Reinvention accelerated:

Driving strategic growth with a unified digital core





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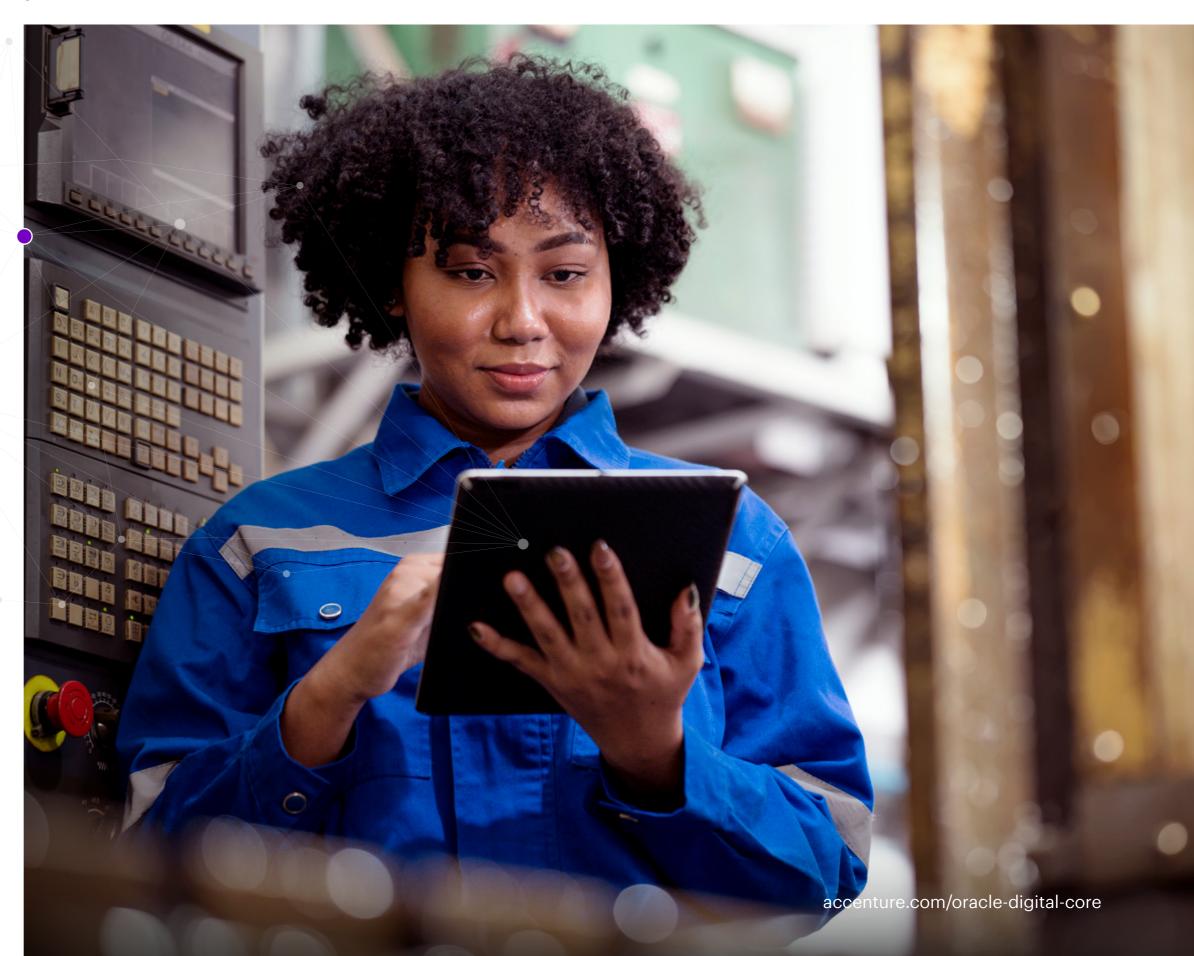
The road to reinvention



Foreword

Reinventing for sustained success

In today's digital landscape, the ability to continuously reinvent and adapt is crucial for companies seeking sustained growth and leadership.





Accenture's latest research, Reinventing with a Digital Core, underscores this by revealing that companies that embraced the three key tenets for reinvention readiness—building an industry-leading digital core, boosting innovation investments and managing technical debt—achieved what we call "60:40 effect": A 60% higher revenue growth rate and 40% greater profitability.1

However, the journey to achieving such results is complex. Only 3% of companies have successfully implemented these tenets to unlock the full potential of their digital core to drive reinvention.¹

Accenture and Oracle together offer the essential technologies for building and sustaining a reinvention-ready digital core. Oracle's comprehensive suite of cloud applications and infrastructure empowers businesses to streamline operations, enhance decision-making and maintain the agility needed to navigate an ever-changing market landscape.

