Why Your Back Office is Now a Strategic Asset

The connection between financial operations, data governance, and competitive readiness runs deeper and more urgently than most executives realize.

In Part 1 of this series, we examined the data advantage that financial institutions already hold and why so few are activating it. The reason that activation gaps exist, in most cases, traces directly to the systems that sit at the center of financial operations: the ERP, the EPM platform, the general ledger, the consolidation and close infrastructure.

These are not the systems that generate the most excitement in boardroom conversations. They are the systems that close the books, process transactions, and satisfy auditors. They are what the CFO owns and what the technology roadmap upgrades reluctantly.

This framing is costing institutions competitive ground. The distinction between organizations that view their financial operations infrastructure as a strategic asset and those still evolving toward that perspective is becoming more pronounced each quarter. **The back office is not a cost center waiting to be optimized. It is the data engine that powers every strategic decision you make, or fail to make, because the data is not there.**

The Profitability Visibility Problem

One of the most persistent and underacknowledged challenges in financial services is deceptively simple: most institutions cannot tell you, with confidence, which customers, products, or channels are profitable.

Revenues are visible. Cost allocation is not. Shared services, regulatory overhead, technology infrastructure, and relationship management costs rarely map cleanly to the customers or products that generate them. The result is a margin picture that is accurate at the enterprise level and nearly meaningless at the segment level, which is precisely the level where pricing, product, and investment decisions get made.

This is not a new problem. It is a persistent one. And in an environment where margins are under pressure from rising funding costs, competitive fee compression, and escalating regulatory compliance expense, the inability to see actual profitability by customer, channel, or product is no longer just an inconvenience. It is a strategic liability.

> “*Every CFO I talk to in financial services tells me they want better visibility into margin. What they often discover when we start the work is that the margin question is actually a data integration question. The numbers exist in three different systems that were never designed to speak to each other. Oracle Cloud EPM is frequently the connective tissue that makes the full picture visible for the first time.*”
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> *— Julie Feeney, SVP Financial Services, Peloton Consulting Group*

Oracle Cloud Enterprise Performance Management, specifically Oracle Financial Consolidation and Close combined with Oracle Profitability and Cost Management, is built to close this gap. It connects financial outcomes to the operational drivers behind them: by product line, distribution channel, customer cohort, geography, and business unit.

When that visibility exists, the conversation changes. Pricing decisions are grounded in actual cost-to-serve data. Product investment flows toward segments that drive durable returns. Relationship managers know which customers to prioritize and why. That is more than a reporting upgrade. It changes how the business understands its performance and makes decisions correctly the first time.

Regulatory Burden as Competitive Leverage

Regulatory compliance in financial services is relentless. Capital adequacy requirements, stress testing, CECL, IFRS 17, AML obligations, data privacy mandates: the list is continually evolving, and the tolerance for error continues to narrow. Most institutions treat compliance as an unavoidable cost of doing business. More forward-thinking organizations use it as a catalyst to strengthen processes, improve discipline, and drive broader transformation. When statutory reporting is built on a governed data infrastructure in which calculations, assumptions, and data lineage are documented, auditable, and traceable, you do not just satisfy regulators, you build a data asset. The same data that feeds a regulatory filing can feed a management dashboard, an AI model, or a customer's profitability analysis, provided the architecture supports it.

Oracle Fusion Cloud ERP and Oracle Fusion Applications sit at this intersection, connecting the transactional record to the regulatory and analytical layers. That integration means the data feeding a regulatory submission is the same data feeding an executive dashboard or an AI workload. The governance is built in, not bolted on after the fact.

Institutions that have made this investment are not just compliant. They are structurally ahead of competitors still running critical processes on disconnected systems and quarterly manual reconciliations. Their compliance infrastructure, built to satisfy regulators, turns out to be exactly the data foundation that AI requires.

The Talent Dimension Most Technology Conversations Miss

Financial services are in the middle of a workforce transition that rarely surfaces in technology discussions, and it should.

The industry is aging out of a generation of experienced practitioners: relationship managers, underwriters, credit analysts, and actuaries who carry institutional knowledge that no system has fully captured. The talent replacing them expects something different. Digital first tools. Automation of the work that does not require human judgment. Access to real data to do their jobs well, without spending the first three hours of every day gathering and reconciling information from systems that were never designed to talk to each other.

