



## Oracle Revenue Management Cloud - The software solution to your Revenue Recognition headache

### The replacement to IAS 18 & ASC 605 is being introduced from 1st January 2018; is your finance team ready?

If you're not already in auditor discussions regarding the potential consequences of IFRS 15 on your business, you should be. While the new standard may have no impact on your statutory reporting today, it is important to be prepared for the potential impact on your business.

The entire accounting approach to revenue recognition is undergoing a wholesale re-write. Rather than relying on using a deferred revenue account, you will need to identify and account for performance obligations.

This will impact companies with complex sales contracts and/or multiple points of sales delivery; e.g. bundled sales and service contracts.

### What changes are being introduced?

Revenue recognition is taking a more scenario and rules based approach to what can be recognised and more importantly when. Namely the introduction of the following 5 Steps to Recognising Revenue:

#### 5 Steps to Recognising Revenue:

- 1 Identify the contracts with the customer
- 2 Identify the separate performance obligations
- 3 Determine the contract price
- 4 Allocate the transaction price
- 5 Recognise revenue when a performance obligation is satisfied

Whatever ERP you run, whether it is Oracle or not, you need to consider the impact of this accounting regulation on your business.



### Is there a solution out there?

Oracle's Revenue Management Cloud Service is the way forward. This solution has been developed in conjunction with the leading accounting firms to comply with the new regulations, and enables you to generate the necessary accounting entries, at appropriate times specific to your business.



Oracle's Revenue Management Cloud service can be integrated with your existing ERP, whether it's Oracle or not, to address the requirements of IFRS 15.

### Comply

Adhere to the IFRS 15 core principles

### Audit

Provide complete and accurate access to revenue

### Automate

Automate revenue calculations based on the new accounting standard

### Integrate

Integrate with your existing ERP and third party system

It's not just a new accounting regulation moving forward – there's a retrospective aspect too:

#### Disclosure Considerations:

You will need to either recalculate your financial statements for the last two years, or disclose in the year of go-live the impact of the new standard.

Oracle's Revenue Management Cloud Service can help here too.

#### With Claremont you will get:

Leading experts in Oracle Cloud ERP, with proven experience in financial cloud implementation. Claremont will ensure your organisation both adheres to your auditor's interpretation of your legal requirements under IFRS 15 legislation and achieves a seamless integration with the Oracle Revenue Management Cloud Solution.

#### Next Steps

Speak to your auditors and understand if this is a business requirement impacting you. Once this is established contact us at Claremont to kick start your migration to the new revenue reporting standard with the implementation of a robust system to automate the revenue calculations. Our capabilities allow us to assist you with the implementation of Oracle's Revenue Management Cloud Service irrespective of which ERP you run today.

## Claremont.

1 Farnham Road, Guildford, Surrey GU2 4RG  
T: +44 (0)1483 549 004

Rotterdam House, 116 Quayside,  
Newcastle upon Tyne, NE1 3DY  
T: +44 (0)191 206 4152

E: [info@claremont.co.uk](mailto:info@claremont.co.uk)  
W: [www.claremont.co.uk](http://www.claremont.co.uk)