For companies looking to take actionable steps toward building a resilient and future-ready digital core, Oracle and Accenture offer the expertise and tools necessary to drive meaningful change.

Source:

1. Reinventing with a Digital Core, Accenture Research, 2024.





Reinvention-ready. Set. Go.

How leading companies are setting new standards





"Those that can harness gen AI's potential at speed are poised to supercharge their reinvention outcomes, leaving their competitors far behind."²

In today's fast-paced business environment, the urgency of adapting to constant change has become the new normal. Reinvention is not just a strategy but a necessity to stay relevant in this dynamic environment.

However, many organizations struggle with integrating new technologies while maintaining seamless operations. They face issues like data silos, interoperability problems and outdated infrastructure, which hinder their ability to use real-time data and insights effectively. The sheer volume and variety of data further complicate matters, making it difficult to access, process and use information efficiently.

Not too long ago, these problems could have been left for another day. However, the skyrocketing expectations for generative AI (gen AI) mean the clock is ticking faster. While many executives believe they can scale gen Al across their enterprises within a year, only a small fraction are confident they have the right data strategies and core digital capabilities. This gap highlights a crucial need for a digital core to support and amplify human and machine interactions in new and significant ways. Moreover, the persistent issues of disconnected end-to-end processes and fragmented data models, once deemed unmanageable, are now being addressed as part of a broader strategy to unlock the next

level of business value—such as integrating Financial Planning & Analysis (FP&A) with work management and property accounting.

As new technologies like gen AI emerge, a reinvention-ready digital core is crucial for staying competitive. While many companies already use cloud services,

data management, AI and security, they often lack full integration. To achieve a true digital core, companies must connect these "building blocks" with "digital threads" to create a unified data model and end-toend processes. Without this integration, the IT stack may hinder rather than support reinvention with gen Al.

of executives believe that they can scale gen AI enterprise-wide in 6 to 12 months.²

are "extremely confident" that they have the right data strategies and the core digital capabilities in place to effectively leverage gen AI.²

2. Reinventing with a Digital Core, Accenture Research, 2024.





Accenture's research of 1,500 companies across 10 countries and 19 industries reveals that a reinvention-ready digital core is essential today. Without it, the risk is not just falling short of potential but also increasing technical debt, which can be a further drag on progress. If you have invested in cutting-edge technology, you must get its full value. And that requires a strong, modern foundation.

What is a digital core?

A digital core is a new way to think about and work with technology. Accenture defines a digital core as the critical technological capability that can create and empower an organization's unique reinvention ambitions. It integrates essential, technology capabilities, enabling organizations to stay flexible and adaptive.

A secure, cloud-first infrastructure provides the flexibility to integrate and scale new technologies while ensuring security. Advanced digital platforms streamline applications and open up new sources of value. At the same time, a seamless data and AI backbone ensures businesses can optimize decision-making, deliver better experiences and tap new opportunities. All of this is tied together through a composable integration strategy, which enables connectivity across the digital core while allowing companies add or remove applications and technologies to serve the business needs.

The digital core is focused to support the foundational processes of the business. The most effective digital core simplifies and standardizes processes across a finite group of platforms and applications. Reducing the number of applications, customizations, and integrations results in a digital core that is nimble and can quickly adapt to the speed of innovation that is common with modern digital platforms. This application rationalization will also reduce technology debt, lowering the total cost of ownership. While the digital core should remain standard, organizations can consider composable applications outside of the digital core that can drive differentiation and personalization for their employees and customers. Composable applications usually are purpose-built for specific industry outcomes, require less data, are lower cost and can easily be integrated with the digital core. A few examples of composable applications are custom contracting engines, complex revenue-recognition systems and treasury applications.

Paving the path with Oracle

Building a digital core with Oracle technologies provides the foundational tools and unified services necessary for continuous reinvention. Oracle's unified platform connects infrastructure, software, data services and applications, simplifying operations and driving innovation. This platform approach simplifies data management, ensuring that data is freely available and highly trusted, eliminating silos and reducing the need for outside integration. The result is an intelligent, cohesive enterprise that can pivot quickly to leverage the value of connected, trustworthy data across the organization. This accelerates the path to seamless collaboration and an agile user experience focusing on industry specific Al/gen Al use cases while addressing the challenges of reinvention head-on. Building a digital core with Oracle tackles a number of common challenges.:

Overly complicated and customized legacy processes: Out-of-the-box Oracle modern best practices ensure your business processes are streamlined and automated, reducing manual interventions and enabling faster deployment of innovation.

