

Enabling Modern HR

How SAP ERP Customers Can Win the War for Talent with Oracle HCM Cloud

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Chapter 1 | A New Economic Reality

In a Rapidly Changing World, the Demands on HR Are Increasing

As the global economy exits the downturn of the past half-decade, enterprises are looking at ways to capitalise on the new opportunities that recovery will bring.

Two things will be central to success: the ability to attract, engage and retain talented workers, and the ability to move fast to take advantage of these new opportunities. Organisations need to be innovative and agile, which in turn requires them to have systems in place that support these initiatives. This white paper is for HR professionals who want to contribute on a strategic level to the organisation's success, but who are currently hampered by the limitations and restrictions imposed by their legacy HR system.

In particular, it's written for HR professionals in organisations that have invested in SAP as an enterprise resource planning (ERP) platform for their core business operations, but who are increasingly finding that its associated HR applications do not provide what is required to effectively manage their strategic talent in the modern global, social and mobile era.

It outlines why hundreds of organisations around the globe are augmenting their existing investment in SAP with new, cloud-based HR tools from Oracle that provide the modern HR functionality that they urgently need – quickly, effectively, and at low cost.

Organisations using Oracle HCM Cloud with SAP today include Bombardier Inc, Barclays, BG Group, Acciona, Schneider Electric, Cariparma and Engie.



Oracle's Commitment to SAP Customers

It is a little-known fact but most customers that use SAP for their core ERP systems have already made investments in Oracle as well. These might be in the technology that underpins the applications, or in areas of business functionality such as financial reporting, budgeting & planning, demand forecasting, customer relationship management and product development. As a result, such organisations will already possess skills in the use of Oracle technology and have existing relationships with their Oracle account team.

Oracle is committed to ensuring our applications deliver exactly the same transformational business benefits when used by customers with non-Oracle ERP systems as they do for those who operate in a predominantly Oracle environment. We recognise that many companies work successfully with multiple ERP systems across their businesses. We do believe, though, that the restrictions imposed by your current ERP systems should not compromise your ability to deploy the advanced HR capabilities that your business demands. Equally, upgrading your ERP system shouldn't be a prerequisite for gaining access to business-critical functionality.

- SAP customers around the world are choosing to implement specialised, market-leading applications from Oracle to:**
- + Gain modern, business-enhancing functionality for competitive advantage
 - + Deliver an intuitive, informative and engaging experience to users
 - + Enable new business processes or services to be implemented quickly
 - + Take advantage of the latest capabilities in areas such as mobile and social
 - + Leverage their existing investments in Oracle technology



Chapter 2 | Role of HR and Oracle Difference

HR Has a Pivotal Role to Play in the Modern Organisation

The Role of HR

Attracting and retaining talent is a significant concern for CEOs as people and skills become critical differentiators in a knowledge-driven economy. The ability to identify high-calibre talent both internally and externally is becoming vital to ensure that business initiatives can be delivered.

The executive team is looking to HR to develop strategies and tactics for recruiting talented people, developing them in line with business objectives and personal career goals, and inspiring them to greater heights of success.

Another key factor for organisations is the ability to capitalise on new opportunities. These might be developing new products, entering new markets, or undertaking new strategic initiatives such as mergers and acquisitions. Whatever the imperative, it is important to be able to rapidly deploy talent to where it is most needed. Growth-oriented companies want to move fast – but with as much risk taken out as possible.

And whilst innovation and agility to support new business initiatives are key, the ongoing engagement of employees and the optimisation of their productivity is equally important. Systems must be simple, intuitive and easy to use, and must facilitate real collaboration between individuals and departments.



The Oracle Difference

Organisations with a strategic investment in SAP need to be confident that any non-SAP application delivers significant business value without compromising their existing investment. By choosing modern, cloud based HCM software from Oracle, you not only gain the functional advantages of market-leading software (which can easily complement your existing set of applications) but many other benefits too:

A complete Cloud solution: Oracle provides the most complete suite of applications in the cloud. This is not limited to just the HR function, there is a broad portfolio of applications that can support the entire enterprise. All of these are available using a ‘Software as a Service’ (SaaS) model. In addition we are in the unique position of being able to offer the ability to extend, develop and individualise this functionality using ‘Platform as a Service’ (PaaS), Infrastructure as a Service (IaaS) and Database as a Service’ (DaaS). This breadth of capability offers customers the opportunity to take a strategic view of their current systems portfolio in order to optimise their entire applications landscape.

