

Hitachi Construction and Engineering Accelerators for Oracle®

Bridging the Source-to-Pay Gap in Construction and Engineering Supply Chain Applications

Smart Cities Drive the Need for Construction and Engineering Digitalization

As cities worldwide seek to become “smart cities,” construction and engineering (C&E) companies are under pressure to expand their use of emerging technologies to create efficiencies, improve supplier processes and enable analytics. Yet many of these companies have been hesitant to digitalize core procurement activity. Most supply chain applications don’t meet all industry requirements for C&E out of the box, leaving these firms to fill the gap with third-party applications and customized, niche solutions.

Burdened with the resulting siloed data and cumbersome source-to-pay workflows, C&E companies risk paying suppliers and invoicing later than they should, creating errors in what they charge. Slow source-to-pay processes hamper their ability to earn incentives and erode trust between the companies and their suppliers. These companies must become agile in the source-to-pay cycle—not just faster, but also more capable of meeting the rapidly changing requirements of modern construction and engineering—particularly “smart city” projects.

Hitachi and Oracle have teamed up to define and deliver a source-to-pay solution that can meet these requirements now and can scale for the future. Hitachi Construction and Engineering Accelerators for Oracle bring together Oracle’s market-leading software as a service (SaaS) and

platform as a service (PaaS) with Hitachi Consulting’s technology solutions and industry experience in C&E. The result: Hitachi accelerators that meet industry-specific requirements with an Oracle PaaS for SaaS solution and enable companies to move quickly and confidently to the cloud.

Streamline Supply Chain Procurement

As prebuilt PaaS for SaaS offerings, the accelerators integrate with Oracle Procurement and Oracle Payables solutions. Because they are prebuilt, these C&E accelerators can reduce implementation time when compared with custom, one-off development. Likewise, the PaaS for SaaS solution enables companies to use Oracle applications as their full solution for regional and global operations, avoiding the need for integration with external systems to run their procurement operations.

The Hitachi accelerators enable automated workflow, supply chain and procurement processes in an integrated system, supporting real-time reporting and decision-making. This can mean increased efficiency, decreased spending and improved overall productivity. The prebuilt features replace time-consuming manual tasks with automated processes, significantly decreasing the operational time needed to fulfill specific tasks in the procurement and payables cycles and enable accurate, on-demand financial visibility. The following provides an outline of the functionality that these

A global multi-billion dollar engineering, procurement and construction company in the United States is already using the accelerators to move to the cloud.

The accelerators will help the company:

- Replace its manual processes
- Reduce or eliminate fragmentation in its supply chain
- Improve its overall productivity

Oracle PaaS accelerators enable for Oracle SaaS:

- **Pay items and line details:** Develop complex purchase orders (POs) with pay items against PO lines, upload and link submittals with a pay item, specify details and split based on milestones, capture distribution and link to separate distribution, and view/search details against PO line.
- **Work confirmation:** Create work confirmation in different milestones based on progress and approval, and submit and track work confirmation along with pay items approval process.
- **Retainage process:** Manage retainage release, invoice hold, and “pay when paid”; apply retainage on pay items; and link invoices to pay items.

- **Change order, revision and PO document generation from Oracle PaaS:** Update pay items/work confirmation/invoice delinks that are not marked "Closed," and delete pay items/work confirmation/invoice delinks that are marked "Draft" in the change order process.

With the automated workflows for supply chain and procurement processes in an integrated system, forecasting, billing and payments are all faster. The accelerators also support real-time reporting and decision-making, giving the business a level of agility not available with manual or siloed processes.

Challenge	Solution	Benefit
<ul style="list-style-type: none"> ■ Out-of-the-box supply chain applications may not meet industry requirements for C&E ■ Third-party custom solutions create siloed data and complex processes that often lead to delays, errors and extra costs ■ Manual processes hinder the ability to view business activity in real time to make timely decisions ■ Changing market expectations and the trend toward smart cities make digitalization an imperative ■ Fragmented supply chain processes drive up costs and decrease organizational efficiencies ■ Outdated procurement processes reduce productivity and inhibit accurate forecasts and planning 	<ul style="list-style-type: none"> ■ Extends the out-of-the-box Oracle SaaS offering, enabling C&E companies to use Oracle as their full solution for regional and global operations ■ Streamlines procurement with a single, integrated PaaS solution designed to work seamlessly with Oracle SaaS ■ Replaces time-consuming manual processes with automated source-to-pay workflow processes that support real-time reporting and decision-making ■ Replaces fragmented supply chain processes with integrated processes ■ Provides modern, automated procurement processes to support decisions based on accurate demand and forecast planning ■ Supports invoicing flexibility by enabling invoicing by rate, by milestone, and in lump sum 	<ul style="list-style-type: none"> ■ Enables C&E firms to move core procurement systems and processes to the cloud quickly and confidently ■ Decreases spending, improves margin and efficiency and overall productivity by replacing fragmented supply chain processes with integrated workflows ■ Allows more accurate demand and forecast planning to help avoid costly, unnecessary purchases ■ Creates data visibility to quickly identify emerging issues and support timely decision-making ■ Reduces operational time to fulfillment through automated procurement and payables cycles ■ Increases invoicing flexibility to better match business activity by enabling invoicing by rate, by milestone, and in lump sum

Oracle and Hitachi Consulting

Oracle is an established strategic supplier for the C&E industry whose customers include 80% of the top 100 C&E companies. Recognizing the need to support this key industry, Oracle approached Hitachi Consulting to co-create a solution. Oracle chose Hitachi Consulting based on its status as a leading solutions provider for Oracle customers, with deep experience as a consultant to C&E companies worldwide. The two companies aligned to create the Hitachi Construction and Engineering Accelerators for Oracle to support the C&E industry today as it prepares for a future of smart cities and more.

Hitachi Consulting and Oracle have worked together for more than 20 years to help accelerate and transform businesses with digital solutions to

scale and drive strategic value. Our solutions and services for Oracle Cloud can accelerate your organization's digital thinking to build a stronger digital business, transform your supply chain for operational intelligence that drives real outcomes, and scale with an agile platform and digital business processes for strategic value.

About Hitachi Consulting

Hitachi Consulting is the digital solutions and professional services organization within Hitachi Ltd., a global technology and social innovation leader. Hitachi Consulting is a catalyst for positive business change, propelling organizations to drive disruptive innovation and to accelerate digital transformation. We help organizations leverage data as a strategic asset to innovate faster, develop new revenue streams, and respond to

global dynamics with insight and agility. We collaborate with clients to create solutions that help maximize operational efficiency and deliver measurable, sustainable business results. Visit us at www.hitachiconsulting.com.