Too many applications requiring extensive data integration, redundant testing and master data replication: Oracle fusion applications with a single data model simplify data management across different functions, providing a unified view that enhances decision-making and operational efficiency.

Innovation coming too slowly and requiring costly and disruptive upgrades: Oracle continually updates its cloud platform with the latest technologies, allowing your digital core to evolve alongside the changing landscape without requiring disruptive, large-scale upgrades. These updates provide significant cost avoidance by minimizing the need for extensive technical upgrades. Additionally, while these updates are mandatory, customers retain the flexibility to opt-in or opt-out of new capabilities, features and functionality in the user layer, ensuring they can adopt changes at their own pace and according to their specific needs.

Client story:

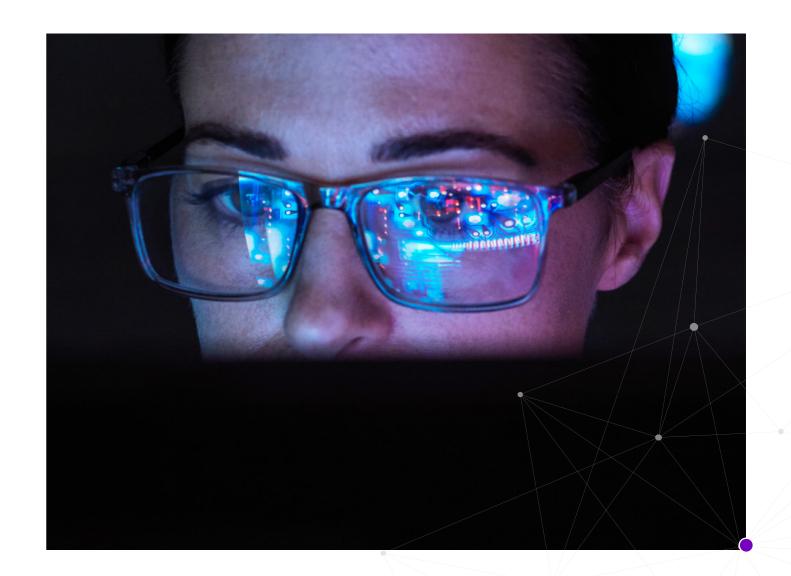
Atlassian

Take Atlassian, for example. Renowned for its collaboration software such as Jira and Confluence, Atlassian faced significant challenges with its legacy Core Financials systems, which impeded its ability to grow and maintain operational efficiency across its organization. The outdated applications created silos that made it difficult to integrate new technologies and respond swiftly to market changes.

Partnering with Oracle and Accenture, Atlassian undertook a comprehensive digital transformation to modernize its Core Financials Platform to Oracle Fusion Cloud in a record nine months, eliminating 800+ customizations, connecting 25+ systems, new chart of accounts, multi-year worth of historical data, with both IFRS and US-GAAP reporting. By implementing Oracle Fusion Cloud, Atlassian Finance team is set up to support the

company's growth ambitions, unify its data and streamline its operations, leading to enhanced decision-making capabilities in supporting their Enterprise and fly-wheel strategy and a more agile response to their customers. This financial transformation not only helps Atlassian maintain its leadership position but also enabled the company to continue its legacy of innovation, delivering consistent value both to its customers and its business operations.

With a digital core built using Oracle technologies and trust in data at an all-time high, businesses like Atlassian can next harness generative Al's potential at speed, setting them apart from competitors and positioning them to supercharge their reinvention outcomes.