Fast time to value: Oracle applications are designed to be rapid to implement, with extensive configuration options that

enable the software to be tailored to your organisation, your brand and your business processes with no expensive customisation. Deployment of Oracle HCM Cloud can start delivering value in days or weeks, for a fraction of the set-up costs of an on-premise implementation.

Strength in integration: Oracle applications are built on open standards-based middleware. This open architecture platform means that integration into other business applications such as SAP and other third-party applications is robust and can be rapidly deployed. By its very nature the use of open standards means that there is no ‘lock in’ to any particular technology, giving you flexibility over your future applications landscape and a clear integration roadmap.

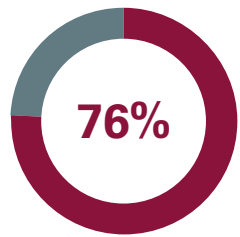
Built-in business intelligence: Oracle applications not only offer modern operational functionality, but also have built-in analytics and dashboards for monitoring and reporting on performance and identifying and addressing exceptions. These can be deployed using the latest mobile devices to provide executives with the vital information that they need, when they need it, wherever they are.

Familiar, secure technology platform: With on premise applications that may have no access to the outside world, the limitations and vulnerabilities of

existing security systems may not be exposed. When data is moved outside of the organisation and into the cloud, this situation changes and security, access, encryption etc. assume a much greater importance. Oracle applications rely on the same secure, powerful technology platform that underpins many SAP and other business application implementations. This provides unrivalled security, performance and availability for your enterprise data across the entire technology stack from applications, right down to hardware and storage.

Organisations are moving to cloud to overcome challenges and gain tangible benefits

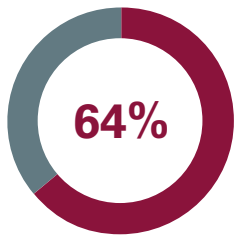
IMPROVED USER EXPERIENCE



76% of businesses state **improved user experience** for employees, managers and Human Resources¹

n=1,022

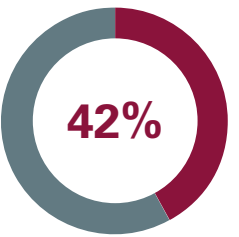
IMPROVED EMPLOYEE ENGAGEMENT



64% of organisations state **lower employee turnover** rate with social and mobile technology²

n=800

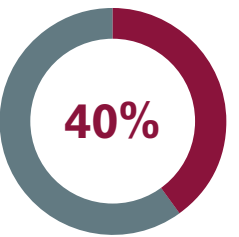
BETTER-ENABLED MOBILE WORKFORCE



42% of businesses are using the cloud to **drive business transformation** and **better enable the mobile workforce**³

n=800

LOWER TCO



40% of respondents state **lower cost of ownership (TCO)** is the key factor for moving onto the cloud⁴

n=270

Sources: ¹Sierra-Cedar – 2014–2015HR Systems Survey, ²Elevating Business in the Cloud, KPMG Cloud Survey, 2014, ³PWC - HR Technology Survey 2014 - Moving HR to the Cloud

Chapter 3 | Need for Something New

New Tools Are Critical to Business Success

SAP plays a critical role in business operations, but is that enough?

Businesses of all kinds have invested in SAP as a core ERP system to manage their critical business operations including finance, manufacturing and supply chain. That investment has delivered advantages such as automated processes and centralised operational data, and standardised the way the organisation works. This has improved organisational efficiency and boosted margins even though implementations have often had their challenges.

SAP HR systems have frequently been implemented as part of an overall initiative, but they have not typically been the key focus of the deployment which has, quite rightly, been on the core operational systems that manage the business.

“We tried to be as vanilla as we possibly could but there were configurations that we put in place. We were able to make it look like it belonged to us. It feels like our system”. – Luci Love, HR Director, BG Group

“Cariparma chose Oracle HCM Cloud to support their new HR strategy based on social, mobile, digital, collaboration, engagement concept. Thanks to Oracle HCM core HR maturity and innovation Cariparma will build a new way of managing people and to open the HR system to all employee in line with the latest HR best practices. Oracle HCM Cloud was the one most in line with these expectation also thanks to the fact Oracle during the assessment phase has been not only a vendor but a strategic partner to start a strategic journey”. – Cesare Chiozzi, HR Planning and Processes Manager, Cariparma

“ENGIE initiates a real transformation of its human resources with the digital solution Oracle HCM Cloud”.

