Driving Digital Business Transformation with
Oracle Enterprise Performance Management

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Summary

Leadership in today's organizations is increasingly demanding, requiring ever more strategic, innovative and agile management thinking. Senior Management must remain alert and be able to adjust to new regulations, new disruptive competitors, changing customer demands, unexpected events and more. Oracle Enterprise Performance Management (EPM) provides a new guidance system for the entire enterprise, delivering market-leading applications with the simplicity of the cloud to help organizations of all sizes drive predictable performance, report efficiently with confidence, and connect the organization.

Executives, finance departments, line of business (LOB) managers and IT all have different ideas and varying requirements when it comes to the best EPM strategy. Actually, it should include input from them all. They all want streamlined, agile processes for planning and reporting, along with a system where fast and flexible are the norm. They need EPM solutions that are built to manage change—modular, agile systems, integrated throughout the enterprise, that can quickly and easily adjust to changes in the business environment. Centralized control is also required to ensure the accuracy and integrity of the information that's being delivered (both internally and externally), and they want to increase accountability across the organization by making sure that all managers know what's expected of them and have the information they need to make informed decisions.

Another crucial need is fast, predictable deployments that can be easily integrated to leverage existing IT investments, and that are cost-efficient to operate. All this, along with solutions that ensure the security of critical business information and provide the scalability and performance to support large numbers of users as the business grows.

Everything needs to be efficiently managed and easily maintained, and must offer the flexible deployment options to support their IT strategy —whether that means in the cloud, in a traditional data center, or taking a hybrid approach. And, of course, everyone wants faster performance and agrees that any solution must be accessible across the enterprise anytime, anywhere, and on any device.

Today's Business Challenges

Companies are challenged by a lack of business agility and the inability to focus and align resources on business priorities. These problems are caused by limited resources, too much time spent on non-value-add activities, and systems that are not made for the modern business user.

- The workforce of tomorrow has different expectations of analytics and how to interact —if you don't have the right tools, you won't attract the right people
- Too much time spent on system administration and non-value-add activities
- Talent shortage and skills limitations
- Current systems don't allow LOB self-service or process flexibility

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The New Finance Function: From Governance to Guidance

New digital technologies such as big data, predictive analytics, cloud, mobile and social are disrupting every function and every industry. We see this in every sector-hospitality with airbnb, transportation with Uber and payment systems with Square and PayPal. These technologies are also transforming traditional business models and generating new value creation opportunities and strategies. Yet modern CFOs don't just leverage digital technologies to drive innovation and growth; they also recognize and embrace their potential as the next big lever to optimize organizational efficiency, increase business agility, and engage a new generation of employees.

So where does performance management fit in this digital technology revolution?

Oracle's view is that Enterprise Performance Management (EPM) delivers the strategy for impacting those **moments that matter**. Those critical **points in time** when your organization needs to adjust, often very quickly, and get ahead of the curve. Whether it be new regulations, new disruptive competitors, changing consumer demands, a product that flopped or flourished or other outlying events.
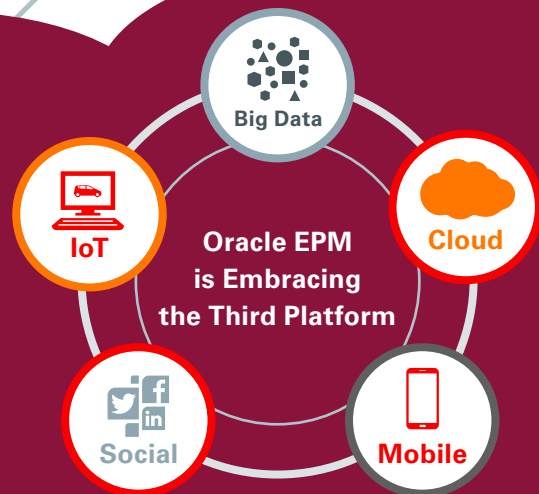
The key questions to ask yourself are:

1. Did you foresee the inflection points?
2. Is your company and organization prepared?
3. Are your performance management systems responsive enough to enable you to thrive through major change?

