



SPINOFF-LED ORACLE SAAS CLOUD TO CLOUD MIGRATION

Overview

Companies sometimes break up or divest their business into subsidiary or spun-out companies based on key performance indicators and other business metrics. The larger parent organization sells one line of business from their existing organization and proposes a divestment, also known as a spinoff, to private equity firms.

This paper examines how Infosys industry solution can help professional services firms migrate from Oracle SaaS cloud to cloud. It describes how the spinoff organization can plan its migration journey leveraging the best practices, standardized configurations, and proven business scenarios derived from Infosys' vast experience in successful Oracle cloud projects across the globe.

Introduction

Acquisitions by private equity firms aim to influence the spinoff organization by way of improved business key performance indicators (KPIs) and IT operations at large. There are several reasons why some spinoff organizations decide to operate as separate units, thereby necessitating digital transformation. Some of these reasons are:

- **Core business focus:** Spinoff organizations are carved out when the parent organization wants to focus on their core business by prioritizing customer segments, markets, and business lines. It also allows the spinoff organization to create strategies that improve the bottom line and drive growth in mature markets.
- **Better management:** Divestment enables the leaderships of both the parent and spinoff organization to focus on KPIs relevant to their specific expertise and expectations. At times, the dearth of sufficient expertise may force the spinoff leadership to form new teams for support functions such as IT and they may have to negotiate with product vendors. The learning curve of the new leadership and its teams depends on a smooth transition from the parent organization and the role of the systems integrator in bridging the knowledge gap.
- **Better coverage from analysts:** The business of the spinoff organization can be analyzed and narrowed down to determine favorable and unfavorable factors. Further, analysts can provide better and more accurate future projections.
- **Higher shareholder value:** One of the biggest reasons for spinoffs is the perceived undervaluation by the parent company. The senior leadership team could have tried to improve the business outlook, with little or no success, thus forcing them to spin out one of more business units to retain shareholder confidence.

Key Challenges Faced During a Spinoff or Divestment

Divestments come with their own share of misalignments and costs. Without adequate preparation to meet these challenges, divestments can fail. Some of the main challenges to be considered are:

- **Financial statements:** Accurate financial reporting is vital for a successful divestment because it determines the company's bottom line. Finance teams of both the business units (the parent and spinoff companies) should agree on the contribution from respective business lines so that accurate financials are reported and measured.
- **Accounting complexities:** After streamlining financial reporting, the next step is to complete several accounting tasks. One example is around debt, i.e., how to calculate and allocate the debt of the spinoff organization to the parent organization. It is also important to establish the capital structure of the spinoff organization.
- **Organizational restructuring:** Organizational restructuring should support business continuity of both the parent and subsidiary companies. It also identifies the subsequent roles in each company for continued operations.
- **Technology:** The technology used in the spinoff company must support the new organizational structure and offer data security, segregation of duties and roles, audit requirements, etc. A thorough analysis must be done by the IT team to understand data segregation and how both the companies will work after the divestment.

Firms need a well-crafted separation methodology with a clear roadmap to value creation to ensure that the spinoff organization focuses on its priority and delivers more value than before.

Infosys Solution

Infosys leveraged its industry solution to address three key transformation goals, i.e., migrating to cloud, streamlining process flows, and instituting a data archival strategy.

To begin with, we led the instance separation initiative for the spinoff organization. The parent and spinoff organization had implemented one single Oracle Cloud instance with Oracle Sales,

ERP, HCM, and PPM modules that integrated with third party applications. During the divestment journey, they had to decide how to maintain process compliance and key internal controls (KIC), which were previously managed and built into the single platform.

The Infosys industry solution also handled the migration of business lines using Infosys data services suite. This increased accuracy, predictability, and transparency.

