to enhance and mature your IT planning processes over time.

IT planning is not just an annual event where you defend the IT budget. Instead, best-in-class IT departments can deploy the planning framework as an on-going process of re-forecasting. This allows you to better manage the IT spend throughout the year and stay responsive to the needs of the business in today's ever-changing business environment.

KEY FEATURES

- The **IT Shared Service** capability provides an easy to maintain allocation framework that gives users transparency into IT chargebacks (e.g. Bill of IT)
- The **IT Project Financial Planning** capability offers best practices for the financial analysis of proposed and existing IT projects
- The **IT Spend** capability allows you to analyze IT investment across multiple technical, financial, and operational views
- **IT Best Practices**, such as the IT Service Catalog and IT Projects Dashboard, provide significant value out-of-the box and reduce implementation time
- The **Data Management** capabilities enable automated data collection and mapping –improving controls and significantly reducing manual data effort
- A powerful Excel add-in, **Smart View**, for ad hoc analysis and Excel-based interactions with your allocation results
- Since it's a **cloud solution**, no capital infrastructure investments are required.

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Integration with Key Financial and Operational Systems

The Oracle ITFM Cloud solution is designed to integrate with your key IT and business processes. Whether it is your ERP, your consolidation system, the corporate planning and forecasting tool, or operational IT systems, the Oracle ITFM Cloud leverages your existing investments and complements your IT strategy. Built on the Oracle EPM Cloud, there is seamless data and process integration with other Oracle ERPs such as Oracle ERP Cloud, E-Business Suite, PeopleSoft, and JDE. Likewise, the solution is design to work with the Oracle EPM Cloud and on-premises Hyperion products.

Oracle IT Financial Management FAQs

Is the Oracle IT Financial Management solution built for IT?

- » Yes. While Oracle EPM is often associated with Finance, the Oracle ITFM solution has been specifically designed to meet the needs of the CIO. This includes the best practice IT Planning and Share Service Allocation framework, an IT service catalog, dashboards, KPIs and more.

My finance team already uses the Oracle EPM Cloud. How is this solution different, is it IT-specific?

- » Yes, the Oracle IT Financial Management solution is designed to be owned by IT, but points of synergy can be easily enabled where practical. Oracle EPM Cloud is built on a federated planning architecture that allows stakeholders to control the level of collaboration with other parts of the enterprise - such as corporate finance.

Is Oracle's IT Financial Management Solution already generally available?

- » Yes. The Oracle EPM Cloud was launched in 2014 and includes the most comprehensive capability for IT Financial Management business processes such as IT Shared Service Allocations and IT Planning.

How can I learn more about Oracle's IT Financial Management Solution?

- » Please visit our webpage at <https://cloud.oracle.com/epm-cloud> or contact your Oracle account executive.

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