

# Converting a Hyperion Enterprise Application to a Hyperion Financial Management Application

## Design Considerations and Best Practices

# About Finit Solutions

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- **FINance-IT**
- Hyperion Preferred Partner and a Member of the Oracle Partner Network (OPN)
- Recognized in the 2007 Inc 500 as the 42<sup>nd</sup> fastest growing IT services company – the only Hyperion partner to make the list

# About Finit Solutions

- Hyperion Financial Consolidations and Reporting Experts
- Specializing in Hyperion Financial Data Quality Management (FDM), Hyperion Financial Management (HFM), and Hyperion Enterprise (HE)
- Strong focus on providing superior customer service and value by providing Hyperion expertise, strong Finance / Accounting knowledge and a proactive approach.

# Some of our clients



# Purpose of this Session

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- To demonstrate basic application design differences between HE and HFM, including how the following are handled:
  - Multiple org structures
  - Intercompany eliminations
  - Sub-entity structures
  - Sub-account tables
  - Currency translation

# Purpose of this Session

- To address application design considerations for converting from HE to HFM, including:
  - When / why to use Custom dimensions
  - How to handle rollforwards (e.g. PPE, Misc Assets, etc.)
  - How to handle USD Overrides
  - Why you won't need your 'Sub' and 'DSub' Chart logic
  - Why you won't have to do rollovers at the end of each year



# Common Hyperion Enterprise Application Struggles

## Common HE Application Struggles

- Constrained by 6 dimensions (Entity, Account, Category, Year, Period, Frequency)
- Visibility into Intercompany Elimination detail is limited (how did my plug account get so big?!)
- Elimination entities must be added at every common parent where eliminations might occur

## Common HE Application Struggles

- Entity substructures can become large (.inp, .adj, .tot, .usdadj, usgaapadj, totusd, etc)
- The admin must perform a 'rollover' every year, either manually or using the rollover function, to make 'Actuals' the current year. The timing of this can get awkward.
- Subtotal Chart logic must be checked / updated for new accounts to ensure the new accounts are within the Subtot range

## Common HE Application Struggles

- The Data Entry screen will only allow for months in the columns and accounts in the rows. This makes it difficult to analyze balances within HE.
- There is no process management functionality or a controlled user experience in HE; access can only be controlled through Security and by locking/unlocking entities. Users must click around the different modules to find information.

# Common Hyperion Enterprise Application Workarounds

## Common HE Application 'Workarounds'

- Building additional dimensions into the Entity dimension (e.g. Product, Region, etc.)
- Building additional dimensions into the Account dimension (e.g. Cost Centers, Rollforwards, etc.)
- Creating special Reports & Retrieve sheets for ad hoc analysis and storing financial data 'off-line' of the system

## Common HE Application 'Workarounds'

- Working in two apps simultaneously at year-end (one has been rolled, one has not)
- Creating separate entities for different groups of data to control the timing of access to different account groups.

# Benefits of HFM over Hyperion Enterprise



# Benefits of HFM Over HE

- User Friendly
  - Web-based (application and reporting)
- Flexible
  - Additional Dimensionality (12 dimensions, including 4 customs)
  - Data grids can be set up with any combination of dimensions in the columns and rows for easier ad-hoc viewing
  - Re-segmenting the reporting of operations
  - Cell text available to explain numbers

# Benefits of HFM Over HE

- More Functionality
  - Enhanced intercompany reporting
  - Controlled end-user experience through task lists
  - Process Management provides insight into unit's status, who performs what activities, and when users have access
  - Ability to tie Validation checks to end user sign-off
  - Ability to insert qualitative analysis of balances and fluctuations directly in the application
  - Maintenance can be performed when users are in the system
  - Reporting – centralized, dynamic, less maintenance

# HFM Dimensions

# HFM Dimensions

HFM contains 12 dimensions, 8 of which are preset and 4 of which are optional. The 8 preset dimensions are:

1. **Scenario** – Hyperion Enterprise Category (i.e. Actual, Budget)
2. **Period** – Just the month of the Hyperion Enterprise period (Jan, Feb)
3. **Year** – Just the year of the Hyperion Enterprise period (2007, 2008)
4. **View** – Frequency (Periodic, YTD, QTD)
5. **Entity** – The major label of your Hyperion Enterprise entity (not including sub-entities). This contains your application entity org structures or hierarchies (Legal, Tax, Management)
6. **Value** - The audit trail of an entity – similar to the combination of the sub-entity tables and elim entities.
7. **Account** – The major account in Hyperion Enterprise. This may or may not include the first and second level sub-accounts.
8. **ICP** – Intercompany Partners. This is the Intercompany sub-account table inside Hyperion Enterprise.

