EXECUTIVE STRATEGY SERIES

Oracle Cloud Applications

Empowering the Modern Business in the Cloud
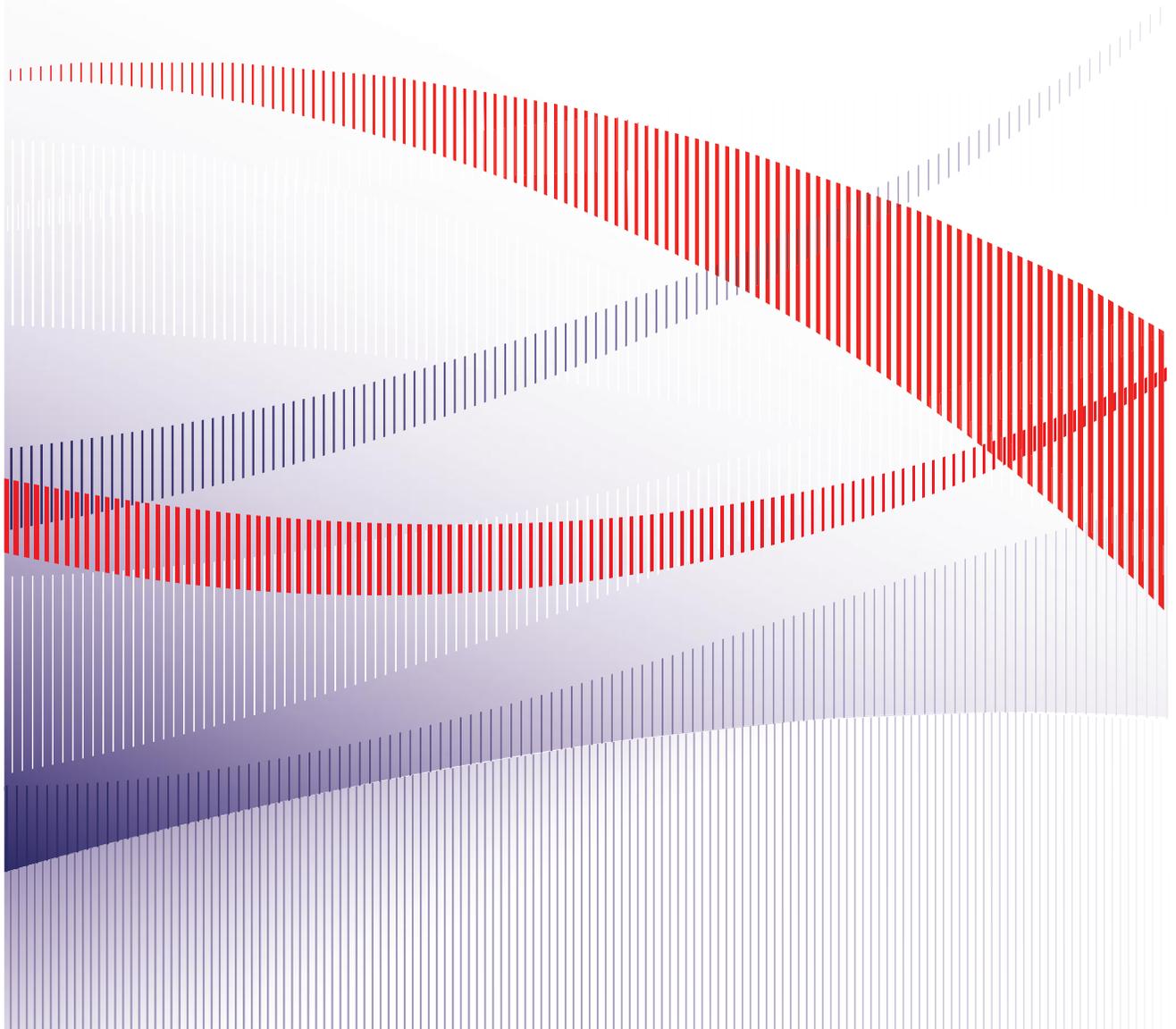
ORACLE®

