



Cloud ERP and HCM together

Buying and installing a unified Oracle Cloud financials and HCM suite is the fast, inexpensive and secure way to transform your back office.

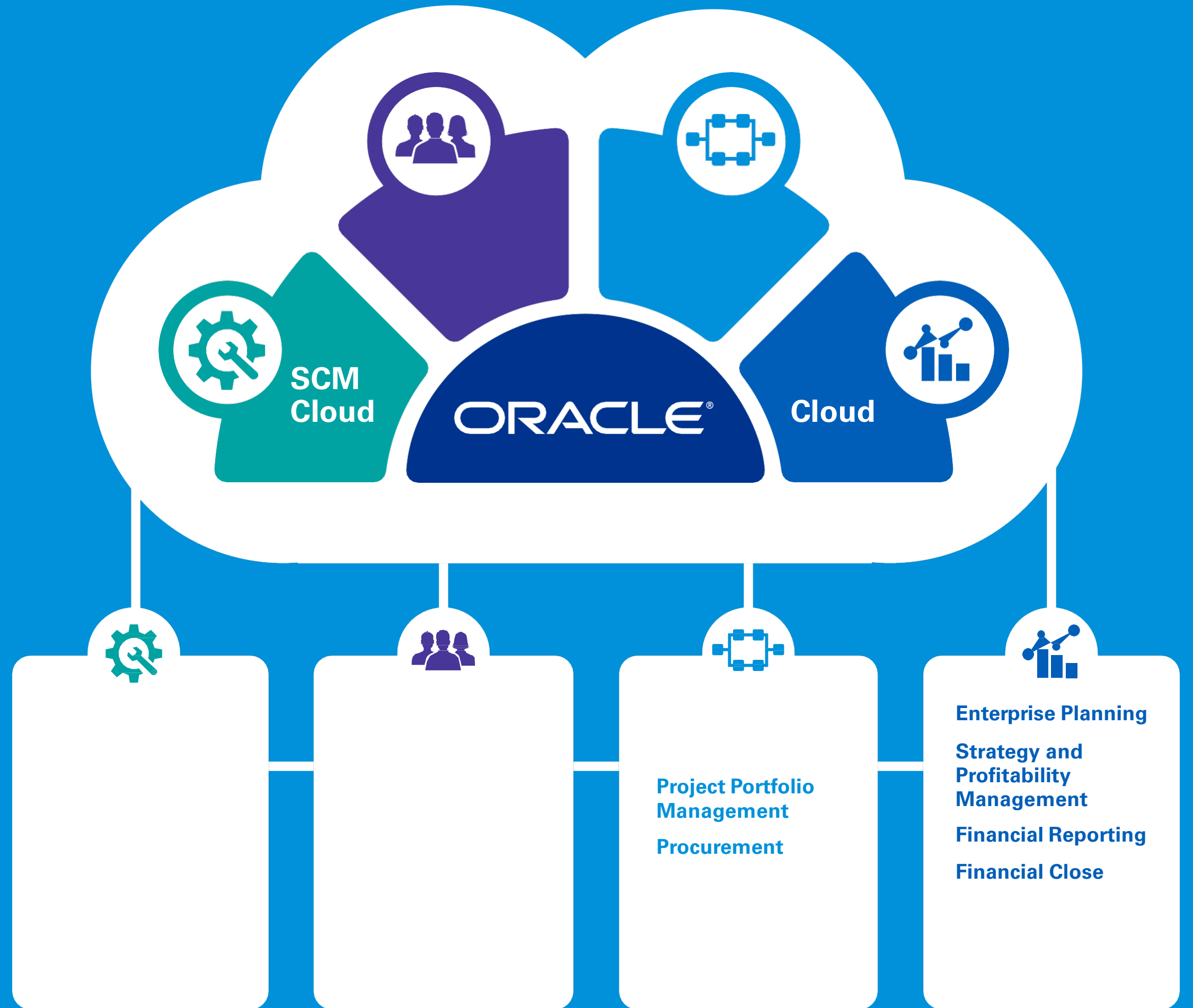
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One cloud platform for the entire back office

KPMG and Oracle Cloud positions your enterprise for future growth by streamlining back-office Finance and HR functions into one cloud suite.