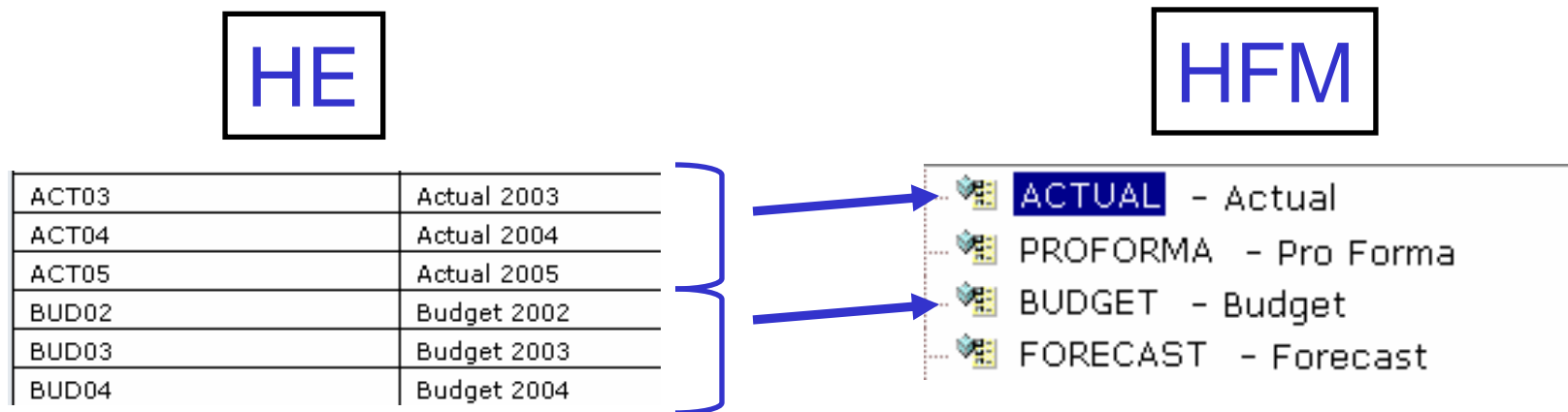
# HFM Dimensions

The 4 custom dimensions can all be utilized or just 1 member ([None]) can be used.

- The custom dimension members would generally be your Hyperion Enterprise sub-accounts or the dimensionality detail that was built into the Entities section (Product, Brand, etc.). However, companies have utilized them beyond that for additional detail.
- Custom dimensions are ‘tagged’ to the Account dimension. Certain accounts may or may not use the custom dimension members.
- Some examples of custom dimension members include:
  - Roll-forward details
  - Expanded cash flow analysis including calc, CTA and adjustment members.
  - Departmental details for SG&A
  - Product, BU, Channel, Geography, Customer and / or Market information for Sales and Cost of Sales members.

# HE to HFM: Dimension Migration

# HE to HFM: Category -> Scenario



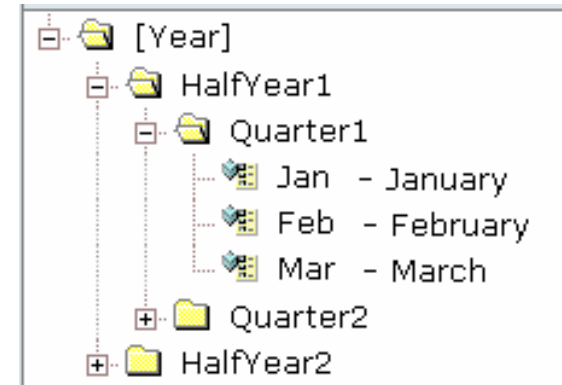
# HE to HFM: Periods & Years

**HE**

**HFM**

Category	Period	Organization	Entity	Account	Schedule	Pa
	JAN 05					
	JAN 05			January 2005		
	FEB 05			February 2005		
	MAR 05			March 2005		
	APR 05			April 2005		
	MAY 05			May 2005		
	JUN 05			June 2005		
	JLY 05			July 2005		

