



5 Benefits of Having ERP and HCM in a Single Cloud Platform

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Why in the world would you keep two systems of human resource (HR) data? To support a system governing enterprise-wide business operation, coordinating the configuration and maintenance of human capital management (HCM) data is a critical component. After all, HR data is an essential part of the business infrastructure. Products within Oracle's ERP Cloud expand the use of HCM to manage core HR data such as employees, organizations, jobs, and locations, enabling business process and workflow functionality such as shipment delivery locations, project staffing and validation of project charges, and approval routing.

Clients typically find five major benefits in using an integrated suite of HCM and enterprise resource planning (ERP) deployed on a single platform:

1. **Security and Governance**
2. **Workflow and Business Process**
3. **Reporting and Analysis**
4. **Common Self-service Access**
5. **Single Data Entry Point**

Together the five benefits remove integration effort and reduce total cost of ownership leading to a faster return on your investment.

1. Security and Governance

Integration also impinges on security. Single sign-on (SSO) security is straightforward to implement in a homogeneous single platform environment like Oracle ERP Cloud and Oracle HCM Cloud. Conversely, instigating SSO in a heterogeneous environment such as an ERP system cloud deployment with a 3rd party human resource management system (HRMS) is a protracted exercise and ultimately more of a workaround than a built-in solution.



"A robust cloud-based system was important to us and that's why we chose Oracle. We implemented the ERP Financials, Projects, and HCM modules and we now have a fully-integrated suite of products. This will not only make us more productive, but also lessen the chance for errors."

MARK DENNEN
CFO
SOLAIRUS AVIATION



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In addition, configuration of your organizations, business units, and employees provides clear hierarchies of personnel that your Oracle ERP Cloud solutions can leverage to facilitate consistent governance across your business.

2. Workflow and Business Process

Having a single unified cloud platform ensures a single business process tool that cuts across processes and domains to ensure consistent workflows. For example, when an employee creates a purchase requisition, the business process will be able to determine the approval routing by leveraging both information in Oracle ERP Cloud and Oracle HCM Cloud; including business unit and employee cost center, the approval limits in the management chain, the item category, and the location of the employee.



“The cloud allows us to deliver the industry’s broadest, most complete suite of integrated application services to a segment of the market that traditionally has not considered tier-one solutions like Oracle. The robust functionality of our cloud suite and our modern best practice business processes make it easy for midsize organizations to get started cost-effectively, reduce burden on IT, and better compete in today’s fast-changing economy.”

STEVE MIRANDA
EXECUTIVE VICE PRESIDENT OF
APPLICATIONS DEVELOPMENT
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3. Reporting and Analysis

Having a single unified cloud platform gives you a single data source and a single reporting environment across the enterprise to apply the same security and controls. You can drive transactional reporting needs, or run some predictive analysis to drive your business forward knowing that the security and access approvals are the same in both the Oracle ERP Cloud and Oracle HCM Cloud.



In addition, more data, secured appropriately, allows for better insights to the business, giving richer information and the ability to correlate data across different domains using the same powerful business intelligence capabilities. Oracle Application Cloud delivers prebuilt content targeting not only the data scientists but content that is understood by your HR users and your line of business managers as well.

4. Common Self-Service Access

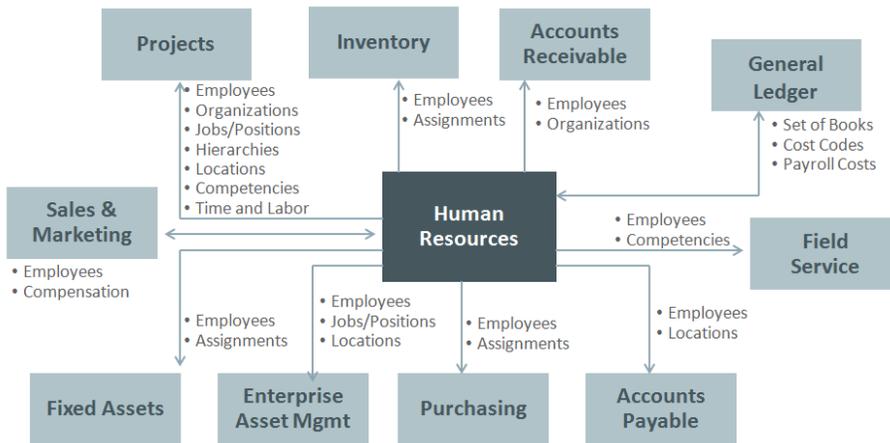
A manager is also an employee. The unified cloud platform provides a common entry point for everyone to have a consistent user experience across the domains. This gives you one login to access the information you are allowed to see and the information you need from one system.



5. Single Data Entry Point

The following figures show the myriad of process integration points across the various domains in an enterprise deployment. When the ERP and HR information are on different platforms this leads to costly maintenance and integration challenges.





**FINANCE AND HR:
A MARRIAGE MADE IN HEAVEN**

Eliminate redundancy and create harmony with a unified cloud suite:

- One user experience
- One reporting and analytics solution
- One data model
- One industry-standard platform
- One software provider

Figure 1. HR data is the foundation of business operations.

