Oracle’s EPM System and Strategy

Joel Beisner
EPM Global Business Unit
Agenda

• Why EPM?
• Oracle’s EPM System
• Integration Strategy
• Q & A
Operational Excellence and Efficiency…. What Comes Next?

Based on Michael E. Porter’s Value Chain
Today’s Reality: Management Activities Are Siloed

6σ
SIX SIGMA

MONITOR
RESULTS

ROLLING
FORECAST

SCORECARDS

VARIANCE
ANALYSIS

ANALYZE
PERFORMANCE

GOAL
SETTING

FINANCIAL
MODELING

OPERATIONAL
PLANNING

FINANCIAL
REPORTING

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Oracle’s EPM Vision: Extend Operational Excellence to Management Excellence
Deliver Higher Returns

Enterprise Performance Management (EPM)

World-class EPM organizations deliver **2.4 times** the equity market returns of industry-peer companies

Source: CFO Challenges and Opportunities in the Flat world, Hackett Group
Expand The Scope Of Performance Management
Strategy to Success: Oracle’s Framework for Achieving Management Excellence

- Stakeholder Environment: Gain to Sustain
- Market Model: Investigate to Invest
- Business Model: Design to Decide
- Business Plan: Plan to Act
- Business Operation: Analyze to Adjust
- Business Results: Record to Report
Oracle’s Enterprise Performance Management System
Leadership Product Strategy

• Industry’s First Complete & Integrated End-to-End Enterprise Performance Management System
  • Comprehensive Applications
  • Common Enterprise Information Model
  • Pervasive Information Delivery Layer
  • Powerful OLAP Technology
• Oracle is Defining and Driving the Competitive Agenda
  • Competitors attempting to respond to Oracle’s Strategy
  • Competitor revenue declines vs. Oracle’s strong growth
Oracle EPM System
Industry’s First Integrated EPM System

EPM Workspace

Performance Management Applications

BI Applications

Business Intelligence Foundation

Fusion Middleware

OLTP & ODS Systems
Data Warehouse Data Mart
OLAP
SAP, Oracle, Siebel, PeopleSoft, Custom
Excel XML
Business Process

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# Oracle EPM System

Leverages Fusion Middleware

## EPM Workspace

## Performance Management Applications

## BI Applications

## Business Intelligence Foundation

### FUSION MIDDLEWARE

<table>
<thead>
<tr>
<th>SOA</th>
<th>Data Quality</th>
<th>Data Integration</th>
<th>Master Data Management</th>
<th>Identity Management</th>
<th>Content Management</th>
<th>Business Process Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>OLTP &amp; ODS Systems</td>
<td>Data Warehouse Data Mart</td>
<td>OLAP</td>
<td>SAP, Oracle, Siebel, PeopleSoft, Custom</td>
<td>Excel XML</td>
<td>Business Process</td>
<td></td>
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</tbody>
</table>

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Oracle’s Hyperion Financial Data Management
Synchronize data from your GL

A packaged application for finance users that includes:

- **Guided web-based workflow user interface** for developing standardized financial data management processes
- **Data preparation server** for collecting, mapping, verifying and moving financial data from any source system
- **EPM Adapters** for Hyperion Financial Management, Hyperion Planning and Hyperion Essbase to reduce the data integration costs and data mapping complexities.
Hyperion Data Relationship Management
Centrally Manage Structures and Hierarchies

- Focuses on managing change in master data across enterprise systems
- Operated by business users; IT maintains control
- Complements data warehouses and reference data management tools in transactional systems
- Integrates with existing data integration processes and technologies (e.g. ETL & ELT, EII, EAI)
ODI Provides Common Data Integration
Hyperion Planning, Financial Management and Essbase

Oracle | Hyperion Planning
Oracle | Hyperion Financial Mgt
Oracle | Hyperion Essbase

API Layer
Authentication Services | Data Services | Logging Services
API Layer

Oracle Data Integrator
ODI Knowledge Modules for Hyperion
Metadata Repository | Bulk Transform. | Changed Data Capture | Data Integrity | Data Quality