Period



Year

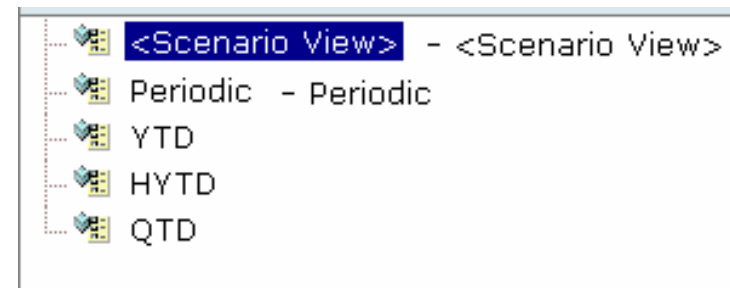
- 2004 - 2004
- 2005 - 2005
- 2006 - 2006
- 2007 - 2007
- 2008 - 2008



# HE to HFM: Frequency -> View

HE

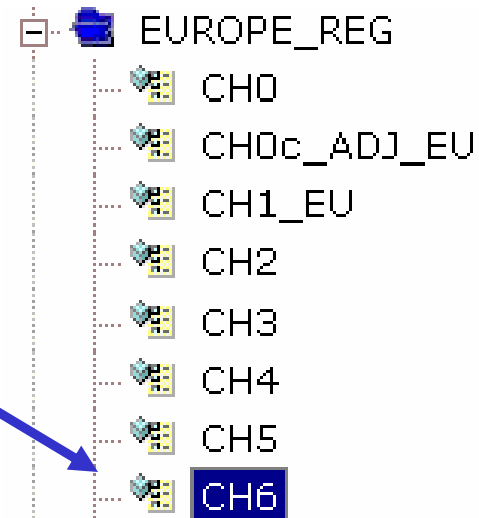
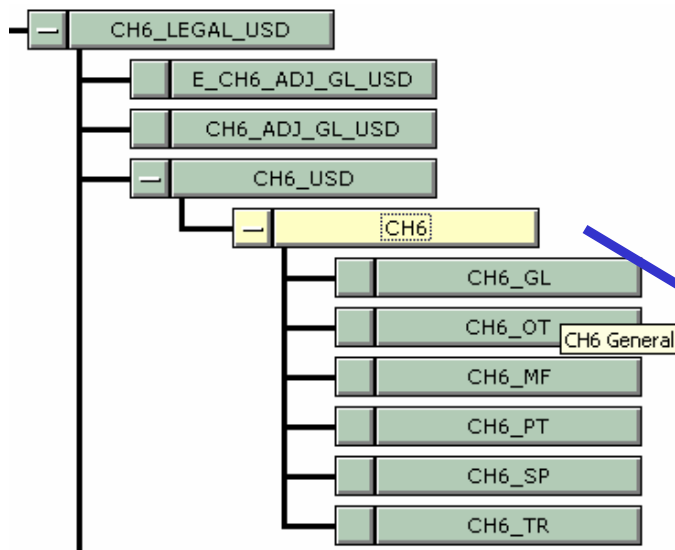
HFM