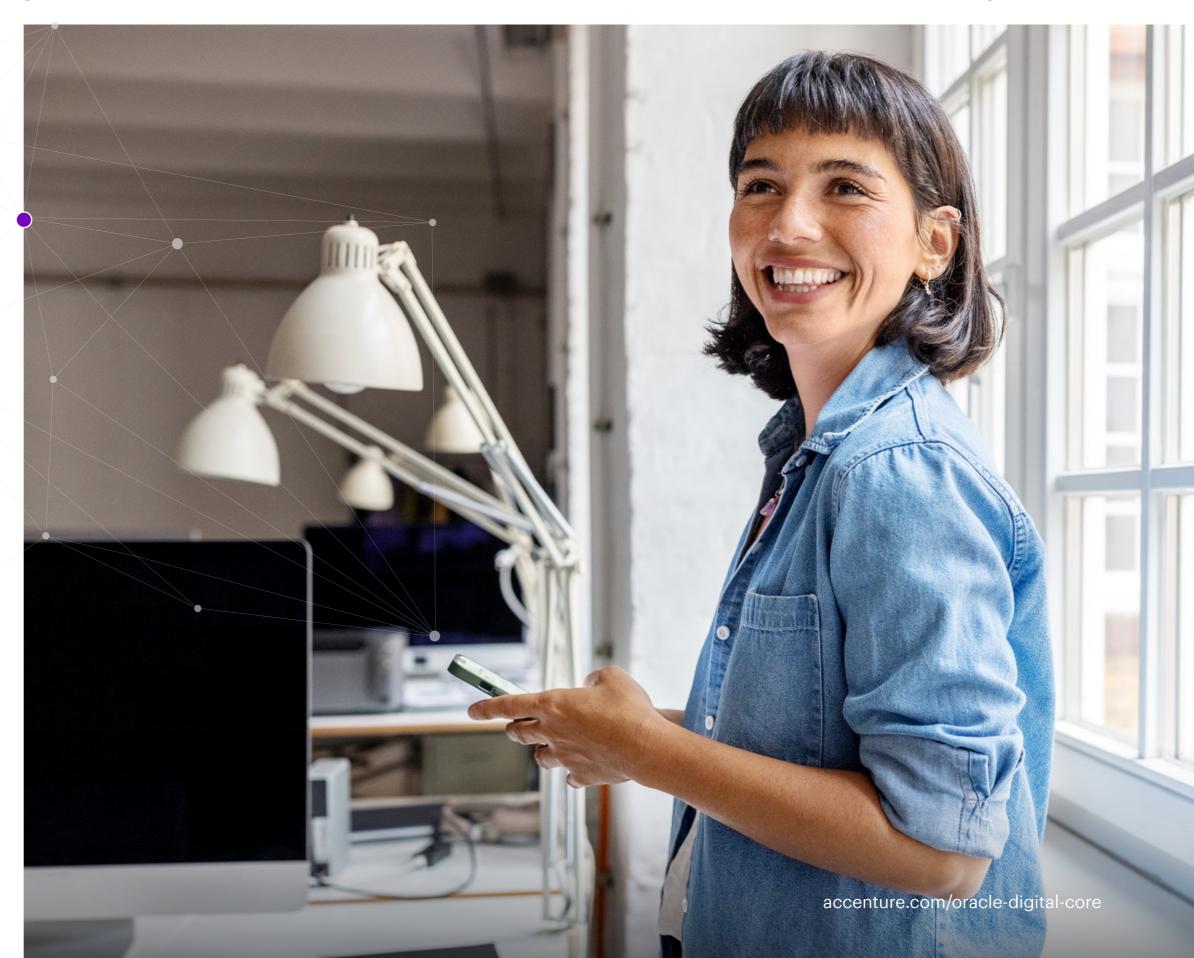




Continuous reinvention is the fuel for lasting success

Businesses face an ever-changing race where the finish line keeps moving.

Success hinges on the ability to adapt and evolve continuously. A reinvention-ready digital core is crucial for companies to stay ahead, supporting and driving ongoing innovation and growth.





Three tenets of a reinvention-ready digital core

Accenture's research has identified three tenets that companies must follow to achieve reinvention readiness with a digital core:3

01

Build an industry-leading digital core tailored to your industry and company.

Companies with industry-leading digital cores (top quartile of our Digital Core Index) will reinvent 2X more business functions with gen AI and expect to create 2X the value.

02

Boost investments in innovation, including re-engineering systems for machine (AI) operations, by at least 6% annually.

80% of companies are likely to grow their innovation budgets beyond 2023 at twice the intensity they have before.

03

Balance technical debt with investments for the future, targeting 15% of IT budgets for remediation.

41% of companies cite AI as a top 3 contributor to tech debt-tied with applications as the leading factor.

Taken together, these steps will enable a company to rapidly adopt new technologies and benefit from first-mover and fast-follower advantages. Companies that did all three experienced what we call the "60:40 effect".

higher rate of revenue growth increase in profitability

3. Reinventing with a Digital Core, Accenture Research, 2024.





Tenet o1

Build an industry-leading digital core

A digital core should be tailored to industry and company needs, integrating advanced, composable and fully connected capabilities. Think of your digital core as your business's central nervous system. It connects every part of your organization, enabling seamless communication and coordination.

