

AUTUMN 13

Hyperion & EPM



Streamlining EPM Deployment with Planning in the Cloud

In today's challenging planning environment, reliance on spreadsheets is woefully inadequate and fraught with peril.

Jennifer Toomey,
Senior Principal Product
Marketing Director –
Business Analytics,
Oracle

Packaged planning and forecasting solutions can help alleviate these difficulties, yet may remain out of reach for many organisations which do not have adequate IT resources or capital budgets to justify the investment. New Cloud-based solutions, such as Oracle Planning and Budgeting Cloud Service, Oracle's first Enterprise Performance Management (EPM) solution for the Cloud, opens up opportunities for organisations of all sizes to streamline planning and forecasting, accelerate deployment and reduce costs.

Today's Enterprise Planning Challenges – Drowning in Spreadsheets

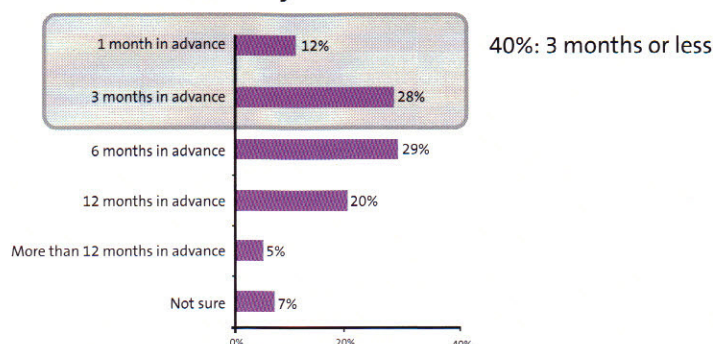
The planning environment has changed considerably for most organisations in today's global economy. Global recession, erratic growth and recovery, market volatility all make accurate planning and forecasting a challenging process.

In fact, a 2010 survey by CFO Research Services revealed that 40% of CFOs can only accurately forecast one quarter into the future.

To make matters worse, a recent Oracle survey on planning and forecasting revealed that 93% of finance managers globally are drowning in spreadsheets. This was especially true in the area of budgeting, planning and forecasting with 75% of respondents indicating they used spreadsheets in this area. While spreadsheets are easy to use and are the preferred tool of finance professionals, they are not well-suited for enterprise-wide processes like planning.

When organisations are overly reliant on spreadsheets to support planning

40% Can Forecast Only 3 Months Ahead



Source: CFO Research, the research group at CFO Publishing LLC

FIGURE 1: CHALLENGES IN FORECASTING

Process	% Using Spreadsheets
Financial Planning and Budget Control	75%
Financial Reporting and Analysis	74%
Scenario Planning	40%
Tracking KPIs	53%
Monitoring Profitability	59%
Other	3%

Source: Performance Management: An Incomplete Picture. Study carried out by Dynamic Markets for Oracle Corporation, April 2011

FIGURE 2: FINANCE MANAGERS DROWNING IN SPREADSHEETS

activities, they face challenges around time, quality, flexibility and cost. Long planning cycles result in missed opportunities and obsolete plans. Data integrity and quality issues show up in the form of errors in Excel spreadsheets, version control problems, lack of audit trails. Disconnected processes create a lack of flexibility and responsiveness to changes. And finally, too much time spent gathering information and not enough time to analyse results in costly waste of resources with questionable benefits.

Yet, despite these challenges with current tools, the adoption of packaged enterprise performance management software is still not widespread. This is evidenced by relatively low EPM penetration rates among ERP install base customers.

A Shift Towards the Cloud

New technologies like Cloud make it easier to get off of spreadsheets and adopt best practices, such as rolling forecasts and driving the planning process beyond finance to the broader community of line managers. Gaining the input and intelligence of line of business managers

becomes much more feasible with a cloud-based model that can be easily and flexibly rolled out across the organisation.

Whereas a couple of years ago, we still saw reluctance in the finance department around adopting cloud applications, largely driven by security and data confidentiality concerns, this is changing rapidly. A 2013 Gartner Financial Executives International (FEI) CFO Technology Study indicated that during the next four or more years, 84% (up from 53% in 2012) believe that half of their transactions will be delivered through SaaS. It appears that 34% in 2012 have made a SaaS directional decision, as there were no "Don't Know" responses in 2013.¹

As CFOs shift their attitudes towards Cloud, we are also seeing the SaaS model for EPM applications gaining traction. In the 2013 Gartner FEI study, budgeting, consolidations and reporting selections showed a continued movement to cloud where almost one in five companies see themselves using SaaS.