Together, Oracle and KPMG offer one pre-built, preconfigured Cloud platform that covers the entire back office. This platform, configured using KPMG Powered Enterprise, offers proven business processes to enable all of the business functions listed in the following diagram.

The success of this integrated Cloud platform means that organizations no longer need to continue maintaining legacy platform silos. There is a better way.



KPMG and Oracle offer a fully integrated back office solution.

COVID-19 has accelerated the pace

Today's environment has forced enterprises to take a fresh look at the back office. While there was a degree of urgency pre-COVID-19, many companies were moving at a relatively leisurely pace in regard to their transitions to the cloud. COVID-19 put into perspective how unprepared most of these organizations were when they suddenly had to spring into action and look for innovative ways to reduce the COVID-19-related disruption to business.

It quickly became obvious that the solution would require more than a tweak here and there — it would entail a sustained rearchitecting and rethinking of the organizational approach to technology. Leaders would need to think strategically and to ensure their

operating model was enabled and ready for a migration to the cloud. What our research uncovered was widespread acceptance of the required commitment and investment necessary to become a digitally connected, largely virtual enterprise.



56%

of business and technology executives surveyed agree that cloud migration has become an absolute necessity.*

* According to the 2020 KPMG Enterprise reboot report.

How do you approach a combined ERP and HCM install?



Embrace leading practices

Abandon “we’ve done it this way for years” and instead embrace leading practices. Migrate employees to a best practice mentality, and force the enterprise to think differently.



Focus on outcomes, not go-live

Strive to deliver value, not a go-live of a system. Think holistically, find quick wins, and take the time to do it right. Delivering outcomes is better than a go-live.



Business-led, IT enabled

Implementing Cloud ERP and HCM requires the business functions themselves to take ownership. This is not an IT-led install, but rather business led and IT-enabled.