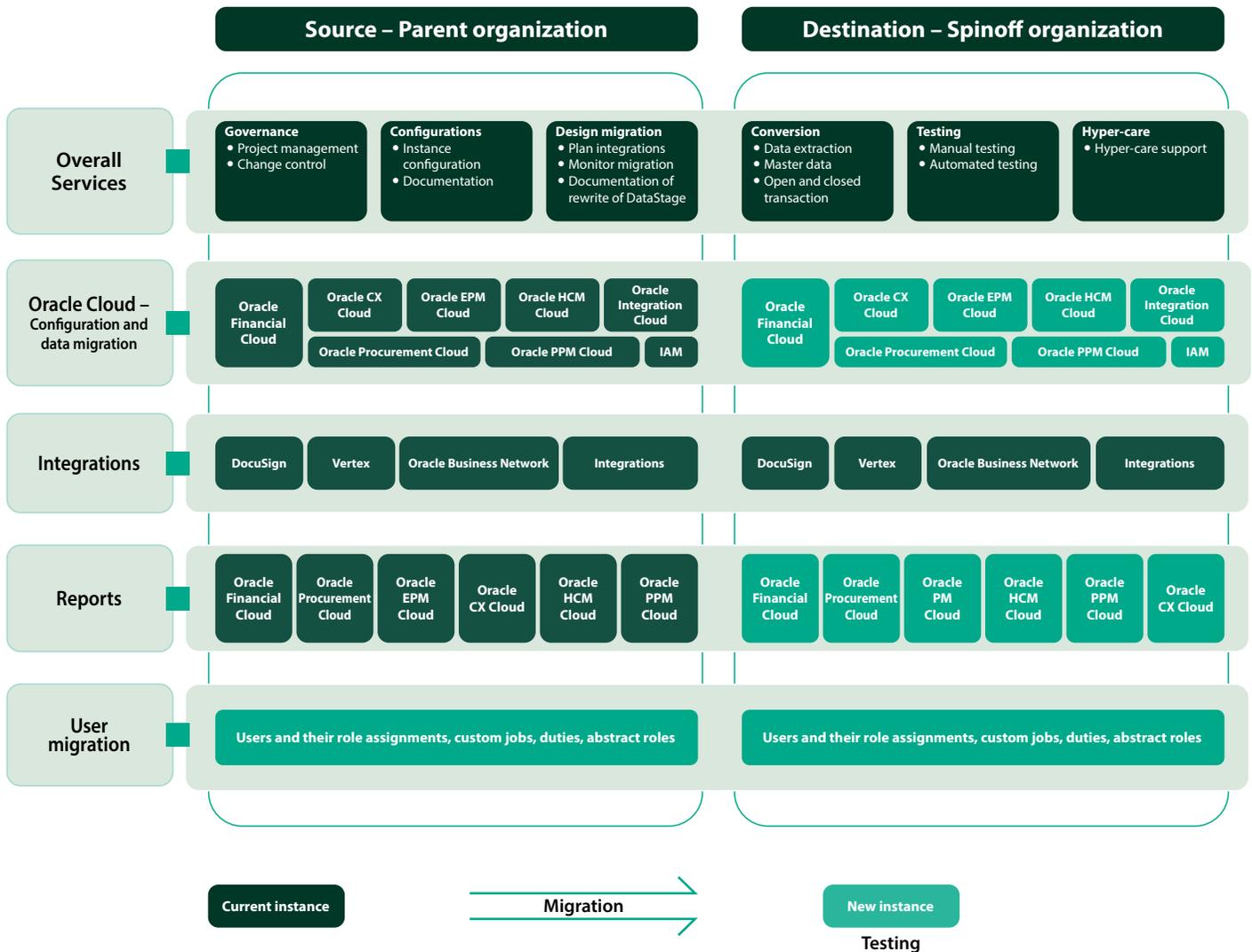


Figure 1 – Key services and components during the migration of Oracle SaaS cloud

1. Oracle SaaS cloud migration – Approach, strategy, and solution

As a part of this initiative, Infosys carried out an in-depth analysis to understand the parent and spinoff organizations' data model in Oracle Cloud instance and the associated boundary applications/ systems integrations. Based on the analysis and an in-depth review of different financial reporting used by the parent and spinoff organizations, Infosys developed a strategy and approach, which was approved by the project management office at both the parent and spinoff organizations. Infosys data services suite

helped drive various aspects like data extraction, configurations, data mapping, and reconciliation to deliver this project in a short timeframe.

Infosys also planned several initiatives to bridge the gaps identified during the initial stages. The ongoing relationship with the software/ERP package vendors were transitioned by the spinoff organization based on service and commercial agreements.

Key challenges and solutions

Challenges	Solutions
Aggressive timelines	Leveraged Infosys tools and accelerators for configuration, data conversion, code migration, and testing
Parent organization's conservative approach on giving access to the primary Oracle Cloud instance	Received approval for a new DB refresh with unmasked data for systems integration testing (SIT), user acceptance testing (UAT), and go-live
Lack of clarity on data extraction criteria	<ul style="list-style-type: none"> Conducted multiple meetings on extraction criteria with stakeholders in the parent and spinoff organizations Documented the extraction criteria for both master and transactional data Revalidated the criteria in SIT and UAT, and addressed the identified gaps
Turnaround time for approvals/signoffs	Used proper channels of escalation to highlight program delays and their impact
Few modules like HCM had to be implemented ground-up in Oracle Cloud because employee data used to reside in Workday	Tapped into knowledge from the Infosys Center of Excellence to streamline the conversion phases and incorporate best practices



2. Switching the integrations – Approach, strategy, and solution

Infosys integrated all the boundary applications/systems with new Oracle cloud instance using Oracle Integration Cloud (OIC). This included rewriting the DataStage interfaces and switching the integrations.

