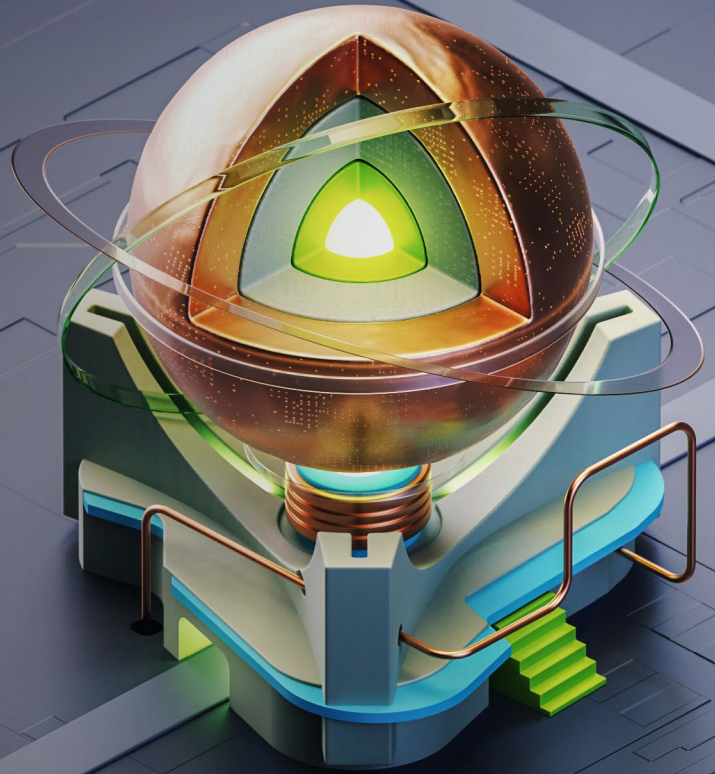


TECH TRENDS 2021

Creating an agile enterprise
built to evolve with Oracle

CORE REVIVAL



In the current economic climate, it's more strategically important than ever for legacy core systems to be capable of supporting agility, innovation, and new modes of working. Yet the costs associated with cloud migrations and other modernization strategies can be prohibitive, especially when custom-coded legacy systems are involved. Faced with pandemic-related uncertainty and tight budgets, many IT leaders and their C-suite peers are looking for new ways to fund modernization initiatives. Likewise, they want more from these investments than mere improvements to the enterprise IT plumbing—they want to create a lasting foundation for innovation and competitive advantage.

This year, in what we recognize as an exciting new trend, some CIOs are exploring innovative ways to redefine the core modernization business case. Over the next 18-24 months, we expect to see trend participants:



Reengineer their business cases for reviving the core with new financial offerings and approaches.



Pay down technical debt by refactoring critical code, removing unneeded functionality, and replatforming non-ERP capabilities.



Explore options for recreating legacy IT assets with a new generation of powerful low-code platforms.

All of the above may involve rethinking costs, project funding models, and the desired outcomes associated with core (and, potentially, data center) modernization use cases by focusing on third-party

platform management services. These services, such as ELEVATE, a collaboration between Oracle Consulting and Deloitte, feature nontraditional funding arrangements and operate-to-transform approaches that combine modernization and innovation investments.

AN AGILE ENTERPRISE, BUILT TO MODERNIZE AND INNOVATE

ELEVATE is a cloud migration and delivery approach offered by Deloitte and Oracle Consulting, designed to help companies revive their core systems and accelerate digital transformation—all while potentially creating positive cash-flow and decreasing risk by tying payments to successful results.

Through ELEVATE, Deloitte provides robust end-to-end cloud offerings coupled with business insights, cybersecurity, and industry knowledge. Innovative solutions such as Deloitte SuperLedger™ for finance and Smart Factory Fabric for supply chain complement Oracle Consulting's technical acumen, in-depth product experience, and migration services. Together, the integrated ELEVATE team can deliver a tailored solution designed to help:

Reduce technology debt and provide scalability and quality by transitioning workloads to Oracle Autonomous Database and Oracle's Gen 2 Cloud Infrastructure, operated by Deloitte.

Modernize applications by consolidating finance, supply chain, or other functions on Oracle SaaS apps with embedded automation to decrease costs and enhance productivity.

Innovate and continue to adopt new digital technologies through Deloitte's Operate and Digital Foundry services, which are designed to make it easier to stay current on quarterly releases and to take advantage of advanced analytics, automation, and other new features.

Oracle is one of the few vendors that can play end-to-end in the cloud market, ranging from technology (i.e., platform and infrastructure) to applications. ELEVATE includes a unique commercialization arrangement, which can minimize the upfront investment required and possibly make each step of the modernization journey cash-flow positive. This approach gives IT leaders a new option for unlocking value across both technology and applications in a budget-friendly way.

ELEVATE IN ACTION: TECH AND APPS

Due to the COVID-19 economic crisis as well as shifting market conditions, a global consumer products company needed to adapt its strategy and reposition itself in the marketplace. However, the company's aging systems limited what its businesses could do. Technology debt, budget constraints, and complex custom-coded systems exacerbated the situation, leaving the organization with few options for gaining the agility and innovation it needed from its core systems.

Deloitte and Oracle Consulting invested in doing an initial assessment of the company's aging technologies. The assessment revealed significant security risks and end-of-life issues that required urgent action. Under the ELEVATE program, Deloitte and Oracle Consulting built a business case that could help the company to modernize its tech and apps in a cost-effective manner.

The business case illustrated how the organization could spread out the upfront costs of a core modernization initiative over five years. The engagement team would use proprietary tools, such as Deloitte's ATADATA™ cloud discovery and automation platform, to deliver benefits faster. The savings could then be channeled back into the initiative to create a self-funding mechanism.

Recently launched, the initiative has two phases. The first phase involves outsourcing the management of the legacy on-premises infrastructure to Deloitte, so that scarce internal IT resources don't have to worry about "keeping the lights on." At the same time, the ELEVATE team began migrating the legacy technology to Oracle Cloud infrastructure. A big part of this shift also entails using the low-code options in the Oracle Cloud platform to lower the costs of transforming custom code and integrating digital enablers on an ongoing basis. The second phase involves rationalizing and modernizing the company's application portfolio, which comprises 300+ apps, 25+ ERPs, and 20+ country-based data centers around the world.

Beyond reducing costs, the overarching goal of the initiative is to revive the core in a way that enables continuous innovation and helps the organization to unlock its digital potential. Through ELEVATE, the enterprise is well on its way not only to realizing significant savings but also to transforming itself into an agile, digitally-enabled organization that never stops evolving.

CONNECT WITH US

Jeffrey Davis
Oracle Chief Commercial Officer
and Principal
Deloitte Consulting LLP
jdavis@deloitte.com

D'Arcy Mathias
Global Oracle Offering Leader and Partner
Deloitte Canada
darcymathias@deloitte.ca

John Liu
Global Oracle Chief Innovation Officer and
Managing Director
Deloitte Consulting LLP
johliu@deloitte.com

Don Schmidt
Global Oracle Cloud Engineering Leader
and Principal
Deloitte Consulting LLP
doschmidt@deloitte.com

Ruchi Shah-Holtz
Senior Manager
Deloitte Consulting LLP
ruholtz@deloitte.com

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