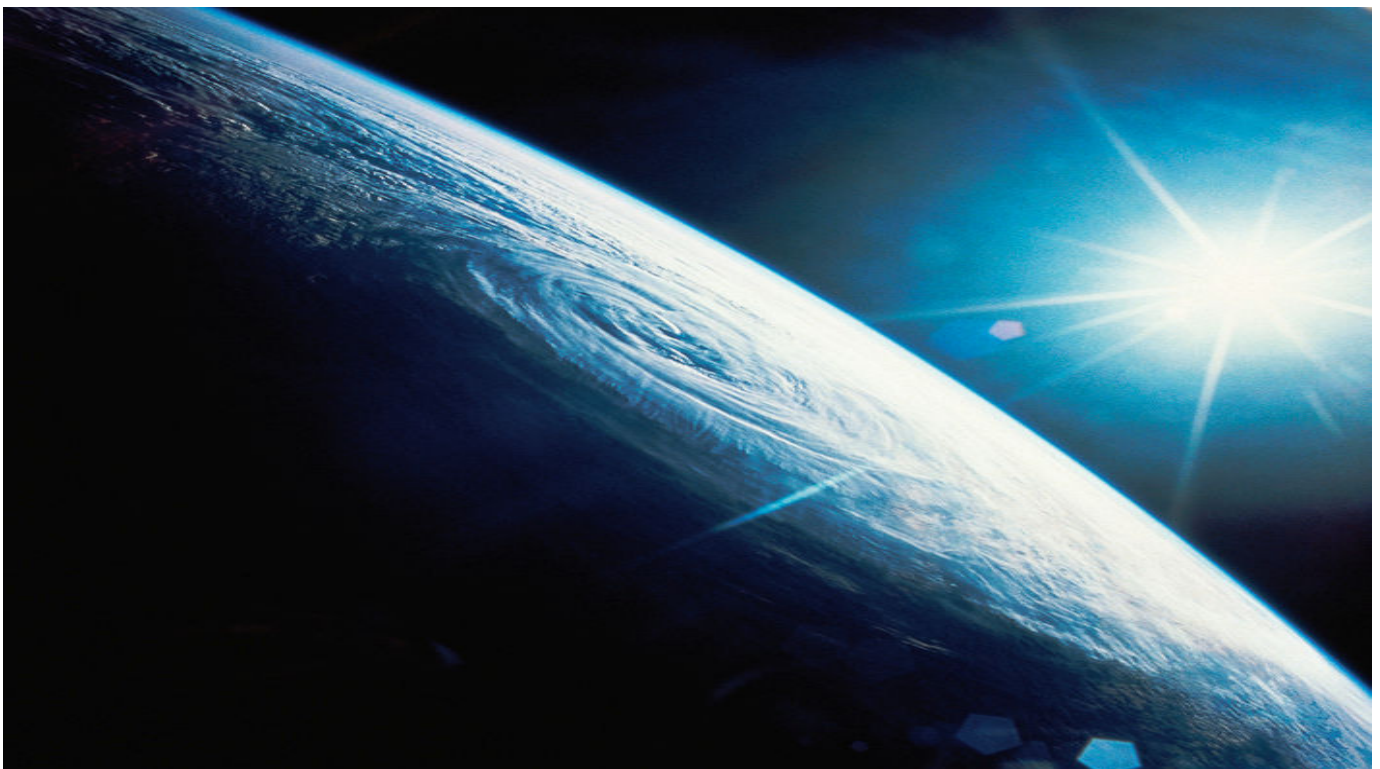


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Oracle Fusion Financials The Future – Unearthed



What is Oracle Fusion Applications?

Over the last ten years Oracle has acquired numerous competitors in the applications and technology market, which has resulted in a large product portfolio with overlapping functionality. The stack of products is now referred to as Apps Unlimited. Almost all of the acquired products represented 'best-of-breed' in their respective area. Yet, this still wasn't an integrated suite of products.

One of Oracle's options would have been to continue improving on its EBusiness Suite (EBS) application and incorporate numerous new functionalities and the 'best-of-breed;' concepts from the acquired products. However, this would have been nearly impossible due to the inherent differences in architecture and user interfaces.