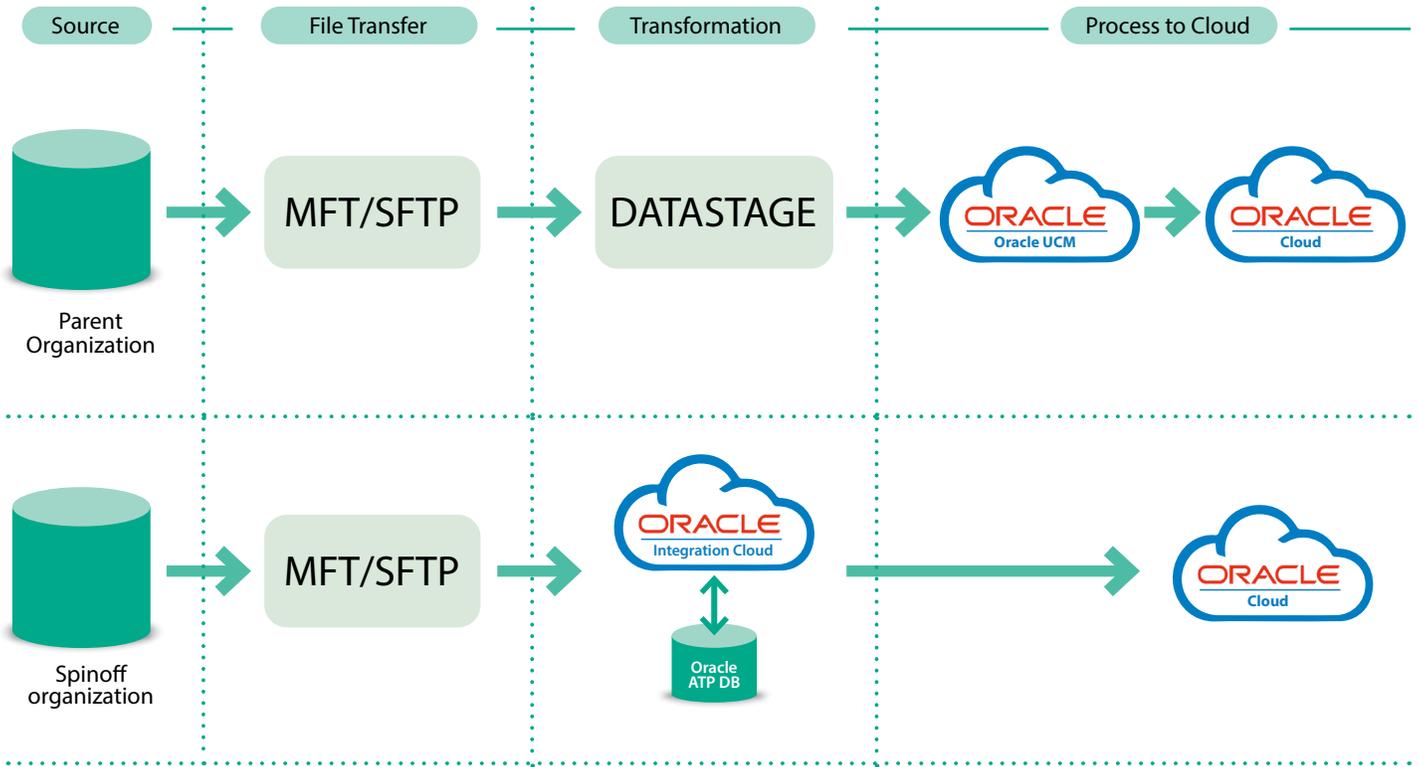


Figure 2 –Integrations approach by Infosys

The key changes made here include:

- Oracle Business Network – Created a new account for the spinoff organization and helped all trading partners to re-register on this platform
- DocuSign – Created a new account for the spinoff organization and completed the approval configurations for all procurement contracts
- Vertex – Created a new account for the spinoff organization and performed all the configurations and integrations in conjunction with the finance set-up



3. Data archival – Approach, strategy, and solution

Infosys Cobalt solution helped the signoff organization migrate the historical data (master and transactional data of the past five years as per audit requirements) available in Oracle cloud. Since the spinoff company is in the business of subscription-based IT solutions, multiple queries were expected from the end-user community that would need to be addressed appropriately and adequately. The Infosys solution allows business users/auditors to retrieve data based on business needs post go-live.