In conversations with CFOs, some of the reasons they cite in favor of cloud-based

finance systems include the resource allocation flexibility that comes with avoiding large upfront investments, the ability to avoid fixed capital investments during periods of corporate or economic uncertainty and timely access to the latest software capabilities.

The fact that traditionally risk-averse CFOs are open to moving their mission-critical finance systems into the cloud should be a clear indication to all companies that cloud services are fast becoming the go-to strategy for finance executives looking to access the latest technologies quickly and cost-effectively to support their corporate objectives.

Lowering the EPM Adoption Barrier – Oracle Hyperion Planning in the Cloud

As we see our customers' attitudes and requirements shifting towards Cloud, we want to meet those changing needs. Thus, Oracle is making its Hyperion Planning solution available in the Cloud with a service called "Oracle Planning and Budgeting Cloud Service." Oracle Planning and Budgeting Cloud Service removes the barriers to adoption of on-premise applications and makes it much easier for businesses of any size to deploy a world-class planning and budgeting solution in a matter of weeks.

"We are extremely excited about the new Oracle Planning and Budgeting Cloud Service offering. We expect this solution to enable customers to get up and running quickly and streamline their planning, budgeting and forecasting processes, all with lower upfront costs and investment risk than a traditional on-premise solution."

Neil Sellers, Director, Qubix

¹ Van Decker, John, "Survey Analysis: CFOs' Top Imperatives From the 2013 Gartner FEI CFO Technology Study", May 2, 2013, p.11.

Most Hyperion EPM customers have deployed the applications on-premise. And over the past 5 years, Hyperion EPM applications have been available as a hosted solution through Oracle Managed Cloud Services (formerly called Oracle On Demand) or many of our hosting partners around the world. But now we are moving our EPM applications into the Oracle Cloud and making them available as SaaS-based solutions. Moving to cloud-based applications has the potential to remove the adoption barriers for many organisations that didn't have the IT resources or budget for packaged software applications in the past.

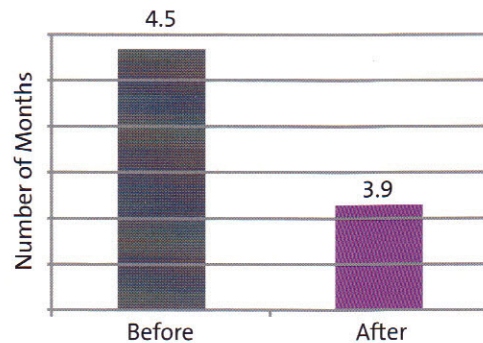
By way of background, Oracle Hyperion Planning is a market-leading application that accelerates planning, budgeting and forecasting. It's built to leverage the powerful Oracle Essbase multi-dimensional analysis engine, includes a Web or Excel interface, powerful workflow and process management and pre-built functionality to address the most complex planning and budgeting requirements and best practices in this area. Hyperion Planning supports driver-based planning to help connect operational assumptions to financial outcomes, and it supports a hierarchical planning process that encompasses both corporate finance and the lines of business within an enterprise.

Hyperion Planning has seen rapid adoption over the past 10 years with over 3700 organisations having deployed the solution. And many of these deployments have become quite large with many over 1000 users and a few with over 5000 users. The results that our customers have achieved with Hyperion Planning have been impressive. Most often cited is the ability to reduce budgeting and forecasting cycle time. Customers have also reduced reliance on spreadsheets and improved the accuracy of their forecasts.

Oracle Planning and Budgeting Cloud Service provides all the power of Hyperion Planning as a cloud service with a subscription-based pricing model. The application can be deployed as a standalone cloud solution, or integrated with Oracle Fusion Financials Cloud Service. All the infrastructure, reporting, and data management components of Hyperion Planning are included as part of the Oracle Planning and Budgeting Cloud Service, so everything the customer needs

Less Time Spent in Annual Budgeting and Planning Process

15% less time spent in manual processes supporting annual budgeting



Oracle Business Analysis, Customer Value Index, Interim Results, April 2013

FIGURE 3: RESULTS ACHIEVED WITH ORACLE HYPERION PLANNING

to run their planning process is part of the service.