Accelerating Innovation with Oracle Cloud Applications

The Cloud has been hyped as "the next big thing," "a disruptive force," and even "a shot in the arm for our economy." In simple terms, cloud enables users to purchase software and IT resources as a service, shifting the burden of capital expenses to a flexible, pay-as-you-go model. Cloud computing resembles a utility that supplies water or electrical power—users are able to access their business applications at any time and from multiple locations, track their usage levels, and scale capacity as needed without large up-front costs.

But if you think cloud computing benefits only IT organizations, you may be surprised. Increasingly, business leaders are finding that today's clouds give them more control over their information systems than ever before. In fact, in the past year IT budgets have dropped by 5 percent while line of business (LOB) technology spending has grown approximately 20 percent.[1]

When viewed industry-wide, cloud adoption is still in its early phases. But the momentum is growing. Pioneering business leaders have escalated their migration to cloud solutions and software as a service (SaaS) applications over the past three years, leveraging cloud-based systems to build better products, launch more-innovative services, deliver better customer service, and create new engagement models. Companies are attracted to the cloud's lower up-front costs when compared to traditional IT-centric approaches to application deployment.

Within the Oracle user community we are seeing this shift toward cloud adoption on the business side. In a survey of 364 Oracle Application User Group (OAUG) members, a sizable portion of them reported that LOB deployments of cloud technology are on the upswing. More than 25 percent of cloud projects were initiated from the top executive suite—at the behest of CEOs, CFOs, and CMOs. An additional 25 percent of respondents said that LOB managers initiated cloud engagements, and 8 percent of respondents said cloud engagements were initiated by LOB employees.

This paper examines several real-world implementations to reveal the benefits our customers are realizing with Oracle Cloud Solutions. Specifically, as a result of Oracle's uniquely comprehensive, modern approach to cloud applications services, these customers can:

- Quickly execute complete and integrated business processes—Access market-leading capabilities at their fingertips to solve an end-to-end business problem, coupled with unified execution, visibility, and control
- Innovate faster with less risk—Roll out solutions faster with less burden on IT and in incremental steps, accelerating time to value and flexibly responding to changing market conditions

---

[1] Wang, R. Ray, "A Software Insider's Point of View," Constellation Research, April 30, 2012.
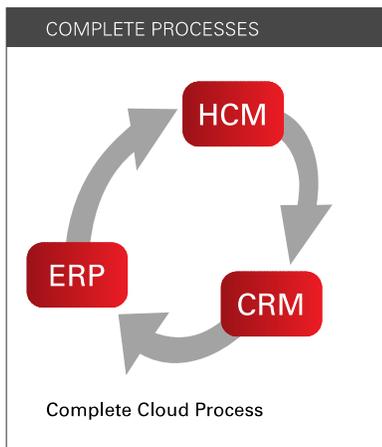
- Transform user experiences and insight—Deliver greater value to their teams and their own customers with advanced, embedded reporting and social capabilities accessible anywhere, on any device
- Choose, as needed, from a complete portfolio of modern business solutions that provide continuous innovation from a stable and proven global technology provider

Forward-looking executives at organizations are accelerating innovation with Oracle Cloud applications, a complete suite of modern business applications in the cloud that let people access the latest software functionality quickly and with lower risk and cost.

Complete and Integrated Business Processes

The comprehensive nature of Oracle Cloud is a key selection consideration for customers. Oracle has the broadest cloud portfolio in the industry, delivering a complete range of production-level, cross-functional business applications for each part of your organization with information and data shared seamlessly across Oracle Cloud Applications and your other systems. Business users have the latest innovations at their fingertips across sales and marketing, customer service, finance and accounting, supply chain management, human capital and talent management—all enriched with social engagement and collaboration tools and an intuitive user interface that works on any mobile device. These applications have been architected on a modern and open service-oriented platform and infrastructure to simplify integration needs and lower an organization's total cost of ownership.