ODI Connectivity Framework
Bulk and Real-Time Data Processing
Information Assets
Other Sources
PeopleSoft
SAP/R
Oracle EBS
Oracle ETL
Message Queues
Data Warehouse
Highly Scalable BI Foundation
Providing Insights Across the Enterprise

EPM Workspace

Performance Management Applications

BI Applications

BUSINESS INTELLIGENCE FOUNDATION

Common Enterprise Information Model

Essbase

BI Server

Predictive Analytics

Fusion Middleware

OLTP & ODS Systems

Data Warehouse
Data Mart

OLAP

SAP, Oracle, Siebel,
PeopleSoft, Custom

Excel
XML

Business Process

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Common Enterprise Information Model
Enables Consistency, Security, Reuse, Flexibility

<table>
<thead>
<tr>
<th>PRESENTATION LAYER</th>
</tr>
</thead>
<tbody>
<tr>
<td>• User roles, preferences</td>
</tr>
<tr>
<td>• Simplified view</td>
</tr>
<tr>
<td>• Logical SQL interface</td>
</tr>
</tbody>
</table>

Role-Based Views of the Information Relevant to the User

<table>
<thead>
<tr>
<th>SEMANTIC OBJECT LAYER</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Dimensions</td>
</tr>
<tr>
<td>• Hierarchies</td>
</tr>
<tr>
<td>• Measures</td>
</tr>
<tr>
<td>• Calculations</td>
</tr>
<tr>
<td>• Aggregation Rules</td>
</tr>
<tr>
<td>• Time Series</td>
</tr>
</tbody>
</table>

Consistent Definition of Business Measures, Metrics, Calculations

<table>
<thead>
<tr>
<th>PHYSICAL LAYER</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Map Physical Data</td>
</tr>
<tr>
<td>• Connections</td>
</tr>
<tr>
<td>• Schema</td>
</tr>
</tbody>
</table>

Model Once, Deploy Everywhere

Across Any Data Sources
# Oracle’s Hyperion Essbase

**Speed of Thought Analytics**

| Richest Business User Experience                  | Superior Tools for the Business User  
|                                                 | Broadest Analytic Functionality  
|                                                 | “Speed of Thought” Response  

| Most Highly Advanced Calculation Engine          | Superior Calculation Power  
|                                                 | Comprehensive Library of Functions  
|                                                 | Extensive Financial and Time Intelligence  

| Best Custom Analytic Environment                 | Optimized Storage  
|                                                 | Enterprise scale Forward Looking Applications  
|                                                 | Premium Performance  

# Oracle BI Applications

**Multi-Source Analytics with Single Architecture**

<table>
<thead>
<tr>
<th>Sales</th>
<th>Service &amp; Contact Center</th>
<th>Marketing</th>
<th>Order Management &amp; Fulfillment</th>
<th>Supply Chain</th>
<th>Financials</th>
<th>Human Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pipeline Analysis</td>
<td>Churn Propensity</td>
<td>Campaign Scorecard</td>
<td>Order Linearity</td>
<td>Supplier Performance</td>
<td>A/R &amp; A/P Analysis</td>
<td>Employee Productivity</td>
</tr>
<tr>
<td>Triangulated Forecasting</td>
<td>Customer Satisfaction</td>
<td>Response Rates</td>
<td>Orders vs. Available Inventory</td>
<td>Spend Analysis</td>
<td>GL / Balance Sheet Analysis</td>
<td>Compensation Analysis</td>
</tr>
<tr>
<td>Sales Team Effectiveness</td>
<td>Resolution Rates</td>
<td>Product Propensity</td>
<td>Cycle Time Analysis</td>
<td>Procurement Cycle Times</td>
<td>Customer &amp; Product Profitability</td>
<td>HR Compliance Reporting</td>
</tr>
<tr>
<td>Up-sell / Cross-sell</td>
<td>Service Rep Effectiveness</td>
<td>Loyalty and Attrition</td>
<td>Backlog Analysis</td>
<td>Inventory Availability</td>
<td>P&amp;L Analysis</td>
<td>Workforce Profile</td>
</tr>
<tr>
<td>Cycle Time Analysis</td>
<td>Service Cost Analysis</td>
<td>Market Basket Analysis</td>
<td>Fulfillment Status</td>
<td>Employee Expenses</td>
<td>Expense Management</td>
<td>Turnover Trends</td>
</tr>
<tr>
<td>Lead Conversion</td>
<td>Service Trends</td>
<td>Campaign ROI</td>
<td>Customer Receivables</td>
<td>BOM Analysis</td>
<td>Cash Flow Analysis</td>
<td>Return on Human Capital</td>
</tr>
</tbody>
</table>