“Setting up a comprehensive, personalized and collaborative solution is key to strengthen our agility and operational excellence. The flexibility of the solution, its integration capacity with the existing information system of Engie , and the commitment of Oracle teams were decisive in our choice of this solution”. – Henri Ducré, Deputy General Manager, Human Resources Engie Group

These capabilities are needed today if HR is to be able to meet the increasing talent-centric demands of the business. This should not have to wait until an upgrade of the entire ERP estate, which will in itself be complex, disruptive and time-consuming, and where HR will often be

treated as a lower priority than other, more directly revenue-enhancing business projects.

As a result, HR professionals are turning instead to cloud-based tools that can work with SAP, and that can be up and running – and delivering value – in a matter of weeks.

This has resulted in two key issues.

- + These legacy on-premises systems were designed for an era when HR was a predominantly administrative function. For that reason, the implementations are often basic and the HR systems used primarily as a repository for people data. They support the transactional side of workforce management: maintaining basic employee data, managing payroll, recording holidays and sickness, etc. However, these functions alone no longer meet the demands of modern businesses. HR needs tools for acquiring and retaining talent; gaining deep insights into the workforce for strategic planning; and providing informed support for rapid, global business growth.
- + Existing applications have often failed to keep pace with advances in technology, often because of a lack of willingness to upgrade systems due to the inherent cost and risk. This situation is exacerbated when there is dependency between systems. For example, if there is a desire to upgrade HR applications in order to take advantage of the latest enhancements, this is unlikely to happen if such an initiative will adversely impact or potentially compromise core systems such as Finance. As a result, the deployment of HR manager and employee self-service capabilities is often limited or basic and the user experience is poor. Additionally, it is difficult to take advantage of advances such as mobile enablement and collaboration tools, features that are now seen as critical, especially for today's tech-savvy "millennial" workforce.

"Having everything all in one place is key to us". – Luci Love, HR Director, BG Group

"Oracle HCM Cloud had the broadest scope and therefore the best opportunity to drive the seamless employee experience we were looking for. It has become the single source of the truth". – Luci Love, HR Director, BG Group

The following sections show how SAP customers are using market-leading tools from Oracle to deliver improved business processes, an engaging user experience and enhanced HR service delivery in this global, social and mobile era.

We believe that there are two strategies that SAP ERP customers can adopt:

- + Maintain SAP as the core HR system and data hub, but complement it with advanced capabilities in the critical area of talent acquisition. This will deliver all elements of the process, including sourcing, recruitment and onboarding.
- + Replace the existing SAP HR system, with Oracle HCM Cloud applications to provide a complete and modern HR environment across the business. This would obviously integrate with other core SAP ERP applications if required (including, for example, payroll).

Chapter 4 | Delivering Modern Talent Acquisition

Today's Market for Job-Seekers Is Online, Mobile, Global and Always-on

Attracting and retaining talent is increasingly seen by the executive team as being a critical business issue. Addressing this area with Oracle's market-leading HCM Cloud applications represents the first strategic opportunity for SAP customers.

To find the best people, employers need to be there for candidates 24/7, presenting an outstanding employee value proposition, a compelling brand, and offering a candidate experience that actively attracts and embraces talent.

With paper-based applications and CVs all but consigned to history, successful organisations are those that can harness the power of social networking and word-of-mouth referrals – both externally and within the organisation – to identify, evaluate, hire and on-board talent quickly.

Conversely, senior-level candidates expect a discreet, personalised, knowledgeable and well-timed approach from recruiters. They also expect recruiters to have a deep insight into the role they are hiring for, as well as the company's strategy and the contribution the successful candidate will be required to make. Top talent may not be actively looking for a new role at this time, so using social recruitment tools that enables pools of untapped talent to be "nurtured" is becoming increasingly popular.

Oracle HCM Cloud provides SAP customers with the modern functionality needed to update their talent acquisition practices in line with these challenges. It also integrates with existing SAP systems, so data on internal candidates and new hires can be easily synced with the HR system of record.



Most importantly, Oracle HCM Cloud provides unrivalled capabilities for modern talent acquisition, supporting the entire process from initial sourcing to successful onboarding.