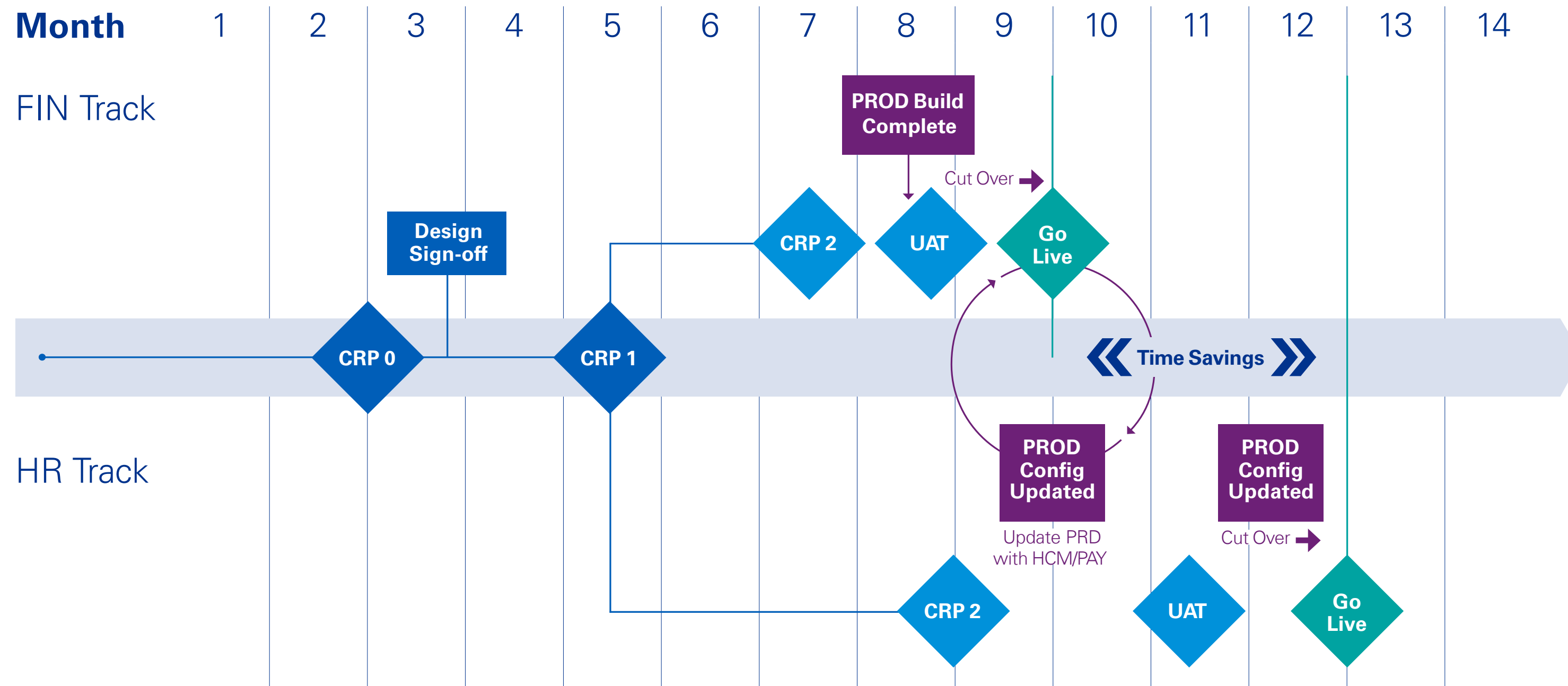


Run one integrated project

This is not a Finance and HR project, but one project. Run it as one project, with one overall leader, managing a combined design, build, and deployment team.

KPMG Powered Enterprise Oracle Cloud install approach provides an accelerated path to ERP & HR cloud install.

Case study of a combined Oracle Cloud ERP and HCM implementation



KPMG & Oracle Cloud ERP and HCM Client Profile:

- The client's legacy back-office systems hadn't kept pace with its aggressive growth
- \$6B+ in revenue, 8,000+ employees
- Installed Cloud ERP and HCM together in parallel
- Modules include Financials (AP, AR, GL), Accounting, Core HR, Talent, Recruiting, Onboarding, and Payroll
- Completed multiple major acquisitions since go-live
- Redesigned controls, resulting in dramatic reduction in audit fees

But why not do Cloud ERP, then Cloud HCM, or vice versa?

Holistic



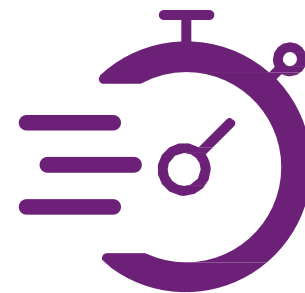
Combining Cloud ERP and HCM ensures a future operating model design that accounts for the entire enterprise, not a single silo.

No interim integrations



Installing one function then another requires interim integrations to legacy systems. This means wasted money spent on throw-away work.

Shorter time to value



The timeline for installing both technology together in parallel is significantly shorter than running it separately in series.

One licensing agreement



Installing ERP and HCM together means buying it together, which in turn typically leads to a higher volume discount from Oracle.

Decommissioning faster



A combined program eliminates the legacy technologies at the same time, allowing you to accelerate decommissioning of legacy systems faster.

Cost comparison: a single Cloud ERP and HCM platform costs less

The following table summarizes the total cost of ownership over a 7-year period from a real life customer

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Upgrade legacy system	One Time Costs: Upgrade legacy on-premise ERP and HCM							9.5
	Operating Costs: Includes labor operation costs, maintenance, hosted applications, and license costs							23.7
	Total (in \$ millions)							\$33.2
Cloud ERP, then Cloud HCM	One Time Costs: Implement Cloud ERP first, followed by Cloud HCM on a 24-month timeline							12.5
	Operating Costs: Includes labor operation costs, Cloud software license costs, and internal labor costs in support of the implementation							13.6
	Total (in \$ millions)							\$7.8
Install Cloud ERP and HCM together	One Time Costs: Implement Cloud ERP first, followed by Cloud HCM on a 14-month timeline							10.0
	Operating Costs: Includes application labor operating costs, Cloud software license costs, and internal labor costs in support of the implementation							11.4
	Total (in \$ millions)							\$3.5

The economics of one Cloud ERP and HCM platform

Many people assume that a new Cloud platform is going to be more expensive than keeping legacy systems in place. However, in nearly all cases, implementing Oracle Cloud with KPMG costs less than maintaining current on-premise technology.