Similarly the different domains share data across these processes. The unified cloud platform is one data model and is one system of record of an individual (i.e. each person has one unique identifier, one current name and address, etc.) allowing all people related information to be held in a single place, maintained by common data entry processes. This gives you information that is accurate, rich in content and current from one single location.

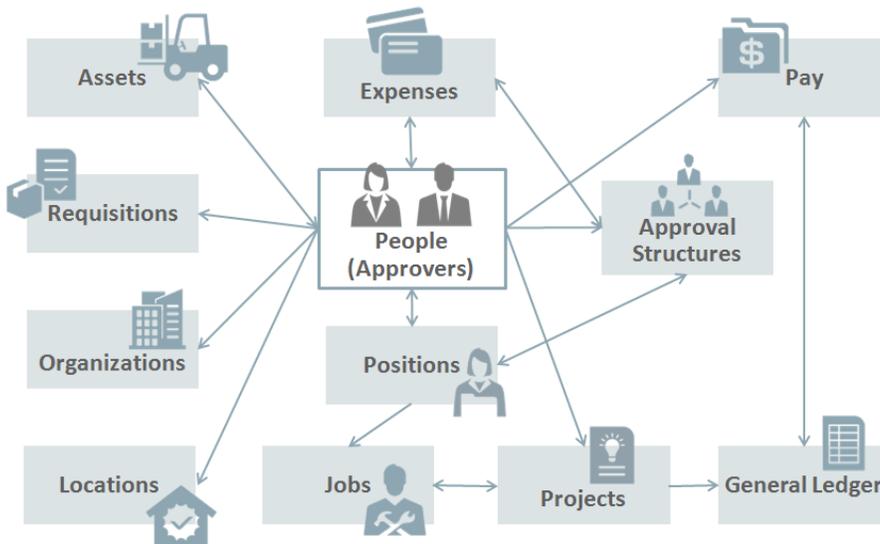


Figure 2. People data is associated with transactions throughout an ERP system.



Your Guide to Shared Data Points between ERP and HCM

Use the following guide to explore your shared data points between ERP and HCM systems as well as learning about the business process points between ERP and HCM systems.

Shared Foundation Data between ERP and HCM

- | | |
|---|---|
| » Addresses | » Operating Units |
| » Assignments (including status types) | » Organizations (including structures, versions, elements, units) |
| » Budgets | » People |
| » Business Units | » Periods of Service |
| » Competencies (including profiles, elements, definitions, rating levels) | » Person Types |
| » Jobs | » Phones |
| » Legal Entities | » Positions |
| » Locations | » Qualifications (including types) |
-

Integration Between HR and Financials

Shared Data between HCM and Financials:

- » Assignments (including status types)
- » Locations
- » Organizations (including structures, versions, elements, units)
- » People

Business Process Integration Points between HCM and Payables:

- » Expense reports require people, assignment information and organizations
 - » Expense signing limits require employees
 - » Invoices, holds, shipments (including network locations), and vendors requires organizations and locations
-

FIVE MODERN BEST PRACTICES FOR CONNECTED FINANCE AND HR

No two back office functional areas are as connected as Finance and HR. Just how interdependent are these two functions is easy to understand. Below are [Five Modern Best Practice Examples](#) to examine the impact of changes in HR policy, employee status and/or organization structure:

1. [Daily Close to Financial Forecast](#)
How organizational changes impact approvals
2. [Requisition to Receipt](#)
How policy changes impact compliance
3. [Budget to Approval](#)
How organizational changes impact budgets
4. [Insight to Smart Sourcing](#)
How organizational changes impact contract negotiations
5. [Expense Report to Reimbursement](#)
policy changes reduce expenditures

Integration Between HR and Procurement

Shared Data between HCM and Procurement:

- » Assignments (including Status Types)
- » Jobs
- » Locations
- » Operating Units
- » Organizations (including Structures, Versions, Elements, Units)
- » People
- » Positions (including Position Structures)

Business Process Integration Points between HCM and Procurement:

- » Shipments and vendors require organizations and locations
- » Purchasing employee hierarchies requires employees, jobs and positions
- » Buyers, agents, approved suppliers requires people
- » Purchase quotations, orders and contracts require people and locations
- » All people who create requisitions or purchase orders, who authorize purchases, and who receive purchased goods or services (i.e. buyers, agents, approved suppliers) must be set up as employees.
- » The document approval process uses the supervisor hierarchy or the position hierarchy maintained by Oracle HR.



“Oracle HCM Cloud gives our employees and managers friendly, up-to-date tools to answer their questions and keep them engaged—while the HR team focuses on strategic initiatives. We love that it’s part of a single unified cloud system that will help us grow within our tight budgets.”

LARRY FREED
CHIEF INFORMATION OFFICER
OVERHEAD DOOR COMPANY

Integration Between HR and Project Portfolio Management

Data Shared between HCM and Projects:

- » Addresses
- » Assignments
- » Business Units
- » Profiles
- » Jobs
- » Legal Entities
- » Locations
- » Operating Units
- » Organizations (including Structures, Versions, Elements, Units)
- » People
- » Periods of Service
- » Person Types
- » Positions
- » Competencies and Skills

Business Process Integration Points between HCM and Project Portfolio Management:

- » Project resource pools include employees and contingent workers
- » Resource searches score based on skills and qualifications
- » Project planning and staffing requires visibility of planned absences
- » Time cards require project manager approvals

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