Social sourcing and employee referrals:

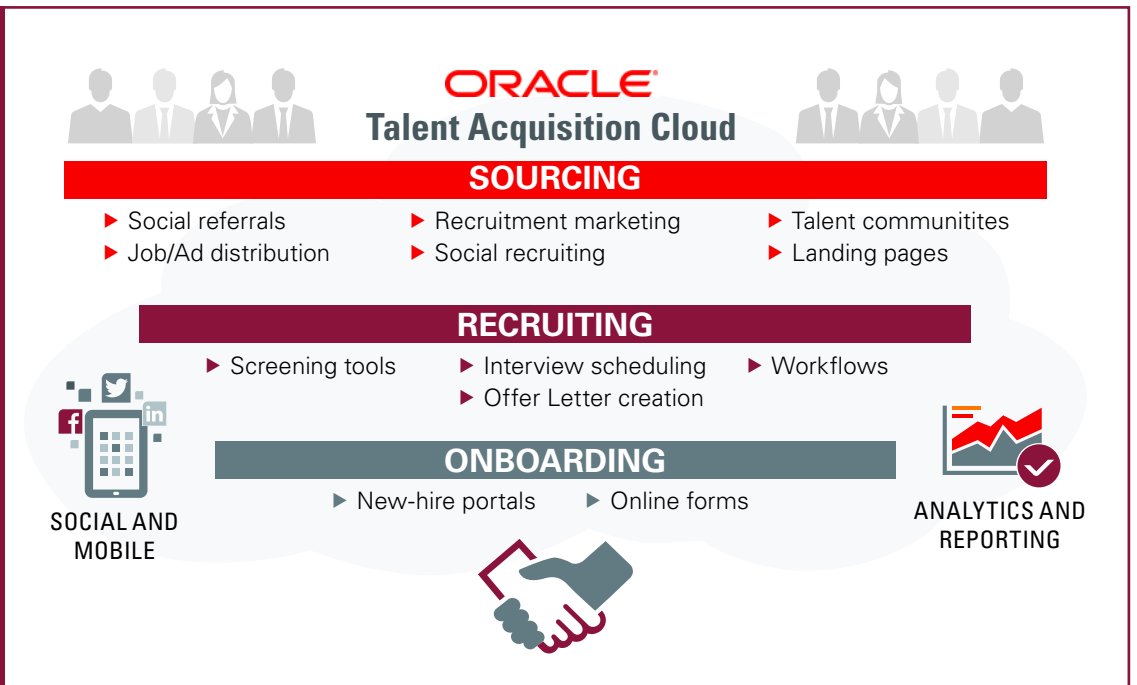
Oracle HCM Cloud enables recruiters to utilise popular social channels and exploit the benefits of social networking, including the ability to send open positions to employees in order for them to make referral suggestions. It makes the process easy for referrers and applicants, while recruiters can use in-built dashboards to see referral statistics and activity in real time. Rich reporting capabilities identify top referrers and rank referrals with other sources of hire to pinpoint the most effective channels.

Candidate experience: Oracle allows for the creation of a fully branded candidate experience that matches the corporate style, or even multiple career sites to accommodate different business needs. Mobile enablement of these sites

and recruitment processes provides the user with an attractive and compelling environment. Integration with LinkedIn, Facebook, and RSS feeds helps candidates to apply for jobs more easily, as well as enabling recruiters to expand sourcing strategies and build relationships with potential candidates.

Volume recruiting: With Oracle HCM Cloud, recruiters can instantly view the entire candidate pool, import contacts from Microsoft Outlook and Excel, and flag candidates. Campaigns can be run to support business initiatives such as the opening of new locations. Universal profiles, e-mail templates, and videos help to build candidate relationships. Sophisticated evaluation capabilities include pre-screening, and scoring/ranking candidates based on their responses.

Oracle provides a complete and modern talent-acquisition cloud service



Partner ecosystem: Oracle has a broad range of partner organisations, such as SHL, that offer complementary pre-integrated services such as video interviewing, psychometric testing, background checks etc. This enables customers to deliver a more complete, holistic and seamless recruitment process and thereby offer a much improved candidate experience.