The youngest people entering financial services are not afraid of AI. They are frustrated by its absence. They are frustrated by legacy processes that make meaningful work harder than it needs to be and by environments where they can see the answer is available somewhere in the organization but cannot reach it.

Oracle Cloud Human Capital Management addresses the talent lifecycle from recruiting through career development. But the deeper retention issue is what these employees encounter once they arrive. If an underwriter spends the majority of their time gathering data rather than analyzing it, they will leave. If a relationship manager cannot surface a unified customer view before a client calls, they will underperform, and they will know exactly why. Talent retention in financial services is increasingly an infrastructure problem presenting as a culture problem.

> *"The financial services firms that are getting this right have stopped treating their technology investments as departmental: ERP for finance, CRM for sales, analytics for the data team. They are building an integrated data architecture where every function is running on the same version of the truth. When that happens, the business moves faster, the customer experience improves, and AI has something reliable to work with."*
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> *— Julie Feeney, SVP Financial Services*
> *Peloton Consulting Group*

Distribution, Sales, and the Connected View

The financial services value chain begins with distribution: how products reach customers, how relationships are initiated, and where conversion happens. In an omnichannel environment, that journey is more complex than it has ever been.

Customers begin online, continue mobile, and often close with a human advisor. The institutions that win are not the ones with the most channels. They are the ones with the most coherent transitions between them. A prospect who researches a product digitally, speaks with an advisor, and closes the sale in a branch should experience a single, continuous relationship. In most institutions, they experience three disconnected ones, and the institution has no unified view of what happened across any of them.

Oracle Revenue Management and Billing, combined with Oracle Customer Experience, can create a connected view of the customer, from engagement and sales through billing and revenue. But integration alone is not enough. The real value comes from trusted financial and operational data that gives leaders one clear picture of the customer relationship and the confidence to act on it.

What a Connected Financial Operations Platform Actually Enables

When an institution moves from departmental systems to a connected financial operations platform, a set of capabilities becomes available that was not previously possible, regardless of how capable the individual point solutions were.

Scenario modeling becomes real rather than theoretical. Finance teams can model the impact of a rate change, a product discontinuation, or a distribution shift on actual margin, using live operational data rather than a set of manually assembled spreadsheet assumptions built two weeks before the board meeting.

Regulatory submissions become an output of the finance process rather than a separate workstream that consumes weeks of reconciliation effort each quarter. The data is already governed, already documented, and already in the structure that reporting requires.

And AI, when the institution is ready to deploy it, has a data foundation it can actually run on. Not a patchwork of exports and assumptions, but a structured, connected, auditable enterprise data layer that can support AI-powered forecasting, intelligent automation, and decision support that practitioners can trust enough to act on.

> “*We work with institutions that have excellent people and real strategic ambition. What they consistently lack is not talent or intent. It is a financial data infrastructure that reflects what is happening in the business, in real time, at the level of granularity where decisions get made. That is the problem Oracle Cloud EPM and ERP solve when they are implemented correctly.*”
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> — *Julie Feeney, SVP Financial Services*
> *Peloton Consulting Group*

The institutions pulling ahead right now are not doing so because they acquired a new capability. They are doing so because they built a data foundation coherent enough to run on.

In Part 3, we will examine what AI readiness requires in financial services, and what separates the institutions that will lead from those that will spend years trying to catch up.

The future of financial services belongs to institutions that can turn operational data into strategic insight. Oracle provides the platform. Peloton Consulting Group provides the expertise to implement it in a way that holds up to regulatory scrutiny and delivers the margin of visibility that drives better decisions. If your organization is ready to have that conversation, we are ready to start it.

About Peloton Consulting Group

Peloton Consulting Group has the vision and connected global capabilities to help organizations envision, implement, and realize the benefits of digital transformation. Our team has the best practices, knowledge, industry expertise, and know-how. We make digital transformation a reality by leveraging AI, Enterprise Performance Management (EPM), Enterprise Resource Planning (ERP), Supply Chain Management (SCM), Human Capital Management (HCM), Customer Experience (CX), Analytics, and Data Management for the cloud. Through connected capabilities, we bring people, processes, and technology together. We help organizations go further, faster. That is the Peloton way!