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## **Introduction to Oracle's EPM System**

**John Kopcke**  
**Senior Vice President**  
**Enterprise Performance Management Global Business Unit**

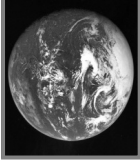
# Program Agenda

- Enabling Management Excellence
- Oracle's Enterprise Performance Management System
- Q & A





# Major Drivers for Business Change



## **Globalization**

Continuous market change, agility



## **Virtualization**

Sourcing, Intercompany Collaboration



## **Transparency**

Compliance, Consumer Power, Collaboration



## **Technology Advancements**

Mass Customization, Consumer Driven Web Processes

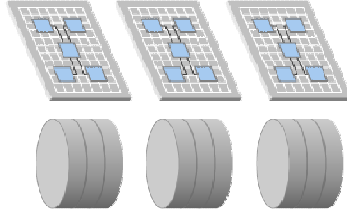


## **Management Process Reengineering**

From Operational Excellence to Lean Management

# Increasing the Value of Your Oracle Investments

**Acquisitions** give Oracle customers access to market leading applications...



#1 Enterprise Performance Management

#1 Demand Planning

#1 CRM Vendor

#1 Logistics Apps Vendor

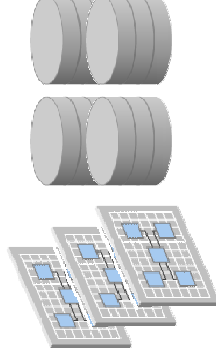
#1 Communication Apps Vendor

#1 Banking Apps Vendor

#1 Retail Apps Vendor

#1 HRMS Vendor

**But now you need to integrate them...**



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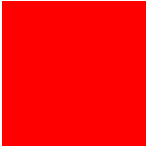
# Enterprise Performance Management is Software that Enables Management to:

**Link** strategies to plans and execution,

**Monitor** financial and operational results  
against goals, and applying analytics to

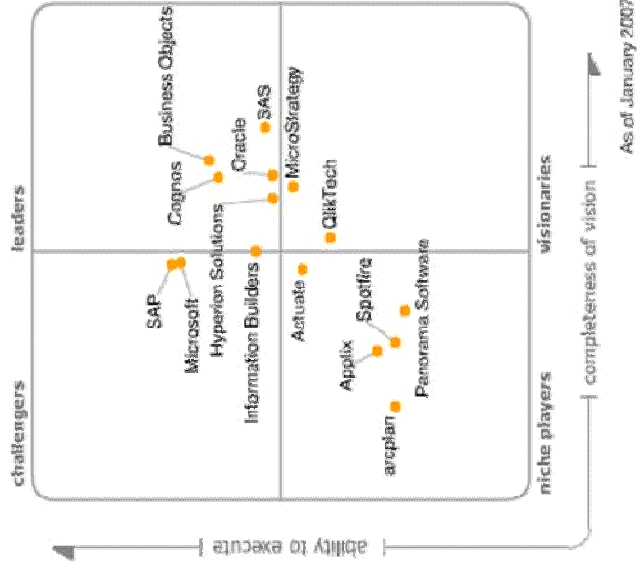
**Drive** enterprise-wide performance  
improvement.