Executive recruiting: While automated processes dominate in the area of volume recruiting, the need for an individualised and judiciously-timed approach increases with the seniority of the role. The recruiting team must portray an accurate image of the company and the open role, and be ready to answer questions about company strategy, available career tracks and personal contribution to the team goals. As executive recruitment becomes increasingly a buyer's market, the more important it is for recruiters to have these answers to hand.

Recruitment automation: With Oracle HCM Cloud, organisations can configure specific candidate recruitment workflows for different positions, create workflows,

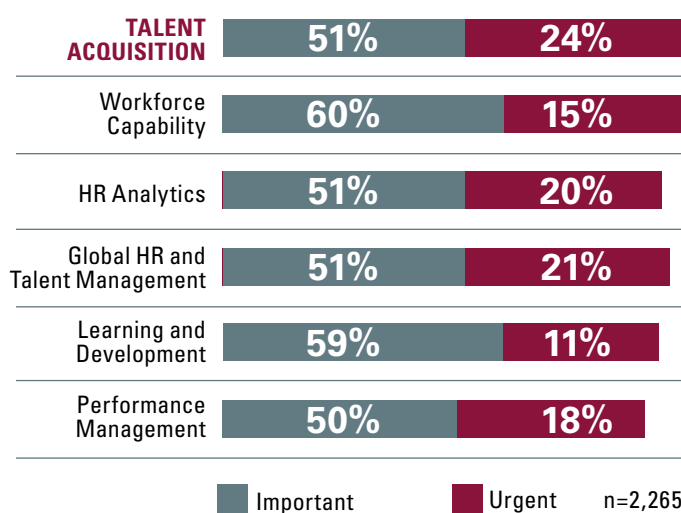
and assign them by open position. The usage of job boards can be automated and optimised, thereby reducing spend. The most-qualified candidates can be processed faster, the time to hire reduced and the risk of candidates leaving, minimised.

Onboarding: Oracle HCM Cloud streamlines new hire processes so that employees can start contributing real value right away and are fully productive as soon as possible. New hires experience a smooth transition from candidate to employee, and start their jobs confident they've made the right choice. Employees feel welcome and connected from the outset, increasing talent retention.

Recruitment analytics: Standard reports, custom metrics, and dashboards measure objectives, efficiency, and effectiveness across the whole talent acquisition operation. Information is available when required and in the best format, advanced security ensuring that confidential information is protected. As a result recruiters can easily analyse recruiting data to make better informed decisions.

Talent acquisition has become the most pressing HR challenge for organisations today

TOP HR CHALLENGES FACED BY ORGANISATIONS¹



Sources: ¹ Human Capital Trends 2014 survey, Deloitte University Press, ² PWC: 17th Annual Global CEO Survey, 2014, ³ ManpowerGroup: Talent Shortage Survey 2013

Chapter 5 | Supporting Business Transformation

Many Organisations Are Seeking to Change, Restructure and Grow for Maximum Competitive Advantage

Their strategies include ramping up promising lines of business; opening new offices at home and overseas; and judicious mergers and acquisitions. In each of these scenarios, workforce management is a critical component for success. In the case of new domestic and overseas premises, organisations need to be able to assemble and deploy new teams quickly. With mergers and acquisitions, it's vital to bring the acquired talent into the organisation smoothly and effectively.

Once the teams are deployed, they need access to all of the HR services that will help them to settle and flourish in their new role. At the same time, the HR function needs to be able to manage them as an integral part of the overall workforce.

The reality is that with current legacy applications, the ability to deliver such significant transformation exercises is often severely compromised. Research from Deloitte pictured below represents the "capability gap" across a number of HR dimensions between an organisation's needs and its ability to execute.