The third platform is commonly defined as consisting of the inter-dependencies between mobile computing, social media, cloud computing, information / analytics (big data) and the Internet of Things.

Oracle EPM is Embracing the Third Platform

Big Data · IoT · Cloud · Social · Mobile

Finance Sees the Benefits of Cloud Computing

>75% of companies currently use, or will consider deploying, EPM in the cloud over the next year[1]

Persuaded by the ability to get up and running quickly

65%

Motivated to avoid large upfront investments

53%

[1] Oracle EPM 2015 Trends Survey

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Drive Digital Business Transformation with Oracle Enterprise Performance Management

Oracle Enterprise Performance Management provides a new guidance system for the enterprise, delivering market-leading applications with the simplicity of the cloud, to help companies of all sizes drive predictable performance, report efficiently with confidence, and connect the organization.

Drive Predictable Performance

What shareholders, executives and employees want most is predictable performance, but many organizations struggle to deliver on this basic requirement due to a number of challenges:

- They have limited visibility into plans and their execution
- They fail to forecast with any degree of accuracy
- Too few staff are involved in planning and forecasting
- They are unable to leverage history for trends/ prediction
- They are unable to meet increasing reporting and compliance regulation
- Changing business environment demands agility/ flexibility which they cannot deliver with exisiting systems

Every manager in your organization has some input into planning and budgeting, as each department has its own specific metrics and needs. The trouble is, their involvement is likely via disjointed and inconsistent processes involving manual spreadsheets that do not integrate with the 'official' system. This can do more harm than good, creating errors, inefficiency and a loss of productivity. The result? Slow reactions to market changes and missed opportunities, along with less accuracy.

According to benchmarking studies, on average, 20% of employees are involved in the planning process for at least three weeks. This can add up to 3% of a company's revenue, or $1,000 worth of time per employee.

How can organizations effectively decrease their spend on Planning, Budgeting and Forecasting while improving accuracy, efficiency and consistency in planning and budgeting processes?

The answer lies in the cloud. More than three quarters of CFOs are currently using, or plan to adopt, cloud-based solutions for their core financials and planning and forecasting processes—and for good reason. Because it's available to organizations without the need for vast IT resources or budget, the cloud is an effective and affordable solution for businesses of any size.

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Oracle's planning, budgeting and forecasting solutions, available as cloud services, are based on the market-leading Oracle Hyperion Planning applications, but built and optimized for cloud. They offer world-class planning and forecasting with the simplicity of the cloud, including market-leading "out-of-the-box" modules for:

- Fully integrated financial statement planning (income statement, balance sheet and cash flow)
- Strategic workforce planning
- Capital expenditure planning
- Project financial planning (including capital projects, indirect projects and contract projects)

They deliver:

1. **Best practice planning and forecasting content that is available when you need it**
   Start small; the solution allows you to only use the features and processes that you need, then mature your planning process over time. In other words, features can be "incrementally enabled". For example, you can begin with basic expense planning in year one, then add revenue planning or workforce planning later.
2. **Upgradable AND Configurable**
   Get the best of both worlds. Oracle content can be combined with customer-specific content. Yet, it is all automatically upgraded by Oracle.
3. **Empower the business user**
   Easy-to-use administration wizards allow business users to maintain the system in the context of the business problem. This allows you to take more control of your business processes.

Deploying centrally by Corporate FP&A or distributing into the operational departments around the enterprise (e.g. sales, manufacturing, HR etc) allows Corporate FP&A to define standards for plan and forecast submissions, yet empowers the operational users to plan at a level of detail appropriate for running their businesses. The concept – 'centralized curation' for corporate FP&A, yet 'end user flexibility' for the operational user.