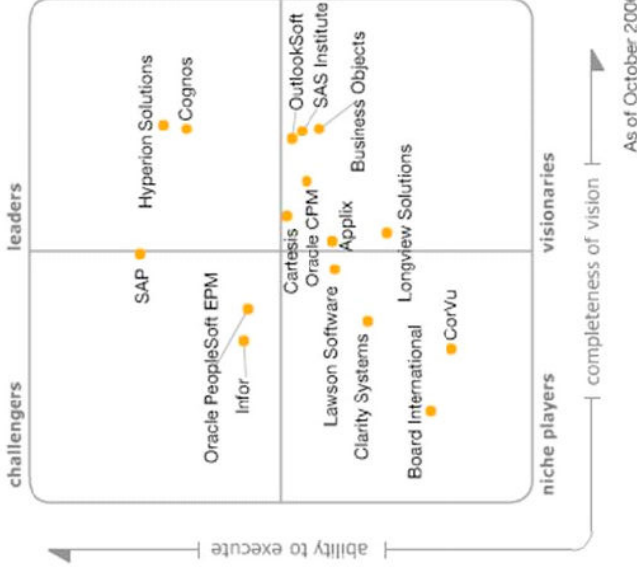


# Oracle Positioned in Leaders Quadrants

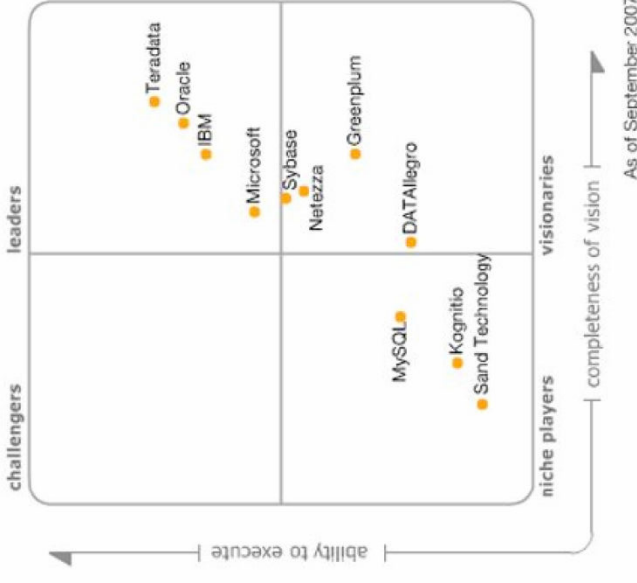
**Magic Quadrant for Business Intelligence Platforms, 1Q07**



**Magic Quadrant for CPM Suites, 2006**



**Magic Quadrant for Data Warehouse Database Management Systems, 2007**

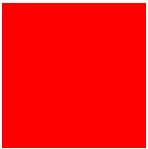


Magic Quadrant Disclaimer: The Magic Quadrant is copyrighted by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

These Magic Quadrant graphics were published by Gartner, Inc. are part larger research notes and should be evaluated in the context of the entire reports. The Gartner reports are available upon request from Oracle.  
Sources: Gartner, Inc., "Magic Quadrant for Business Intelligence Platforms, 1Q07" by Kurt Schlegel, Bill Hostmann, and Andreas Bitterer, 26 January 2007  
Gartner, Inc., "Magic Quadrant for CPM Suites, 2006" by Nigel Rayner, 1 December 2006  
Gartner, Inc., "Magic Quadrant for Data Warehouse Database Management Systems, 2007" by Donald Feinberg and Mark A. Beyer, 10 October 2007