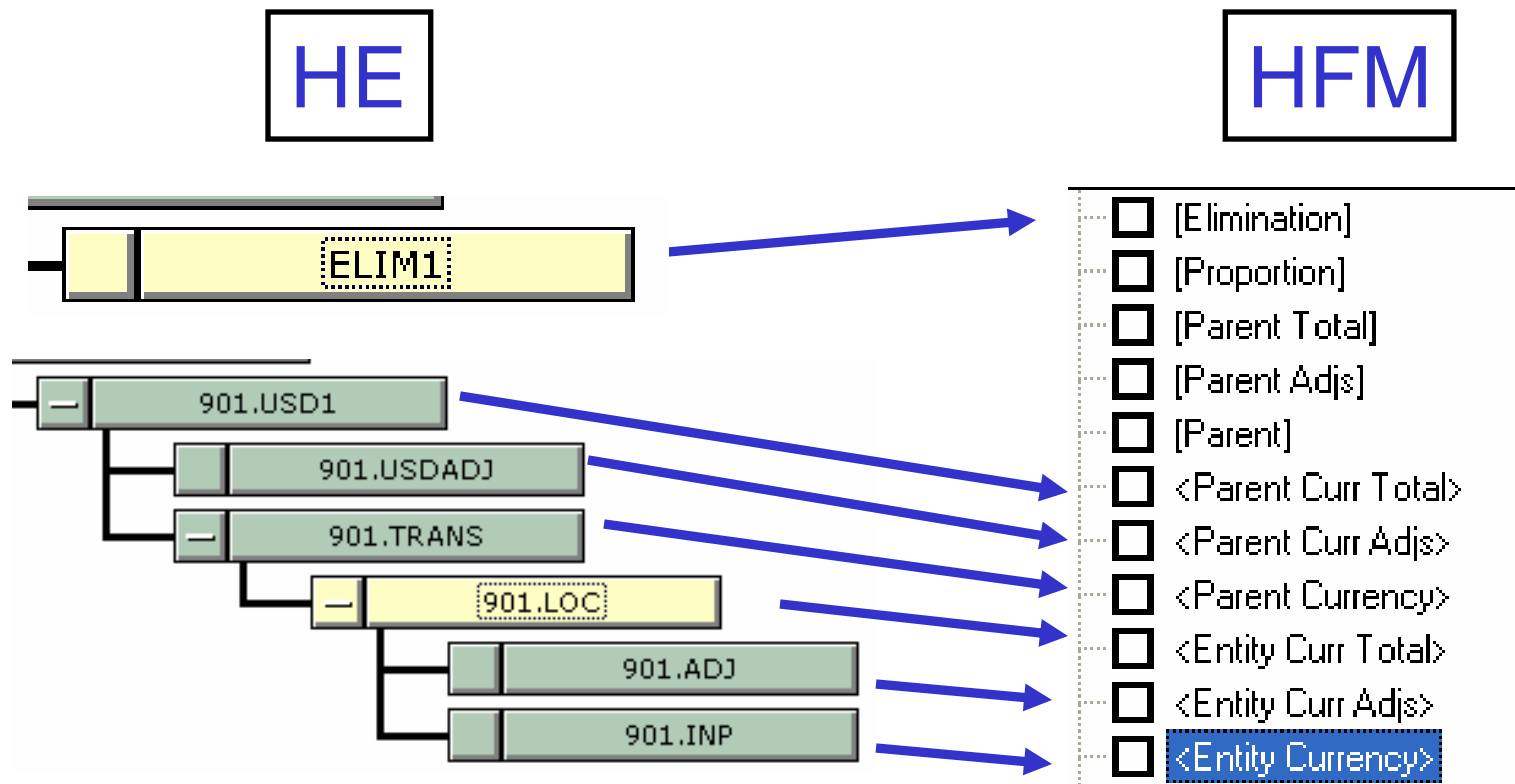
# HE to HFM: Entity

HE

HFM



# HE to HFM: Subentity -> Value

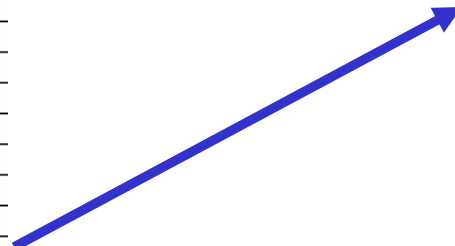
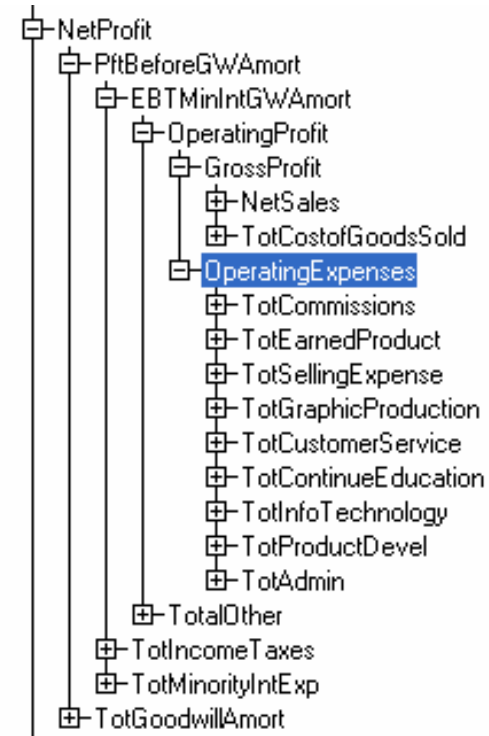