"One of our main goals was to deploy a planning and budgeting solution quickly—with fewer resources and in less time. Oracle Planning and Budgeting Cloud Service enables us to remove the barriers to adopting an on-premises application and makes it much easier for our growing global business to meet our current and future needs," said Ed Abell, CFO, Racepoint Global.

Oracle Delivers

- Embedded predictive analytics
- Accurate cost allocation to drive profitability
- First-in-class functionality
- Planning across the enterprise
- Speed-of-business reforecasting to meet changing business conditions

"We've lowered total cost of ownership by 20%-30% using Oracle PBCS"— Stefano Beaorchia CFO TBS Group

Benefits

- Plan and report faster, in more detail, with more accuracy and insight
- Drive growth by containing costs
- Specialized functionality provides the right tools for the right job
- **38%[2] less time** in planning the process
- **32%[2] less time** creating management reports
- **26%[2] decrease** in external reporting cycle time
- **>200%[3] ROI over 5 years** and **positive Net Present Value (NPV)** by the end of Year 1

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Report Efficiently with Confidence

'Everyone wants more relevant information'— demands from many organizations' stakeholders for reporting reflect this both externally (corporate reporting) and internally (management reporting). Add to this increased regulation demanding more and more detailed disclosure, and it's no wonder finance departments are bogged down meeting the challenges of reporting:

- Delivering on new reporting requirements
- Meeting increased regulatory reporting requirements
- Meeting increased and constantly changing internal demands for information
- Providing the speed and accuracy required
- Maintaining reporting efficiency through organizational changes

Corporate and management reporting is experiencing significant change in today's Digital Age. As reported earnings become more volatile, corporate guidance and the ability for management to clearly explain the quality and sustainability of corporate performance is more important than ever. The current integration of narrative into performance reporting processes is manual, ad hoc, and highly prone to error.

90%
Qualitative Commentary

More than **50%** lack the right tools

In a recent survey, **90% of respondents** agreed that expanding qualitative commentary in management reporting processes was **critical to their organization.** Yet, **more than half of respondents** were **not confident in their tools** to provide sufficient collaboration to produce that qualitative commentary.[4]

Financial close and reporting requirements come from a variety of sources, and are both complex and ever-changing. Regulatory scrutiny has never been higher—especially since the SarbanesOxley Act (SOX) in the United States and International Financial Reporting Standards (IFRS 2005) in Europe. In addition, external stakeholders want more quantitative and qualitative disclosures about the organizations they are investing in, as well as internal management stakeholders who are demanding more frequent insights into financial and operating results.

Organizations Need To

- Streamline the period-end close cycle
- Ensure visibility and predictability in financial consolidation and close
- Integrate financial controls to ensure accuracy of financial results

- Avoid delays from unexpected reconciliation issues
- Address all external/ statutory and internal reporting needs
- Manage costs related to financial reporting and filing

4 Oracle EPM 2015 Trends Survey

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Oracle Delivers

- Accurate and timely reporting
- Reporting with context
- Instant visibility to the progress and status of the reporting lifecycle
- The easy addition of system of record data into reporting
- On-demand consolidation
- Powerful close orchestration and detailed data collection
- The tools to manage and execute a transparent and world-class extended financial close

Benefits

- Reduce risk and improve control and accuracy of external reporting
- Access and integrate data with 'one version of the truth' on a single reporting platform
- Have trust that the numbers are accurate
- Deliver faster, more accurate insights to all stakeholders, anytime, anywhere
- Adapt quickly to changing business and compliance requirements

Traditionally financial close and reporting processes have been fragmented, often held together by manual interventions and many disconnected spreadsheets. The result has been lengthy cycles, opportunity for undiscovered errors and little governance and transparency. These cycles are often further increased by specific 'time wasting' processes like Account Reconciliations and Tax Provisioning. The modern approach taken by many world-class organizations is holistic, addressing the entire, or extended, financial close and reporting process and using enterprise software solutions to support all aspects of the close.