**Prebuilt adapters:**

- Oracle
- PeopleSoft
- Siebel
- SAP

**Oracle BI Suite Enterprise Edition Plus**
Pre-Built, Pre-Mapped, Pre-Packaged Insights

1. **Pre-built warehouse** with more than 16 star-schemas designed for analysis and reporting on Financial Analytics.

2. **Pre-built ETL** to extract data from hundreds of operational tables and load it into the DW, sourced from Oracle EBS, PeopleSoft Enterprise, SAP R/3, and other sources.

   - Presentation Layer
   - Logical Business Model
   - Physical Sources

Build from Scratch with Traditional BI Tools

Oracle BI Applications

Training / Roll-out
- Define Metrics & Dashboards
  - DW Design
  - Back-end ETL and Mapping

Quarters or Years

Oracle BI Applications

- Faster deployment
- Lower TCO
- Assured business value

Weeks or Months

Training / Rollout
- Define Metrics & Dashboards
- DW Design
- Back-end ETL and Mapping

Easy to use, easy to adapt
- Role-based dashboards and thousands of pre-defined metrics
- Prebuilt DW design, adapts to your EDW
- Prebuilt Business Adapters for Oracle, PeopleSoft, Siebel, SAP, others

Source: Patricia Seybold Research, Merrill Lynch, Oracle Analysis
Oracle’s Hyperion Planning

FEATURES

• Strategic Planning
• Modeling & Simulation
• What-if Analysis
• Excel Integration
• Enterprise Collaboration
• Native Reporting & Analysis

BENEFITS

• Speed
• Accuracy
• Align finance and operations
• Accountability
• Visibility to past, current and future business performance
Integrated Business Planning Framework

EPM Workspace

CORE FINANCIAL PLANS
- Income Statement
- Balance Sheet
- Cashflow
- Workforce Planning
- CapEx Planning

SPECIALIZED MODULES
- Sales Planning
- Marketing Planning
- Projects Planning
- IT Planning

OPERATIONAL PLANS

Hyperion Planning Application

Essbase OLAP Server

Data Warehouses

Transactional Systems

Performance Management Applications
Hyperion Strategic Finance
Extensive Strategic Financial Modeling in One Environment

- Funding Options
- Debt Scheduler
- “What If” Analysis Toolkit
- “Deal Period” Functionality
- Analyze Trail Feature
- Freestyle Reporting
Oracle Strategic Operational Planning

Linking Operational Modeling with Financial Planning

Hyperion Strategic Finance
- Long Term Planning
- Corporate Development
- Treasury Management
- Value Management

Hyperion Planning
- Annual Budgeting
- Periodic Forecasting
- Capital Expense Planning
- Workforce Financial Planning

Only Oracle integrates...
- Operational planning to assess feasibility of financial plans
- Corporate finance to link operations to capital allocation and financing decisions
Oracle’s Hyperion Financial Management

FEATURES
- Simple to Customize
- Easy to Integrate
- Financial Data Quality
- Complete Audit Trails
- Flexible Workflow
- Powerful Reporting
- Finance Owned & Operated

BENEFITS
- Confidence in the Numbers
- Reduce Cycle Time
- Automate Collection & Validation
- Lower Cost of Compliance
- Speed and Agility

Financial Consolidation, Reporting and Analysis
## Oracle’s Hyperion Financial Management

### Solving Global Financial Reporting Challenges

<table>
<thead>
<tr>
<th>CUSTOMER CHALLENGES</th>
<th>RESULTS WITH ORACLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complex Financial Closing</td>
<td>5 Days; 585 Legal Entities; 45 BU’s</td>
</tr>
<tr>
<td>Inconsistent Account Structure</td>
<td>Standardized COA across 10 GLs</td>
</tr>
<tr>
<td>Financial Data Collection Errors</td>
<td>26 Countries</td>
</tr>
<tr>
<td>Changing Disclosures</td>
<td>Sustainable Reporting; 150 KPI’s</td>
</tr>
<tr>
<td>Inefficient Filing Process</td>
<td>17% Productivity Gain in 10-Q’s</td>
</tr>
<tr>
<td>ROI</td>
<td>67% with 1.5 Year Payback</td>
</tr>
</tbody>
</table>