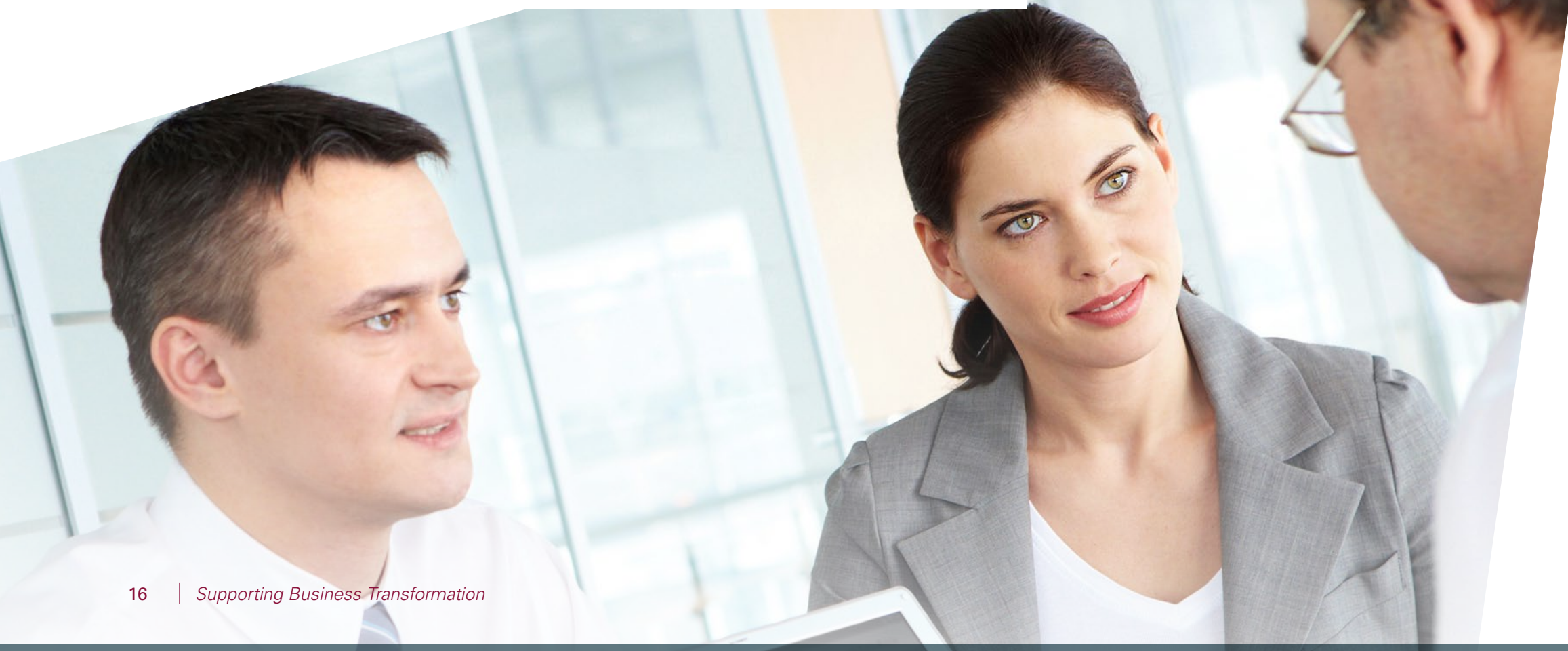
It is against this backdrop that many SAP ERP customers have now taken a long hard look at their existing HR systems and decided that in order to meet the changing needs of the business those systems are no longer fit for purpose. In this situation they have adopted the second of our suggested strategies and used Oracle HCM Cloud as the core HR system, replacing their legacy on-premises SAP HR system.

This might entail wholesale replacement of the core system or might be undertaken as a series of phases. Consider the following situation:

Rolling out a traditional on-premises ERP system like SAP in a new office is an expensive exercise. It is likely to take a considerable length of time and require extensive help from valuable internal IT teams or external consultants who could be more effectively used on customer-facing projects. Costly new server hardware will be needed to run the software, and the new instance will need to be integrated with existing systems to create a single source of employee data.

Not only that, but a dedicated administrator needs to be on site to manage and maintain the system. The costs and time-scales involved can seriously slow down the roll-out of a new initiative. That's why many expanding organisations are choosing Oracle HCM Cloud. They get up and running extremely quickly in new offices and divisions with a full-scale, fully-featured HCM system for core transactional HR processes and strategic talent management.

With no hardware to buy, a single monthly subscription fee, extensive configurability and localised functionality for 38 languages and 200 countries, Oracle HCM Cloud is the fastest, most comprehensive and most cost-effective way to get new offices and teams up and running quickly. This can be easily integrated with existing SAP systems if required.



In addition to the benefits outlined above SAP ERP customers who choose to run Oracle HCM Cloud across the enterprise; for new operations; or across smaller satellite offices all benefit from the following:

Full HCM functionality: a complete HCM solution comprising core HR (single person record synchronisable with SAP, global payroll, benefits administration, absence management, etc.) and a full suite of talent management functionality including recruiting, compensation, learning management, goal management and performance management.