On-premises and new cloud-based solutions enable organizations to streamline all aspects of the financial close and internal and external reporting processes. Oracle delivers financial close and reporting applications in the cloud that are based on over 30 years experience in delivering market leading solutions in this field:

- Enterprise Performance Reporting
- Financial Consolidation and Close
- Account Reconciliations Management
- Tax Provisioning

> "Thanks to Oracle Hyperion solutions, we gained an integrated, easy-to-use financial management platform to ensure data integrity and improve reporting efficiency. We reduced the financial consolidation cycle by eight days, gained the ability to create management reports 2.5x faster, and provided management with in-depth insight into our subsidiaries' performance."
> – Sudhir Kanvinde, CIO, IL&FS Transportation Networks Limited

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Connect the Organization

A modern EPM system needs to offer seamless application and process integration, no matter whether you're implementing on-premises, in the cloud, or in a hybrid environment. Customers are discovering issues with point solution cloud implementations that create data silos. These departmental systems disrupt information flows, disconnect processes, and interrupt customer interactions. Only Oracle offers a secure, standards-based cloud platform to connect your people and processes. Unlike other SaaS solutions, we are able to offer our customers Oracle-managed data centers with the highest security standards on a global basis. In addition, we have best-in-class integration with Oracle and SAP ERP applications —whether on-premises or in the cloud.

According to the Corporate Executive Board, the average employee today typically collaborates with 10 or more people just to accomplish their day-to-day work.[5]

With performance and management reporting processes, these numbers are even higher, as multiple people across multiple departments provide input to multiple reports. Modern tools that provide secure collaboration capabilities can make a significant impact on the speed and effectiveness of your process.

"Oracle Data Relationship Management, coupled with Oracle Data Relationship Governance, has given us effective and robust control over our financial master data. As a result, we have empowered master data owners with driving acontrolled and automated process across our EPM applications."— Viv Leese, CFO, Global Business Services, ICAP plc

Oracle Delivers

- Application integration
- Enterprise data governance
- Solutions that scale
- Platform-exa, Smart View, DRM, mobile
- Easy integration of data from Oracle and other ERP systems
- The ability to move easily across on-premises and cloud models
- The opportunity to leverage existing IT investments

Benefits

- Deliver new applications quickly
- Reduce ongoing IT costs, leverage existing IT assets and optimize new IT investments
- Drive innovative business processes
- Achieve broader involvement and alignment across the business
- Boost speed of analysis-decision-action with everywhere access
- Enable proven, seamless integration with ERP and other operational systems
- Benefit from consistent Oracle security, integration & infrastructure with all Oracle products—both on-premises and in the Cloud

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Oracle Enterprise Performance Management On-Premises and in the Cloud

Oracle has the broadest on-premises and cloud portfolio in the industry, delivering a complete range of production-level, cross-functional business applications for each part of your organization. Oracle applications support 23 languages and multiple industries and geographies. Business users have the latest innovations at their fingertips across finance, sales and marketing, customer service, supply chain management, human capital and talent management – all enriched with social engagement and collaboration tools and an intuitive user interface that works on any mobile device. These applications have been architected on a modern and open service-oriented platform to simplify integration needs and lower your total cost of ownership.

Oracle's EPM Cloud applications provide market-leading functionality with fast time to value, simplicity of configuration and pre-built content for deeper integration and easy extensibility.

For more information on Oracle Enterprise Performance Management, go to www.oracle.com/epm

EPM Cloud products

- Oracle Planning and Budgeting Cloud
- Oracle Essbase Cloud
- Oracle Enterprise Planning and Budgeting Cloud
- Oracle Enterprise Performance Reporting Cloud
- Oracle Financial Consolidation and Close Cloud
- Oracle Account Reconciliation Cloud
- Oracle Tax Provisioning Cloud

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