With such extensive functionality across business processes, customers can solve their business problems with complete solutions that give them end-to-end execution and complete visibility. There are no information silos, and no need to coordinate software upgrades between vendors, integrate data, or manage disparate security policies.

Such was the motivation for one of the nation's premier retailers, operating hundreds of stores across North America. The retailer wanted to deploy a cloud-based talent management system that would readily integrate with its on-premise Oracle's PeopleSoft Human Capital Management applications and other business systems. Decision-makers selected Oracle's Talent Management Cloud as the SaaS solution that would work with other in-house systems to manage talent end to end.

A key objective for the retailer was a seamless experience for human capital management users, from recruiting through hiring, performance review, and other aspects of the employment cycle. The retailer's HR executives have been impressed so far with how the solution "improved our employees' experiences from a couple of perspectives. The experience for end users will be consistent all

COMPLETE PROCESSES

Complete Cloud Process

the way from application through their talent processes, performance review, and leadership. The other point is that the product is easy to use. So we knew there would be high user adoption."

For another company, Herbalife, the ability to provide complete processes and integrate with other in-house systems was also a key driver in its selection of Oracle Human Capital Management Cloud.
Herbalife is a global nutrition company that helps millions of people pursue healthy, active lives. Its nutrition, weight-management, and personal-care products are available in more than 75 countries around the world. Five years ago, Herbalife began a global rollout of Oracle's enterprise resource planning suite, starting with on-premise solutions for order entry, supply chain, and financials. The company began to change its deployment mix in the last several years to leverage the Oracle Cloud to bring new products to market quickly and drive more innovation for the company.
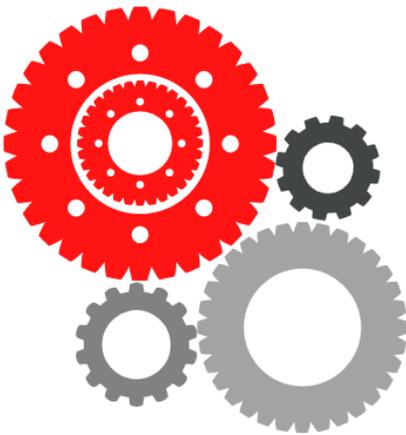
Before selecting Oracle Human Capital Management Cloud as its global HCM platform, Herbalife examined a number of application software products, both on-premise and cloud-based. The company needed cloud solutions that could integrate easily with its other business applications and processes. The people in the HCM system have to tie into all the other business processes. "Having a vendor that can provide business solutions and not just stovepipe solutions was important to us," says Mark Schissel, Senior Vice President and CIO at Herbalife. Herbalife also required the complete range of deployment flexibility that only Oracle Cloud Solutions offer. "It was important for us to work with a vendor that offered multiple deployment options," says Schissel. "Whether it is on premise, or whether it is a managed service, or whether it is software as a service, depending on our business circumstances, that answer changes. And it might change over time, as well. It's important to work with a vendor that understands all of those deployment options and can maximize them and make sure all of our systems are working together while they're in different states."

Having complete visibility and consistent execution across business processes was proven critical for both of these highlighted Oracle Cloud customers, who gave strong weighting to Oracle's unique ability to accommodate these needs.

Innovation, Speed, and Flexibility

Getting started with cloud applications is generally a simple process since there is little or no capital expense involved. By taking control of departmental computing needs, LOB managers can get to market quickly with new applications. Oracle Cloud applications allow customers to access the latest features quickly without compromising visibility, control, or security.