Instead Oracle decided to build a new application suite from scratch. Fusion Applications is a result of combining the best concepts and ideas from Apps Unlimited products, and it is built on a standard-based middleware layer.

After 8 years of development and testing in September 2010 Oracle announced the release of version 1 of Fusion Applications, the footprint was as follows:

Fusion Applications						
Supply Chain Management	Financial Management	Customer Relationship Management	Procurement Management	Human Capital Management	Projects Portfolio Management	Governance Risk & Compliance
Distributed Order Orchestration	General Ledger	Marketing	Self Service Purchasing	Human Resources	Projects Foundation	Financial Compliance
Global Order Promising	Subledger Accounting	Common Components	Purchasing	Talent Management	Projects Performance	IT Risk & Compliance
Logistics	Payables	Contract Management	Supplier Portal	Workforce Service Delivery	Projects Billing	Issue Manager
Product Information Management	Receivables	Sales	Enterprise Contract Management	Total Compensation	Projects Control	Risk Manager
Cost Management	Assets	Territory Management	Sourcing	Workforce Management	Projects Costing	Access Controls
	Payments	Resource Management		Global Payroll		Transaction Controls
	Legal Entity	Customer Data Management				Configuration Controls
	Common Module	Customer Center				
	Tax					
	Cash Management					
	Collections					
	Expenses					
	Finance for EMEA					



What is Fusion Financials?

In 2013 Oracle released Fusion Financials Management version 1.0.7. Fusion Financials Management contains 3 components:

- Fusion Financials – this comprises the modules illustrated above
- Fusion Reports Center – delivers the multi-dimensional reporting and analysis platform
- Fusion Transactional Business Intelligence – self-service, ad-hoc, real time reporting of finance transactions.

In addition, Oracle delivered the Fusion Accounting Hub which provides a flexible approach to integrate Oracle and non-Oracle finance systems and provide high quality reporting and analytics.



How can it be deployed?

Oracle offers 3 ways that Fusion Financials can be deployed. These are as follows

Public Cloud – Financials can be implemented using Oracle Cloud services.

This is software as a service and has the following features:

- 99.5% availability
- Virtual Tenancy
- Disaster Recovery as standard
- Backup procedures
- Staging & Production Environment
- Active management with client of release updates
- Elastic Capacity
- Central monitoring and Managing

Licence is on a named user basis usually paid over a 3 year basis.

There are unresolved questions concerning how to get data out of the cloud for any future application moves.

Very limited extensions or customisations can be made to the applications.

Furthermore, some functionality is not available in the public cloud, for example Oracle Business Intelligence – Applications (OBIA), Fusion

Accounting Hub (FAH), invoice imaging and project integration gateway.

Private Cloud – In this option Oracle provide you the infrastructure and software on a private data centre.

The benefit of this is that the client has more control and visibility of the information stored in the database whilst retaining the benefit of Oracle-managed architecture.

The key differences of this deployment model are as follows:

- Not licenced on a name user basis
- All functionality is available
- No restrictions on extensions.

On premise – In this option Oracle provide you the software you install it in your data centre.

It is identical to Private Cloud offering except in the clients data centre.

The Fusion technical infrastructure requirements (processor and disk space) are four times that of an equivalent EBusiness Suite install making it a major consideration when deciding to deploy on premise.



How is it better?

There a number of ways in which Fusion Financials has improved on the Apps Unlimited products such as JDE, PeopleSoft and EBusiness Suite Financials.

- 1) **The User interface.** At the heart of Fusion Applications is an improved user interface that removes java forms and improves the way that information is delivered to users. The key principles are about providing the user with what they need to know, embedded reporting, prioritisation of the tasks using work-list concepts and improved collaboration.
- 2) **Enhanced reporting.** Oracle has embedded an Essbase cube into the General Ledger. This means that, as part of the configuration, Essbase will build a cube based on the core GL dimensions (chart, calendar, currency) providing you with immediate access to aggregated balances, drill-down and

pivoting information based on the financial transactions. This functionality can also be leveraged through the SmartView excel add-in which allows users to perform multi-dimensional reporting from the desktop.