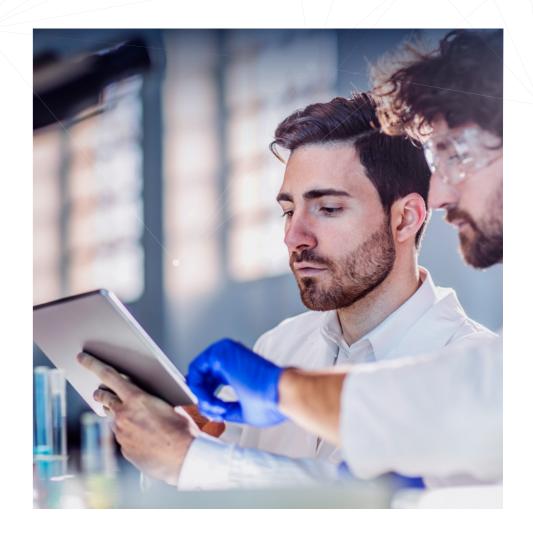
What's promising is that strong correlations between components of the digital core create what we call a "halo effect": improving one component has an automatic positive impact on others. This synergy enables greater AI assimilation, which can, in turn, fortify and accelerate further development of the digital core. Identifying a set of "no regret moves" across each component of the digital core ensures continuous improvement and adaptation, while also establishing scalable standard processes that support consistent and efficient growth across the organization.

Why Oracle?

Oracle's cloud platform is tailored to industry-specific needs, empowering organizations to build digital cores that support unique business goals. By leveraging Oracle's industry-specific capabilities and unified platform, businesses can create a digital core that enhances collaboration and drives industry-relevant innovation. The platform's unified data model simplifies data management, enabling seamless communication across all parts of the organization.

Many of Accenture's largest clients are initiating enterprise-wide "Why not Oracle" application rationalization business cases. The goal is to centralize regional and redundant pockets of applications, reduce technology debt and integrate more functionality into the digital core. While we anticipate that most of these clients will adopt a multi-cloud approach, Oracle and Accenture's strategic partnerships with industry leaders such as Microsoft and Google simplify and streamline the integration of a unified digital core.

For instance, if a client has an significant existing investment in a hyperscaler for data and analytics, it can be retained within the digital core while the rest of the business case focuses on the "Why not Oracle" approach. This strategic alignment ensures that your digital core not only supports current operations but also sets the foundation for future growth and industry leadership.





Tenet 02

Boost investments in innovation

Innovation is the driving force that propels your business forward. To maintain a competitive edge, businesses should allocate their IT budgets strategically, prioritizing initiatives that enhance AI, machine learning and other advanced technologies already embedded in modern infrastructure.

Accenture's research suggests increasing innovation budgets by at least 6% year-overyear. This isn't just about keeping up with the latest trends, it's about staying ahead of the curve and driving growth through continuous innovation. Investing in cuttingedge technologies and fostering a culture of innovation allows your business to remain agile and responsive to the ever-changing market landscape.

Why Oracle?

Oracle's single platform, encompassing SaaS, platform and infrastructure, provides the flexibility and scalability needed to foster continuous innovation. By minimizing the number of applications required and simplifying testing and updates, Oracle's platform frees up resources that can be reinvested in innovative projects. This approach not only lowers the total cost of ownership (TCO) but also accelerates your organization's ability to respond quickly to market changes and new opportunities.4

Customers are increasingly turning to Oracle because it supports faster transformation, improves operational efficiencies and addresses emerging security and regulatory needs, all while optimizing costs. Oracle's infrastructure is recognized for its ability to run AI workloads efficiently, which highlights its advantage in helping businesses innovate rapidly and remain competitive without excessive costs. This combination of capabilities positions Oracle as a strategic partner in enabling organizations to meet evolving challenges with agility and precision.



4. Internet of Clouds, Accenture/Oracle, 2023.





Tenet o3

Balance technical debt liabilities

Technical debt, if unmanaged, can become a significant barrier to innovation. Even a single lagging component can cause substantial issues in a complex system. Think of it like maintaining a race car—it keeps all the parts working in harmony.

Accenture recommends dedicating about 15% of IT budgets to remediating tech debt. This proactive approach ensures that outdated systems are manageable, allowing your digital core to remain agile and capable of supporting new technologies. Balancing technical debt with investments for the future helps your organization avoid the pitfalls of legacy systems while embracing new opportunities for growth.5

Why Oracle?