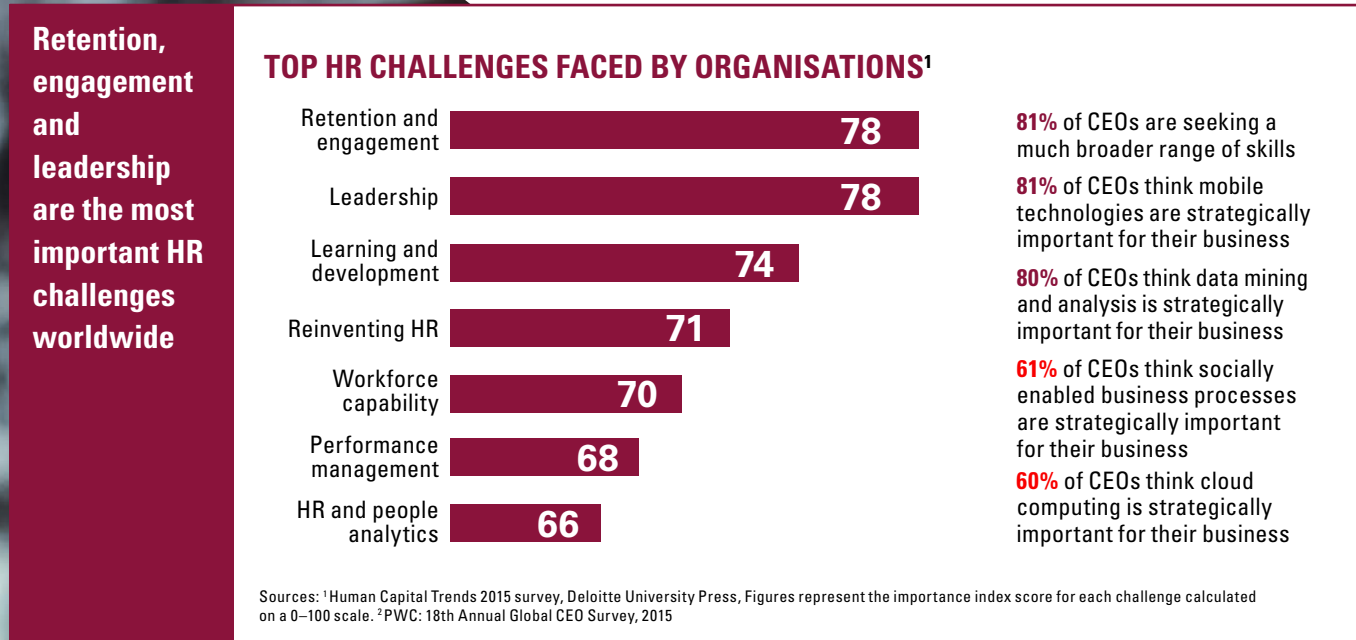
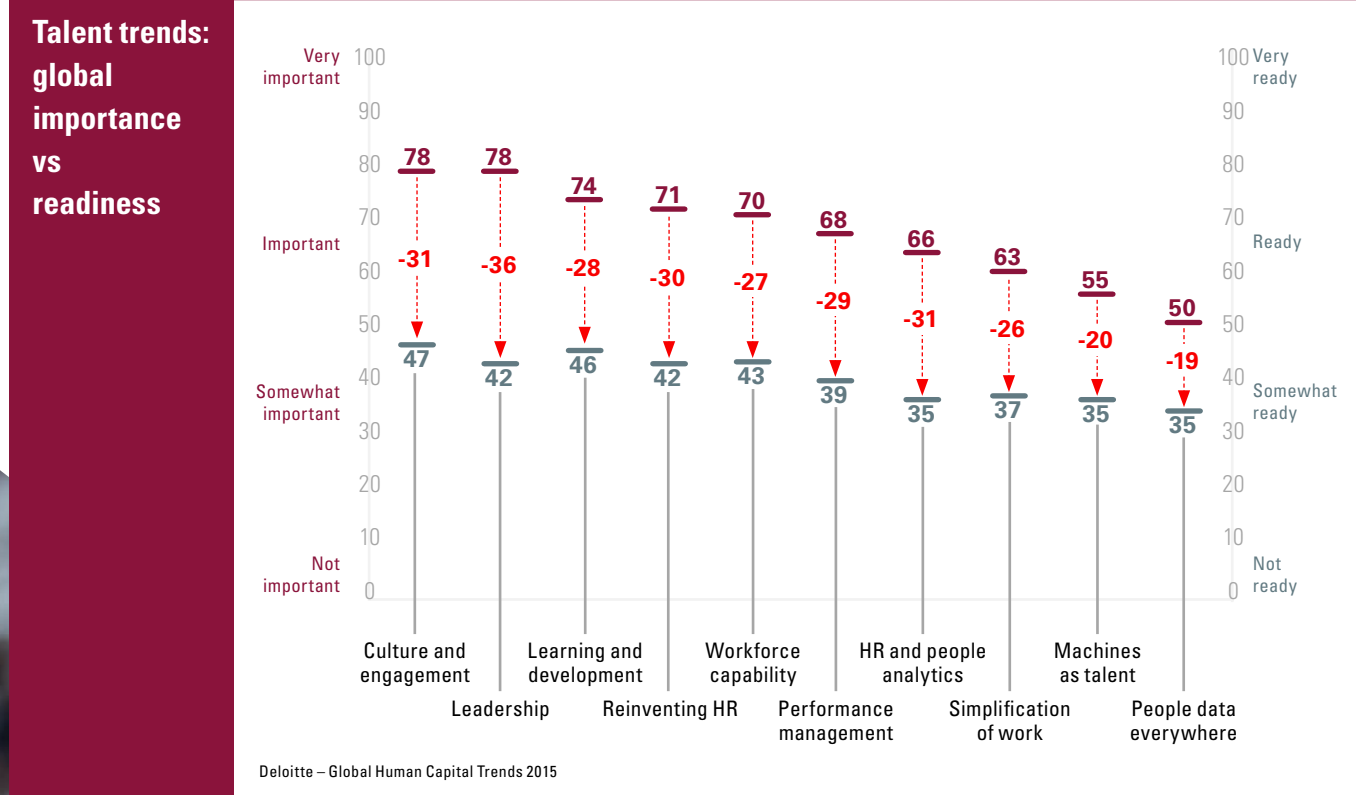
The latest technology: applications that deliver a great user experience and fully utilise technology such as mobile enablement, tablet devices and built in social collaboration tools.