Oracle’s Hyperion Financial Management is solving global financial reporting challenges by enabling businesses to streamline processes, improve accuracy, and enhance productivity.
Hyperion Financial Management
Adding Value in an EBS Environment

- Manage close process in a multi-BU, multi-national, decentralized business environment
- Reduce the length of the close process
- Increase fidelity of the data through improved controls
- Reduce the cost of compliance (SOX, FX, Stat, etc.)
- Address complex foreign currency reporting requirements
- Manage complex equity eliminations
- Deliver multiple reporting objectives (Legal Entity, Profit Center, Management, Tax, Segment, etc.)
- Utilize multiple reporting interfaces
  - Financial Reports & Books
  - Slice & Dice Analytics
  - Interactive Dashboards
Linking Hyperion to Oracle E-Business Suite

Hyperion Financial Management/Planning

Hyperion FDM

Available Today

Oracle Account Analysis and Drill-Down

Available Today

11 Release
Hyperion Profitability and Cost Management
New Application; Same Proven Technology

• A packaged application that enables:
  • Accurate measurement, allocation and management of cost and revenues
  • Computation of Profitability for business segments
  • Profitability measurement by using cost decomposition, consumption-based costing, and scenario playing
• Designed for the business user
• Leverages existing IT investments
Pervasive Information Access Through a Unified EPM Workspace

**EPM WORKSPACE**

- Desktop
- Web
- Search
- Office
- Alerts
- Mobile

**Performance Management Applications**

**BI Applications**

**Business Intelligence Foundation**

**Fusion Middleware**

- OLTP & ODS Systems
- Data Warehouse Data Mart
- OLAP
- SAP, Oracle, Siebel, PeopleSoft, Custom
- Excel XML
- Business Process
One Window, not Two
Oracle EPM Workspace, Fusion Edition

- Self-service Personalization
- Contextual navigation
- BI Publisher integration
- WebCenter integration
- Spans all solutions in the Oracle EPM System
Enriching Your Office Experience

Oracle Hyperion Smart View for Office

This report highlights the product sales by Markets and the Profit by Quarter.

To check out numbers move the slider needle to the corresponding marker.
EPM Application
Integration Strategy
The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle’s products remains at the sole discretion of Oracle.
EPM/ERP Integration Strategy

• Single Sign-on for end users
  • Move easily from EPM to ERP modules

• Seamless data and meta data integration
  • Loading of actuals, populating budgets, sharing KPIs
  • Reduce time and effort to integrate, fast and accurate exchanges

• Drill-back from EPM to ERP
  • Link summary balances to transaction details
  • Faster closing cycles and “insight to action” analytics

• Process integration
  • Trigger EPM processes from ERP system activities
  • Synchronize meta data changes
  • Define workflow processes that cross EPM and ERP modules
EPM Integrator for ERP

- **Goal:** Extend functionality with out of the box integration to better serve customers who have Oracle ERP & EPM
  - Provides a business user friendly mapping UI to integrate from Oracle ERP to EPMA and then on to EPM
  - Extends EPMA and FDM
  - Embeds ODI for transformation & data movement
  - Prebuilt source mapping
  - Drill-back from EPM Applications to source general ledger
  - Initial release (planned for CY2008): EBS r11
  - Future releases: EBS r12, PSFT
EPM Application Integration Framework

Record

- General Ledger
  - Sub ledgers
  - Sub ledgers

Dimensions Hierarchies

Oracle Data Integrator

Mapping GUI

References

Data Staging

Interface Tables

Application Integration Framework

EPMA

Performance Management Applications

- Planning
- Financial Management
- Cost & Profit. Mgt.
- Essbase
- SmartView

Report

- Web Analysis
- Financial Reporting

Write back and Drilldown to Journals and Sub ledgers