Oracle Planning and Budgeting Cloud Service is built upon the robust Oracle Cloud, and integrates with your other on-premise and Cloud applications.

“The addition of Oracle Planning and Budgeting Cloud Service to Oracle’s Cloud portfolio offers us more choice in deployment. We found Oracle Planning and Budgeting Cloud Service particularly easy to use with good response times and all the functionality that we expect from a sophisticated planning application.”

Steve Tevaut, Database Administrator, Friendly’s Ice Cream

Deploy How YOU Want

Our goal is to provide the most flexible deployment options to our customers. That can include on-premise deployments, pure cloud-based deployment, or a hybrid

approach where development is done in the Cloud, then testing and production deployment on-premise.

Many companies are assessing Cloud options in parallel with traditional upgrades of on-premise solutions. But they are wary of the integration issues between Cloud and on-premise solutions and do not want to be locked into a particular approach. For many, the flexibility of deployment holds the key to the way forward, i.e. the ability to adopt public, private and hybrid Clouds as desired and to alter the mix when business circumstances dictate. But very few software vendors can hope to offer this range of choice and even fewer can leverage their own hardware and database technology to optimise performance. Oracle has been offering applications in the Cloud for more than 12 years and is one of the few vendors that can comprehensively support the disparate needs of small, medium and large multinational organisations in the Cloud with flexible, modern and secure applications.

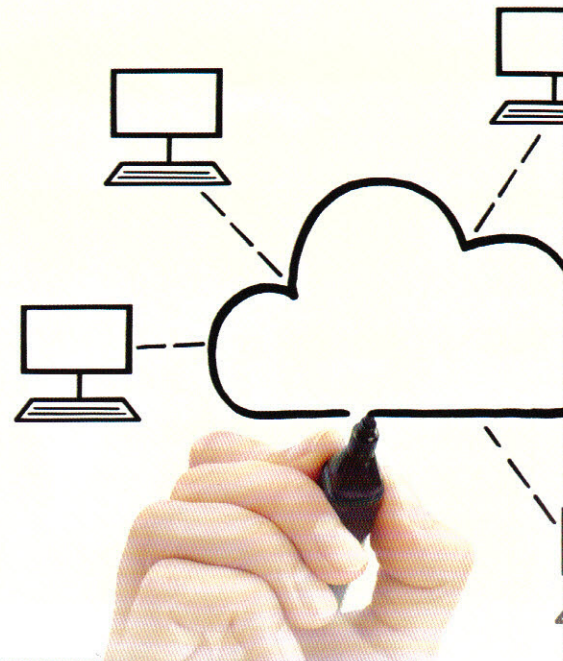
For organisations who own or are considering Hyperion Planning, there are a number of options to take advantage of the new Cloud offering. For new applications, customers can develop and deploy in the Cloud, or develop in the Cloud and then deploy on premise. Existing Hyperion Planning customers may wish to support new divisions or >>

subsidiaries that want their own Hyperion Planning application. They may also wish to move their existing applications to the Cloud, such as upgrading from an earlier Hyperion release. And, as described above, customers always have the option to move back on premise if needed or as business needs change.

Future directions – EPM in the Cloud

As our customers' attitudes shift towards

leveraging the Cloud for even their Finance functions, Oracle is moving to provide more flexibility and choice in deployment options. Oracle Planning and Budgeting Cloud Service is the first of Oracle EPM applications to be offered in the Cloud. In the future you will see Oracle offering additional EPM applications in the Cloud, providing fast time to value, simplicity of configuration and pre-built content for deeper integration and easy extensibility. ■



ABOUT THE AUTHOR

Jennifer Toomey

Senior Principal Product Marketing Director – Business Analytics, Oracle

Jennifer Toomey is Senior Principal Product Marketing Director at Oracle Corporation, with over 18 years experience in the high tech and services industries. At Oracle, she focuses on Business Analytics and Cloud. Jennifer has a BA degree from Harvard University and an MBA from MIT's Sloan School of Management.