- 3) **Hierarchy Trees.** Fusion General Ledger has adopted the concept of “trees” from PeopleSoft that allow users to build multiple General Ledger reporting hierarchies to analyse the business based on various geographical, product or legal splits. The ability to draft and version trees makes reporting in Fusion Financials considerably more adaptable to a changing business than the existing Oracle EBusiness Suite flexfield hierarchy’s functionality.
- 4) **Oracle Transactional Business Intelligence (OTBI).** OTBI supports transactional reporting from the general ledger and sub-ledgers transaction information stored in the database without the need to export the data into separate database per the current version of Oracle Business Intelligence (OBIEE). OTBI is a user friendly and flexible tool which contains out of the box reports and KPI’s and can be used to provide information in a format that is easily exported to Excel. Additionally Fusion Financials BI catalogue reports can be embedded within the user interface, which is an improvement on the need to utilise the concurrent manager to run reports per Oracle EBusiness Suite.
- 5) **Coexistence.** Oracle has adopted a coexistence model that allows existing financials and supply chain systems to live side-by-side with a Fusion Financials install. This allows businesses to implement Fusion applications as an addition to their applications suite; allowing them to realise the benefits of Fusion for user experience and reporting without disturbing any existing complex architectures. An example is Fusion Accounting Hub.
- 6) **Close processing.** New to Oracle Fusion Financials is the Close process monitoring functionality. This is similar to the Hyperion Close Management functionality and uses a graphical view of the ledgers and sub-ledgers in the business to see close status and collaborate with colleagues in the business to monitor progress and resolve issues.
- 7) **Integration with desktop tools.** Oracle has developed integration with desktop tools such as Excel to allow users to transfer information from the desktop to the database quickly and in large volumes. Examples are the Invoice, Receipts and Journal upload tools.
- 8) **Mobile expenses.** A significant absence from the Apps Unlimited products was a mobile expense application. Oracle has developed a Fusion Expense application for iOS devices, this app utilises native phone applications and devices to simplify and streamline the process of entering expenses. An example is the ability to use the phone camera to take a picture of your receipt and attach them to the expense claim.
- 9) **AP Invoice imaging.** This functionality has never been part of the standard in Apps unlimited products. It usually required separate costs to buy and implement third party software. In Fusion Financials this is now part of the core product.
- 10) **Business Processes.** Particularly in the SaaS Public Cloud version of Fusion Financials the processes cannot be changed. This might require changes to existing process but undoubtedly forces a business to think about standardisation.
- 11) **Time to deploy.** With the SaaS Public Cloud version of the Fusion Financials the time to deploy can be a lot shorter. Generally an instance of Fusion Financials is available 2 weeks after contract signing, with the implementations taking 3 – 4 months rather than several years. This means time can be spent on more value-add tasks such as process design and user adoption rather than configuration, customisation and architecture deployment.



Areas for improvement

There are a number of ways in which the Fusion Financials still needs to develop.

- 1) **Functionality.** Apps Unlimited products like Oracle EBusiness Suite have been developed over 20 years. These now include a plethora of functionality and flexibility. Of course all the functionality and flexibility is not available in version 1.0.7 of Fusion Financials.
- 2) **Language support.** Oracle Fusion Financials 1.0.7 supports 21 languages which is a lot less than the 40+ languages supported by Oracle EBusiness Suite R12
- 3) **Localisations.** Many of the local statutory requirements were developed as part of consulting solutions. Oracle Fusion Financials 1.0.7 supports relatively few local statutory requirements in the standard product. As a result these need to be managed off system or developed as an enhancement.
- 4) **Business Processes.** The business processes in a cloud installation of Fusion Financials are completely locked down. This inflexibility will be disadvantage to larger organisations where industry specific business processes or value adding activities are required.



The Conclusion

Oracle Fusion Financials is an improvement in many ways on previous versions of Apps Unlimited products. In particular the simplified and enhanced user interface which provides access to embedded reporting and analytics

Rich functionality, especially statutory localisations, remains the primary area of challenge for early-adopters that have a global footprint.

As it stands, Fusion Financials is not a replacement for the Apps Unlimited products where business has significant value added complexity in the back office. Alternatively for complex organisations a co-existence strategy using Oracle Fusion Hub Accounting could provide substantial benefit and agility. Instead it is probably best suited to small – medium sized enterprises that have relatively low levels of complexity. However, Oracle is taking steps to enrich fusion financials and in a year they have released 4 new versions the expectation is it will rapidly resolve these shortcomings.

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