# HE to HFM: Subaccount -> Custom

**HE**

Accounts	
Account	Description
IncomeStatement	Income Statement
CustomerSales	Customer Sales
InterGroupSales	Inter Group Sales
NetSales	Net Sales
CostofGoodsSold	Cost of Goods Sold
GrossProfit	Gross Profit
Commissions	Commissions
PromoExpense	Promotional Expense
SellingExpense	Selling Expense
GraphicProduction	Graphic Production
CustomerService	Customer Service
ContinueEducation	Continue Education
DataProcessing	Data Processing
ProductDevelop	Product Development
FinanceAdmin	Finance & Administration
OperatingExpense	Operating Expenses
OperatingProfit	Operating Profit
RoyaltyExpense	Royalty Expense
ForeignExchange	Foreign Exchange
InterestExpense	Interest Expense
InterestIncome	Interest Income

**HFM**

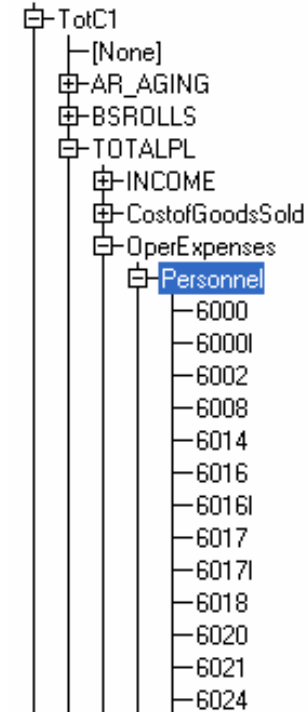


# HE to HFM: Subaccount -> Custom

**HE**

Account	Description
PromoExpense	Promotional Expense
6000D	PromoExpense - 6000 Dummy account
6000	PromoExpense - O/H Operating Expenses
6000I	PromoExpense - O/H Operating Expenses IC
6002	PromoExpense - Commissions
6008	PromoExpense - Lost Territory Compensation
6014	PromoExpense - Commissions - Shimer
6016	PromoExpense - Sales Service Fee
6016I	PromoExpense - Sales Service Fee - Intercompany
6017	PromoExpense - Administration Fee
6017I	PromoExpense - Administration Fee - Intercompany
6018	PromoExpense - Regulatory Fees
6020	PromoExpense - Salaries
6021	PromoExpense - Salaries - Reg Equip.
6024	PromoExpense - Bonus
6025	PromoExpense - Quarterly Bonus
6030	PromoExpense - Overtime

**HFM**



# HE to HFM: Subaccount -> Custom

Description	Enterprise	HFM	
	Account	Account	Custom 1
Selling Expense - Salaries	SellingExpense.6021	SellingExpense	6021
Operating Expense Salaries	OperatingExpense.6021	OperatingExpense	6021

\* In HE - Dsub logic must be used to get a 'total' rollup. In HFM it is natural.  
 by using another dimension, it is easier to pivot and analyze by the sub-account detail

# HE to HFM: Data Intersections

Hyperion Enterprise											
Scenario	Period	Frequency	Entity	Account							
Act08	Jan-08	Periodic	Germany.INP	SellingExpense.Salaries							
Act08	Jan-08	Periodic	Germany.INP	IntercoSales.Italy							
HFM											
Scenario	Period	Year	View	Entity	Value	Account	ICP	C1	C2	C3	C4
Actual	Jan	2008	MTD	Germany	<Entity Currency>	SellingExpense	[ICP None]	Salaries	[None]	[None]	[None]
Actual	Jan	2008	MTD	Germany	<Entity Currency>	IntercoSales	Italy	[None]	[None]	[None]	[None]

# Design Considerations



# Design Considerations: Foreign Currency Analysis

- **Option 1:** Scenario based – Create a separate scenario for Actual at Budget Rates, Actual at Last Year rates, etc. HFM rules can populate the additional Actual scenarios automatically.
  - With this approach, analysis of Actual vs. Last year can be done in reporting using the 2 scenarios, Actual and Actual at Last Year rates.
  