One of the advantages Oracle Talent Management Cloud offers the premier retailer mentioned above is a scalable, flexible infrastructure that can expand and

> "A SaaS solution was strategic for my organization, because I had limited resources and we weren't technical. Our expertise is in customer service. We really didn't have the expertise in the infrastructure -- Oracle has that expertise."
>
> Maryellen Abreu, Director of Global Customer Service, iRobot

contract to meet seasonal fluctuations in their head count, which grows approximately 20 percent during the holiday season. The Oracle Cloud solution has been able to keep up with these continually changing business needs. "When we have to scale up, they do it for us because we're in the cloud, and when we come down, they can come down."

Innovation speed and flexibility benefits have also been realized by iRobot Corporation, a leader in delivering robotic technology-based solutions, including the award-winning iRobot Roomba vacuum cleaning robots. Deploying Oracle Cloud applications has helped iRobot bring new products to market more quickly and become a more nimble business, while improving customer service levels.

iRobot utilizes on-premise applications for finance and other corporate functions, but when it came time to deploy a new customer service system, the IT department was busy expanding manufacturing facilities and warehouses. They didn't have the capacity to help roll out a global customer experience solution needed to scale the company's call center business to support iRobot's products worldwide.

After investigating cloud-based CRM solutions, iRobot determined that Oracle had a highly functional and secure offering that was easy to integrate with the rest of iRobot's enterprise applications. The results have been extremely positive.

"Our IT organization loves the fact that we're in the cloud," says Abreu. "This is a strategic advantage to a company like iRobot that wants to build and design robots that make a difference. We leverage the cloud in order to move rapidly, launch new products—while someone else is worrying about the infrastructure. I can't imagine why anyone wouldn't leverage cloud applications, because they are providing you that cutting-edge information and being able to give you the flexibility that you need in order to run your business."

Transform User Experience and Insight

A third key factor for modern cloud applications is the ability to transform user experience and insight. With Oracle Cloud applications, social capabilities are embedded directly into cloud-based business processes so it's easier for people to share information. This collaborative work environment seamlessly connects users and content within a social network, no matter where people are located or which devices they prefer to use. Social relationship management capabilities allow companies to build relationships by engaging people even before they become customers, and to continuously improve those relationships so they become brand advocates.

Moreover, for business users, Oracle offers the ability to directly access data in the cloud, without needing to learn analytics software. For example, a set of tools

Oracle Cloud

Platform Services | Application Services | Social Services

Common Infrastructure Services

allows end users to analyze Facebook posts and Twitter feeds and respond. Business users are able to do that directly, by themselves, in the Oracle Cloud. iRobot leverages the mobile and social collaboration features in Oracle Customer Experience Cloud to improve customer service and provide a better user experience. iRobot benefits from having continuous access to cutting-edge technology with each upgrade. New technologies, such as the ever-changing mobile and social landscape, are used by their customers and iRobot is able to keep up with these changes.

With a feature in Oracle Customer Experience Cloud, customers are able to show iRobot's customer service agents the problem they are having. It was traditionally very hard and frustrating for customers to communicate about their robot problems over the phone. Now, they are able to seamlessly upload the actual content to YouTube or other sites so the agent can watch the video and understand the problem more vividly. And as a result, the agent can troubleshoot more efficiently and make sure that the robot is working correctly, improving customer satisfaction.

In addition, Oracle Cloud Solutions break down information silos and provide transparency for all organizations at iRobot. Engineering can log right into the system, and see the conversation with the customer whether it's a chat, an e-mail, on the user forum, on YouTube, and so on. Engineering, quality assurance, and other departments have transparent access to the customer conversation, which is available 24/7. This rapid feedback has improved product quality and accelerated product launches.

The modern, embedded social and mobile capabilities of Oracle Cloud are also critical in the world of retail, where companies must adopt new technologies rapidly to compete. In the case of our premier retailer, they enjoyed the ability to deploy a mobile version of their Oracle SaaS solution and also utilize social capabilities. Having an easy-to-use interface as well as a mobile and social component has been important for getting thousands of users to adopt the solution. Also, mobile capabilities have enabled the retailer to push recruiting activities to mobile and social sites, where users can pick up applicants from their mobile devices, thereby bringing innovation and new efficiencies to their recruiting processes.