The migration off legacy technology to Cloud ERP and HCM not only makes business sense, but it makes financial sense.

35%

cheaper than maintaining legacy systems

71%

drop in operating costs when fully live vs. on-premise

\$5mm

less expensive to install ERP and HCM together

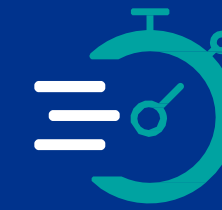
12mo

faster schedule when ERP and HCM installed together

Zero

costly one-time capital upgrade costs

Implementing both cloud systems at once means:



Faster install. Combined cloud installations take, on average, **30%-50% less time** than sequential installs of ERP, then HCM (or vice versa). Accelerated decisions are made with pre-built KPMG Powered Enterprise business processes. Fewer project resources are needed to manage the installation when it's done simultaneously. It's simpler to manage with no rework and no interim integrations. Your system is up and working more quickly, so there's a faster time to value. See **sample timeline** diagram on page 6.



Less cost. Integrated Cloud ERP and HCM costs less than all other options, both in the short and long term, and provides efficiency and momentum. Less manpower is necessary, which means lower implementation fees, less conflict is generated, and there are efficiencies of scale, leading ultimately to a lower total cost of ownership. The combined cost of software is typically less than purchasing separately due mainly to volume discounts. See **cost comparison** table on page 8.



Less stress on people and systems. Implementing Cloud ERP and HCM in pieces inevitably requires rework because the timeline is longer. More staff is required for a longer period of time, resulting in an inefficient two-step process. Simultaneous installation means a shorter, simpler experience with just one vendor.

It's more than just economics

Migrating to a single Cloud platform provides more than just economic benefits. A project like this provides a unique opportunity to take a step back, evaluate your processes against leading practices, and align to modern delivery that allows for a platform for future growth. By doing this, you turn a potentially standard cloud implementation project into a dynamic functional transformation investment.

If done right, this could be the last time you do an ERP or HCM installation project.

There's real, additional value from a combined Oracle ERP and HCM implementation, but it's harder to quantify:



Security and governance

- A single ERP and HCM platform enables easy single sign-on (SSO) for integrated Cloud ERP and HCM. KPMG has found that common cloud ERP and HCM platform implementations are typically more secure, with dramatically better internal controls, resulting in 25% lower audit fees.



Workflow and business process

- A unified cloud ERP and HCM platform eliminates unnecessary complexity. The Cloud streamlines workflows and provides enterprise visibility throughout all the necessary business functions.



Single data source

- Having a single cloud platform provides a single data source. Leaders can drive transactional reporting needs or run some predictive analysis. The cloud platform is one data model and one system of record of an individual, allowing all people-related information to be held in a single place, maintained by common data entry processes.



Common self-service access

- The unified cloud platform provides a common entry point for everyone to have a consistent user experience across the domain. There is one log-in from one system to access information.

Real-world implementations

Company Name:

Sinclair Broadcast Group, Inc.

Sinclair Broadcast Group, Inc. is a diversified media company and leading provider of local sports and news.

Pillars: ERP, HCM, SCM

- Aggressive growth company with disparate back office systems.
- Oracle Cloud implementation combined disparate systems into a single operating model to improve service delivery and operational excellence.
- Created greater transparency through streamlined reporting and analytics to aid in decision making.
- Established governance and framework for continued growth with Oracle Cloud.



Company Name:

Large Non-Profit Health Insurer

Insurance provider focused on multi-state access to affordable care with over 5,000 employees.

Pillars: ERP and HCM

- Previously operated on four different ERP systems that were highly customized and costly to maintain.
- Oracle Cloud implementation provided standardization and operational improvement across core back office systems.
- Modernized finance and HR processes with standard data model.
- Improved efficiency and employee experience.



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