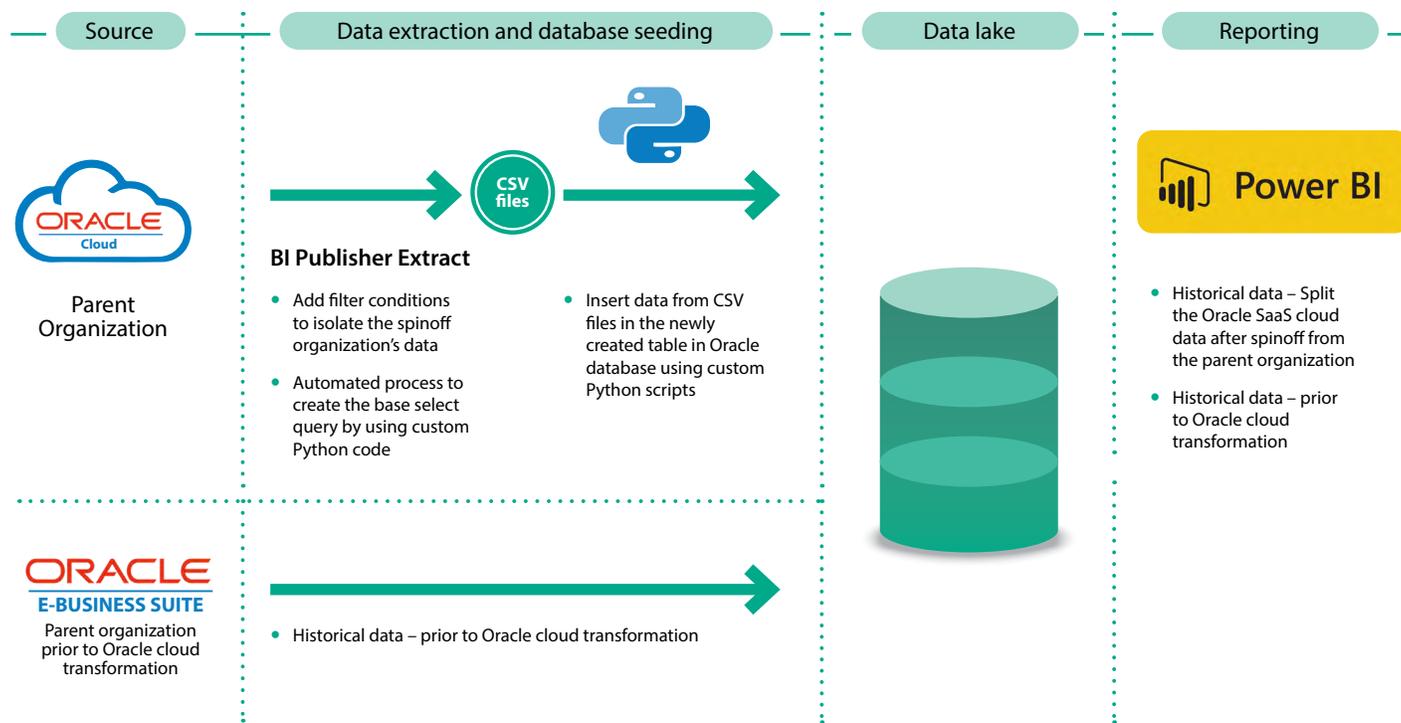


Figure 3 – Infosys data archival strategy

Conclusion and Solution Benefits

In summary, the Infosys industry solution for Oracle SaaS cloud migration delivers superior collaboration, interaction, automation, and adoption of best practices. It ensures faster value realization and facilitates greater agility in Oracle SaaS Cloud to cloud migration. The underlying approaches and solutions allow spinoff organizations to respond to their end customers without any disruption and operate independently thanks to the instance separation. It also supports them in adhering to legal compliance and audit requirements.





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Chandra has 27 years of professional experience across consulting, project management, pre-sales in the services, distribution, manufacturing, hi-tech, healthcare industries and production shop floor.

Chandra has 22 years of experience as a technology transformation leader with Oracle cloud and Oracle E-Business Suite, he has helped clients in their digital journey with Infosys across multiple locations in India, Japan, UK, Canada, and the US. Chandra is a solution architect with the Infosys Oracle practice and has contributed to the industry solution with Oracle ERP Cloud



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Infosys Cobalt is a set of services, solutions and platforms for enterprises to accelerate their cloud journey. It offers over 35,000 cloud assets, over 300 industry cloud solution blueprints and a thriving community of cloud business and technology practitioners to drive increased business value. With Infosys Cobalt, regulatory and security compliance, along with technical and financial governance come baked into every solution delivered.

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