- **Option 2:** Attaching a custom dimension to each account.
  - This would involve having HFM calculate the difference and storing it. An example roll-up of this would be:

LocalCurrency	
<b>Analysis</b>	
	LocalCuratLYRates
	LYRateDiff
	LocalCuratBudRates
	BudRateDiff

# Design Considerations: USD Overrides

With the addition of custom dimensions, overrides can be greatly expanded inside HFM. Some examples include:

- Rolling the override forward automatically. Thus, a user would only need to input the override one time.
- Computing a new override if one was not entered
  - Detecting if there was a local currency change on the associated account and then taking that change against the AVG or EOM rate + the old Override.
- Flagging a validation account if an override account has a local currency change but the USD amount did not change.

# Design Considerations: Intercompany Eliminations

- The intercompany dimension takes the place of the intercompany sub-account table
- Automatically populated by flagging entities as intercompany
- “Elim” entities are no longer needed, as it is possible to identify the elimination balances that are contributed from every child entity in isolation as they roll up to the common parent entity
- Plug accounts are assigned as an account attribute to all intercompany accounts
- Improved Intercompany matching reports to quickly determine mismatches

# Design Considerations: Process Management

- Management of the review and approval process of financial data
- Can use to transfer ownership of data as well as to provide review control and ensure data privacy
- Process unit is combination of data for specific:
  - Scenario
  - Year
  - Period
  - Entity
  - Value
- Data can be promoted upwards or rejected downwards
- Submissions tied to phases in S9 (optional)

# Design Considerations: Data Validation Checks

- Validation accounts can be tied to Process Management to determine whether Promotion and Sign Off can take place.
- A series of validation accounts can be created such as AR Aging tie to the AR ending balance, roll-forwards, sales detail to the sales number, etc.
- Using the Task List, users can go through their submission and then run a Validation report to tell whether they pass or fail.
- Upon passing those checks, a user can promote.
- This is a great way to take the burden of ensuring Data Integrity off of the Corporate finance team and place responsibility with end users.

# Design Considerations: Task Lists

- Task Lists can be used inside HFM to facilitate the user experience of their closing activities.
- Enables you to complete your workflow without navigating among forms, grids, and report modules.
- Task lists can include Data grids, Web data entry forms, Reports, FDM, Custom Documents and Tasks such as Process Management or Journal Entries
- Users have a clear step by step list of what they should do, such as:
  - Step 1 – Load Data through FDM
  - Step 2 – Enter Supplemental Detail
  - Step 3 – Run ICP Matching report
  - Step 4 – Run Validations report
  - Step 5 – Sign off and promote

# HE to HFM Migration Planning

# Planning Your Migration

- Define, Design, Install and Plan
  - Define scope and requirements, design an application blueprint, install the software and build the plan to achieve success.
- HFM Metadata Build
  - Build the structures outlined in the design
- Data
  - Historical Data Conversion
  - Source system Data Integration into HFM
- Workflow and Reporting
  - Development of BI+ Repository, Workspace & Workflow items
- Training
  - Train your end users
- Testing
  - Perform application, user acceptance and performance / stress testing to ensure application stability and system functionality
  - Parallel testing to prepare end users



# Migration Workflow

Design	Requirements Gathering & Design	█																	
Installation	Installation	█																	
Build	HFM Metadata & HFM Rules		█	█	█	█	█	█	█	█	█								
	HFM Security, PM, Workspace					█	█	█	█	█									
	FDM					█				█	█								
	Reports								█	█	█	█	█	█	█	█	█	█	█
	Unit Testing														█	█			
Data	Data Conversion					█	█	█	█	█	█	█	█	█	█		█		
	Data Integration											█	█	█	█	█	█	█	█
Training	Training Material Creation										█	█	█						
	Training Sessions													█		█			
Testing	User Acceptance (Pilot) Testing														█	█	█	█	
	System Testing																		
	Parallel Testing																		█
Rollout	Go-Live																		

Questions?