Oracle's end-to-end cloud platform plays a critical role in managing and reducing technical debt, ensuring that your digital infrastructure remains both robust and flexible. By integrating simplified data models and reducing the need for complex integrations and master data replication, Oracle's platform provides clean, real-time data while lowering the overhead associated with maintenance and updates. This comprehensive approach not only mitigates existing technical debt but also prevents its accumulation, enabling your organization to maintain operational efficiency and agility without compromising innovation.⁶



- 5. Reinventing with a Digital Core, Accenture Research, 2024.
- 6. Oracle and Accenture Generative AI: Unlocking Enterprise Value, Accenture/Oracle, 2024.

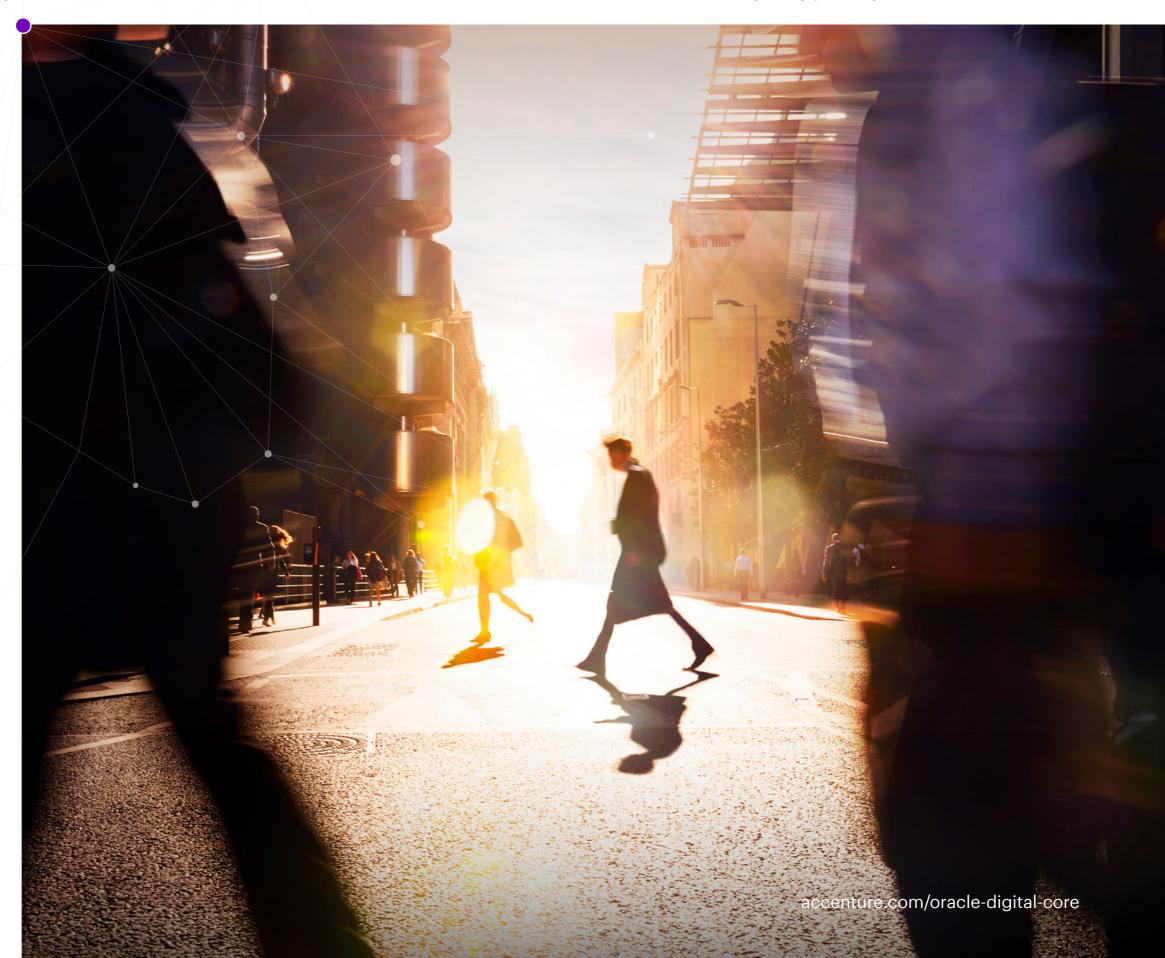




Igniting your digital core with Oracle

In the digital age, a strong and unified digital core is the bedrock of business success.