Oracle Cloud: The Cloud Done Right

Committed to Cloud

Nearly seven years ago, Oracle embarked on an effort to completely rewrite and modernize all of our applications. Very few technology companies have the wherewithal to cross the chasm from one generation of technology to the next. It is a huge undertaking and requires a significant investment, vision and commitment. Thousands of people, billions of dollars, and key strategic acquisitions were required for Oracle to become both an on-premise application
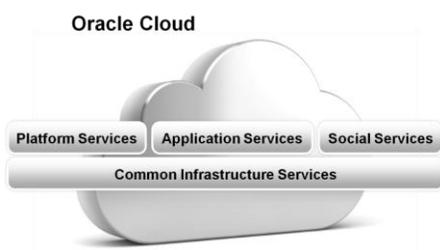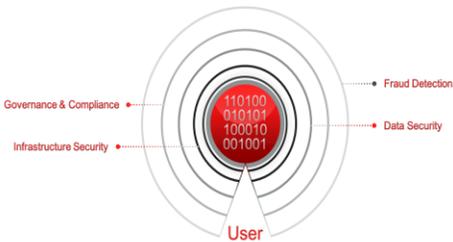
provider as well as a leading cloud application provider. The result is the most comprehensive cloud in the industry, with a complete suite of enterprise-grade applications, on a common platform, all enhanced with modern, socially enabled technologies and applications. Today, we have more than 10,000 customers and more than 25 million users that rely on Oracle Cloud every day.

Rich and Complete Functionality

When we talk about having the most-comprehensive set of enterprise-grade and modern business applications in the cloud, we mean providing a complete suite of sales and marketing applications; a complete suite for customer experience, including social relationship management; and complete suites for enterprise resource planning (ERP), human capital management, and talent management. As we have seen with the customers cited, this complete end-to-end and integrated process capability has been an important differentiator in selecting Oracle Cloud applications.

Importantly, customers want to be able to connect their existing on-premise applications to new applications in the cloud. Oracle's commitment to standards and service-based integration makes it possible to connect application systems in the most durable and cost-effective way. Standards help customers gain more value from their existing IT investments that work with new, modern cloud applications.

Performance without Compromise

Security and reliability cannot be forgotten in any discussion about cloud applications. Customers need to be able to trust that their cloud solution protects private information and controls access. Since 1998, Oracle has offered business applications as managed cloud services to customers across the globe. We also provide the technology that powers ten of the top ten public SaaS vendors today. And Oracle Cloud stands out when it comes to security and performance. From the physical security in our global data centers, to the logical security we've embedded at every layer of the technology stack that supports the business applications, no other vendor makes the ongoing necessary investments to ensure integrity and confidence in the cloud.

Oracle Cloud protects customers' data and fine-tunes systems performance at every technology layer, from applications to disk. Because Oracle manufactures and designs every layer of the technology stack that our cloud applications run on, we are uniquely able to optimize how all these systems work together. This in turn delivers extreme performance and scalability that meet the requirements of even the largest and transaction-intensive businesses.

Mark Schissel from Herbalife agrees that Oracle is the right vendor to help businesses meet the challenges of integration and reliability in the cloud. "For us, it was pretty clear. If we're going to have someone outside of these walls manage our operations, then Oracle was an easy solution. They own the hardware. They

"75% of business managers say their ability to innovate using their cloud applications has been hindered and the main hindrance is a lack of integration."

Dynamic Markets Cloud Report
May 2013

"From Oracle, I can buy a business solution and I'm not just buying widgets that fit together. At the end of the day, choosing Oracle was a huge advantage for us and an easy decision."

Mark Schissel, SVP and CIO
Herbalife

own the software. They own the database. They own the services. From Oracle, I can buy a business solution and I'm not just buying widgets that fit together. At the end of the day, choosing Oracle was a huge advantage for us and an easy decision."