Continuous Innovation: As part of the SaaS model Oracle delivers two full software releases a year. As a result your software currency will improve and the functionality that can be offered to the business just keeps getting better and better. Customers continue to keep pace with and take advantage of the latest functional and technological advances. Recent innovations include things such as gamification and the ability to manage

internal competitions, wellness applications and integration with wearable devices, reputation management and social learning that offers a 'Youtube for the enterprise' experience.

Sophisticated HR analytics: delivering real business insight across all elements of the HR function and all stages of the employee lifecycle. Embedded and actionable intelligence that supports common HR processes and reporting worldwide, thereby ensuring HR process and data consistency. This includes a unique workforce predictions module to anticipate and model future developments and changes in the workforce.

Local compliance: localised support for over 200 countries with translations; data protection support; local business rules; country payrolls and compliance reporting for efficient local operations. Plus, highly configurable business processes allow for rapid adaptation to legislative and organisational changes.



Chapter 6 | Summary

As the Workforce Becomes the #1 Competitive Differentiator in the Global Knowledge Economy, HR Is Transforming from a Purely Administrative Function to an Active Contributor in Shaping Business Strategy.

For that to happen, HR urgently needs the support of modern software tools for talent acquisition, talent management and intelligent workforce management. Legacy HR systems from a previous era are unable to provide the required functionality, and upgrading them to newer versions is a long and costly exercise that will likely still not deliver the modern tools and intelligence that HR desperately needs and employees demand.

With its market-leading applications designed from the ground up to meet the needs of the modern, strategic HR function, Oracle HCM Cloud is the smart choice for SAP ERP customers who

want to move fast to capitalise on new business opportunities, develop a world-class workforce, and win the global war for talent. It offers a number of key benefits:

- + Rapid deployment to optimise time to value
- + Flexibility to deliver the best solution and service to your business and employees
- + Enhanced innovation and the ability to take advantage of the latest technological advances
- + Improved Return on Investment (ROI) through a SaaS model that is proven to be significantly cheaper than legacy on-premise applications



To find out more about how your organisation can benefit from Oracle HCM Cloud applications, browse these **resources** or contact your local Oracle representative.