Oracle's cloud applications and infrastructure provide a robust foundation for a strong digital core. This integrated ecosystem, fully developed and managed on Oracle's technology, ensures that every component operates in seamless harmony.





Better data for gen Al success

Oracle's alignment across its hardware and software enables businesses to deploy and scale AI solutions more effectively. This optimized infrastructure reduces the complexity and costs typically associated with implementing gen AI, allowing companies to unlock their full potential with efficiency and trustworthy data. As AI and cloud technologies continue to advance, Oracle's platform provides secure, scalable capabilities that support businesses in transforming operations, improving decision-making and driving growth. The adaptable nature of Oracle's infrastructure ensures that applications remain efficient, resilient and secure as technological landscapes evolve.

- 7. Oracle Value Realization: HCM Report, 2020.
- 8. Oracle Value Realization, CX Report, Oracle, 2019.
- 9. Reinventing with a Digital Core, Accenture Research, 2024.
- 10. Oracle Value of EPM Survey, Oracle, 2023.
- 11. Oracle Value Realization: HCM Report, 2020.

Value realized by Oracle industry clients

Businesses across a multitude of industries and verticals have realized substantial benefits and value from leveraging Oracle's solutions:

Operational efficiency: Automation and simplification of business processes have led to faster change management and more streamlined operations. For instance, Oracle Cloud HCM customers reported a 29% reduction in legacy system maintenance costs due to reduced customizations and lower IT maintenance staff and infrastructure costs. Additionally, a Fortune 100 multinational financial services company saw a 26% increase in workforce efficiency by leveraging Oracle Cloud HCM, allowing them to scale without adding additional full-time employees.⁷

Customer engagement: Enhanced digital experiences on Oracle's platform have resulted in increased customer satisfaction and higher adoption rates for new products and services. For example, a multinational retail corporation reduced the volume of emails that require agent handling by over 30% in the last two years, with prepared auto-responses to commonly asked questions.8

Decision-making: Oracle's integrated finance flows and analytics tools support quicker decision-making and faster time-to-market for new services. Oracle Cloud EPM helped companies reduce the number of days to forecast per cycle, improve the accuracy of forecasts and increase planning flexibility, leading to faster and more informed decision-making.9

Regulatory compliance: Automated data acquisition and digitization processes within Oracle's platform help businesses manage compliance and regulations efficiently. A financial services company using Oracle Cloud EPM improved their financial close process, reducing the time to close their books and improving data accuracy, ensuring they met regulatory requirements faster and with fewer errors.¹⁰

Workforce planning: Advanced planning tools within Oracle's platform have supported better talent recruitment and retention. For example, an international engineering firm reduced time to hire new employees from 120 days to 60 days, a 50% improvement. This highlights the platform's ability to optimize workforce management and drive employee satisfaction.¹¹

Oracle's edge:

A single unified platform end-to-end

A digital core built with Oracle technologies is designed to transform end-to-end business processes across key areas such as Finance, Operations, HR, Sales, Service and Marketing. This unified approach offers several strategic advantages:12

Modernizing business processes: By utilizing standardized workflows and best practices embedded within Oracle's platform, organizations can begin with the processes that deliver the most value. This approach enables companies to achieve significant improvements in productivity and efficiency.

Leveraging comprehensive data for AI: Oracle's platform integrates vast data sets, making it possible to apply AI at scale. This capability supports data-driven decision-making and the development of innovative solutions that address evolving business needs.

Simplifying operations: Oracle's unified platform minimizes the need for complex integrations and reduces operational overhead, allowing organizations to focus on strategic initiatives that drive growth.

Enabling a multi-cloud approach: Integrating the architecture and strategic partnerships that allow clients to maintain their other large technology investments while continuing to streamline their digital core with Oracle.



12. Unlocking the power of Data and Al, Accenture/Oracle, 2023.





Enabling future growth and innovation:

Driving scalability and proactive decision-making

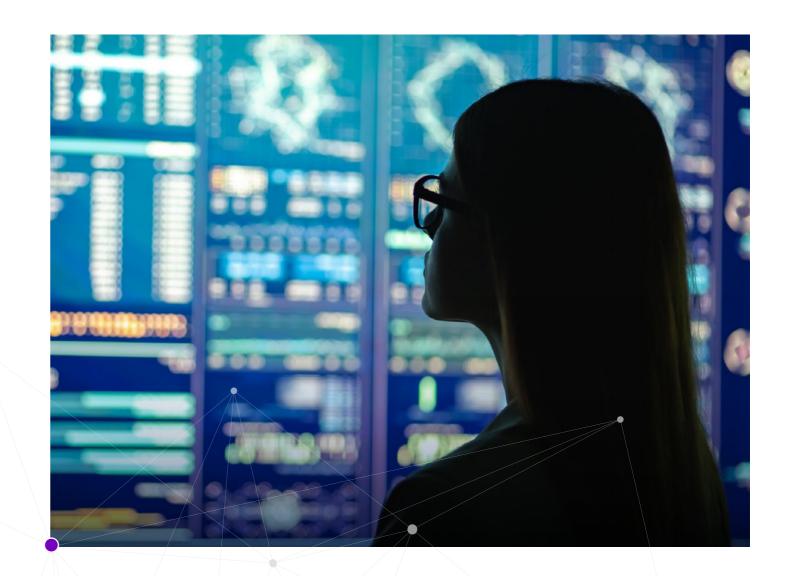
The technologies powering Oracle's platform are specifically designed to keep your digital core scalable and adaptable to future advancements. Because Oracle controls the entire technology stack—from cloud infrastructure to applications—it can quickly respond to changes, ensuring that your operations remain efficient and secure.13

Continuous innovation: Oracle's applications and cloud platform are regularly updated with new features and technologies, enabling organizations to access the latest capabilities without disruptive upgrades.

Scalability and flexibility: Oracle's solutions are built to scale with your organization, ensuring that the digital core evolves as business needs change, whether you're expanding globally or adapting to new market conditions.

Security and sustainability: Oracle places a strong emphasis on security, incorporating advanced measures such as encryption and access controls. Additionally, Oracle's solutions are designed with sustainability in mind, utilizing efficient data centers that reduce the environmental impact of IT operations.

By building a digital core with Oracle technologies, organizations can maintain agility, embrace innovation and stay prepared for future challenges in an ever-evolving digital landscape.



13. Unlocking the power of Data and Al, Accenture/Oracle, 2023.





Conclusion

The road to reinvention

Change is the new and only constant. And just keeping up is not enough.

Reinvention is imperative for companies looking to set the pace and win the race. While only a small proportion of companies are already practicing the tenets of building an advanced digital core, every organization has the potential to significantly enhance performance by addressing these crucial areas.

Building a digital core is about setting the stage for true transformation. A digital core built securely using Oracle technologies with modern design principles and best practices provides businesses with the agility to adopt new capabilities and technologies at scale. It ensures data is freely available and highly trusted, eliminating silos and freeing up resources.

The result is an intelligent, cohesive enterprise ready to leverage the value of the cloud across the organization, accelerating the path to seamless collaboration and agile ways of working.

Companies that embrace these tenets optimize current operations and set themselves up for future success through strategic investments in innovation and proactive management of technical debt.

The path to reinvention is clear and urgent.
By adopting these principles, businesses can transform from merely coping with change to leading it. They can set new standards for performance and innovation, creating a future where they are not just participants but pioneers.





With Accenture and Oracle, you're ready for the fast lane

Choosing the right strategic partners is critical for driving transformation and achieving long-term success.

Oracle's unique capability to provide a unified suite of cloud applications and a robust cloud infrastructure platform ensures businesses can adopt and implement gen AI with less effort and lower cost. Recent advancements in AI and cloud technology have further enhanced Oracle's offerings, helping to deliver AI capabilities securely and at scale.

Accenture brings a team of 72,000 Oracle professionals and 13 industry practices.

We help businesses build a strong digital core with composable architecture that is sustainable by design. Our integrated technology solutions target every facet of the digital core, from cloud migration to data modernization to generative AI implementation to building platform businesses and more—with security embedded at every step.

By partnering with Oracle and Accenture, businesses can design and run digital cores tailored to their unique needs, positioning themselves to lead, innovate and set new industry standards.

Continue the Conversation

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Visit us at www.accenture.com

About Oracle

Oracle is a global provider of enterprise cloud computing, empowering businesses on their journey of digital transformation. Oracle Cloud provides leading-edge capabilities in software as a service, platform as a service, infrastructure as a service, and data as a service. Oracle helps customers develop strategic roadmaps and advance their journey to the cloud from any point: new cloud deployments, legacy environments, and hybrid implementations. Oracle's complete, integrated approach makes it easy for companies to get started in the cloud and to expand as business grows. 430,000 customers in 175 countries use Oracle technologies to seize opportunities and solve real challenges.

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