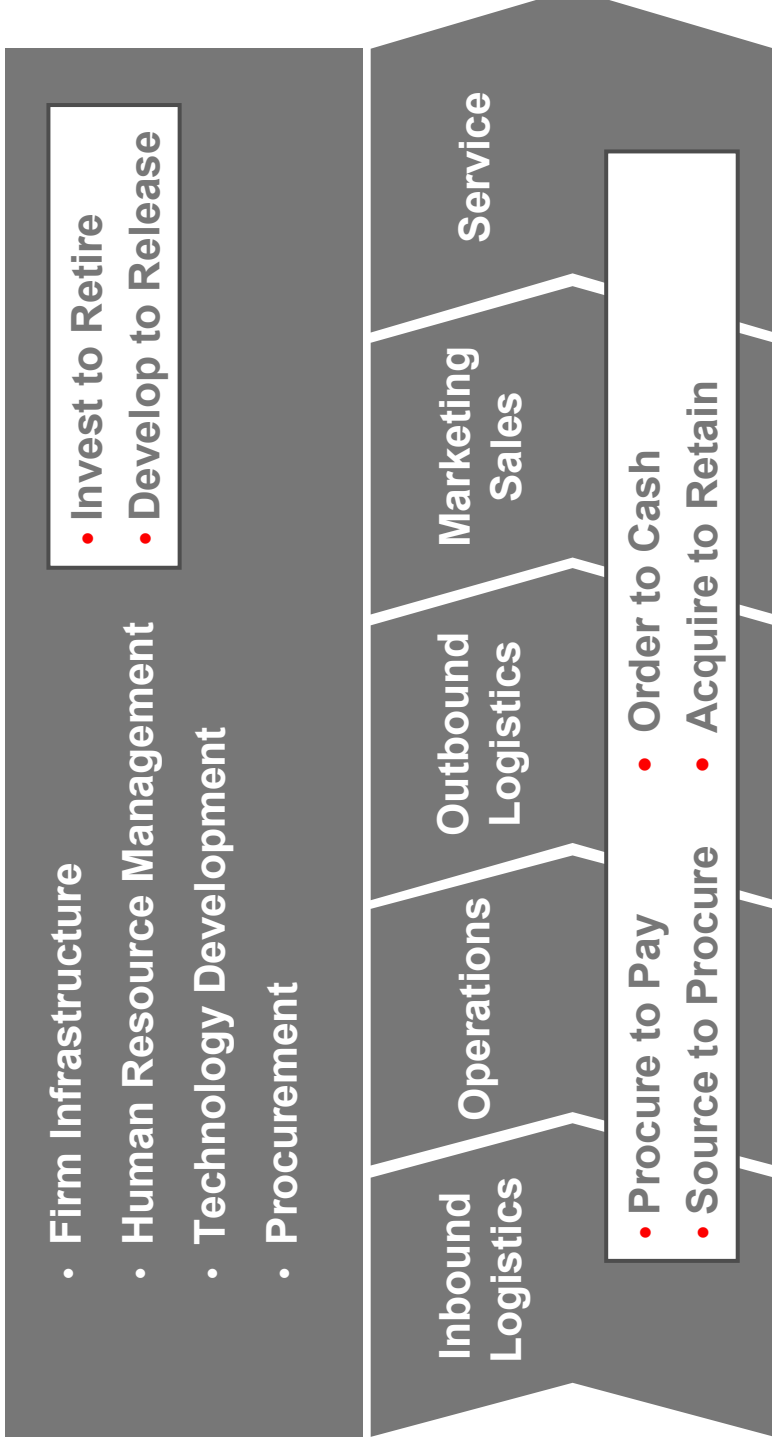




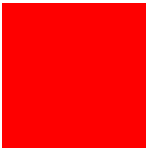


# Operational Processes Are Well Defined

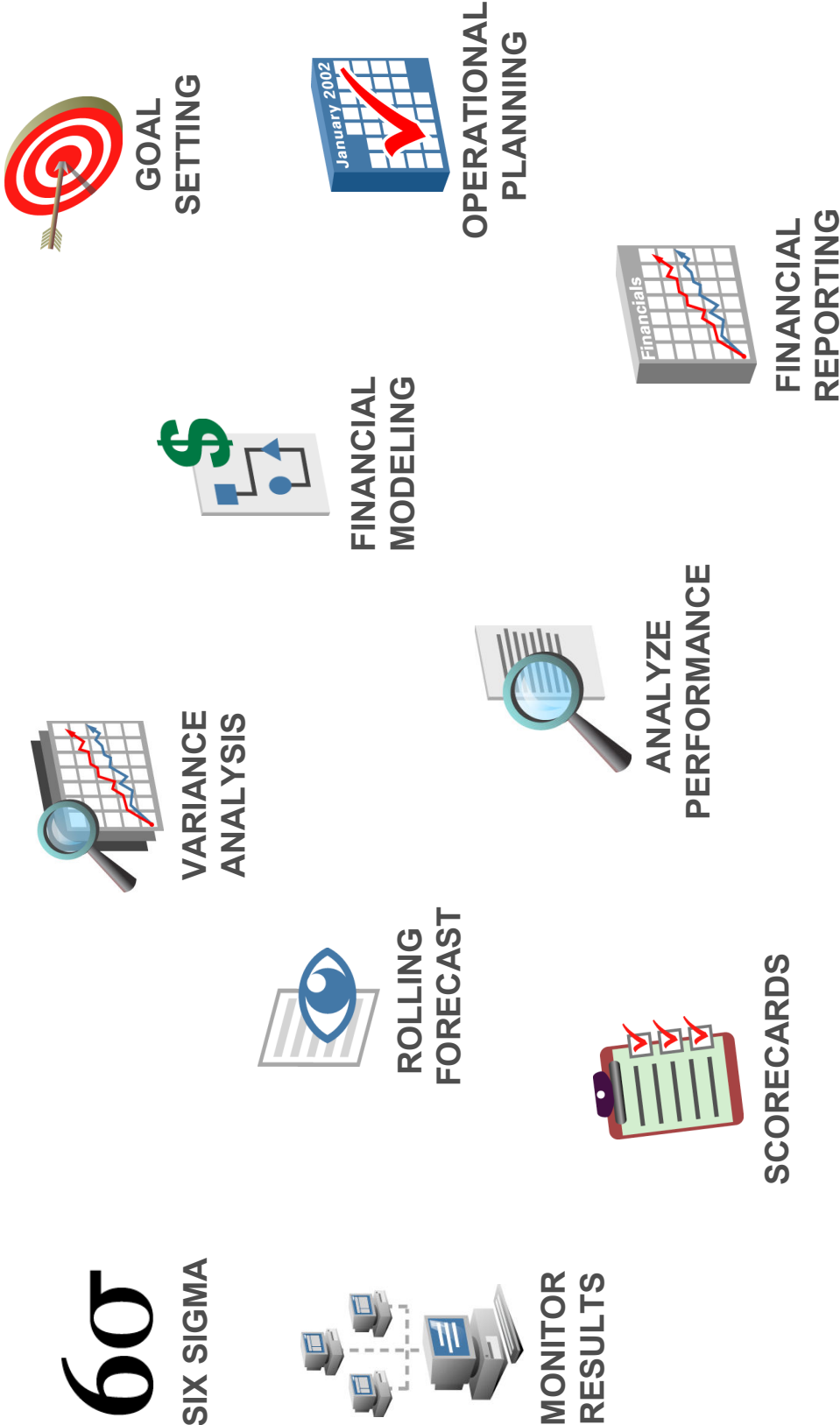
## That's Why You Implemented ERP/CRM/...

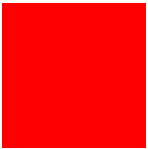


Based on Michael E. Porter's Value Chain

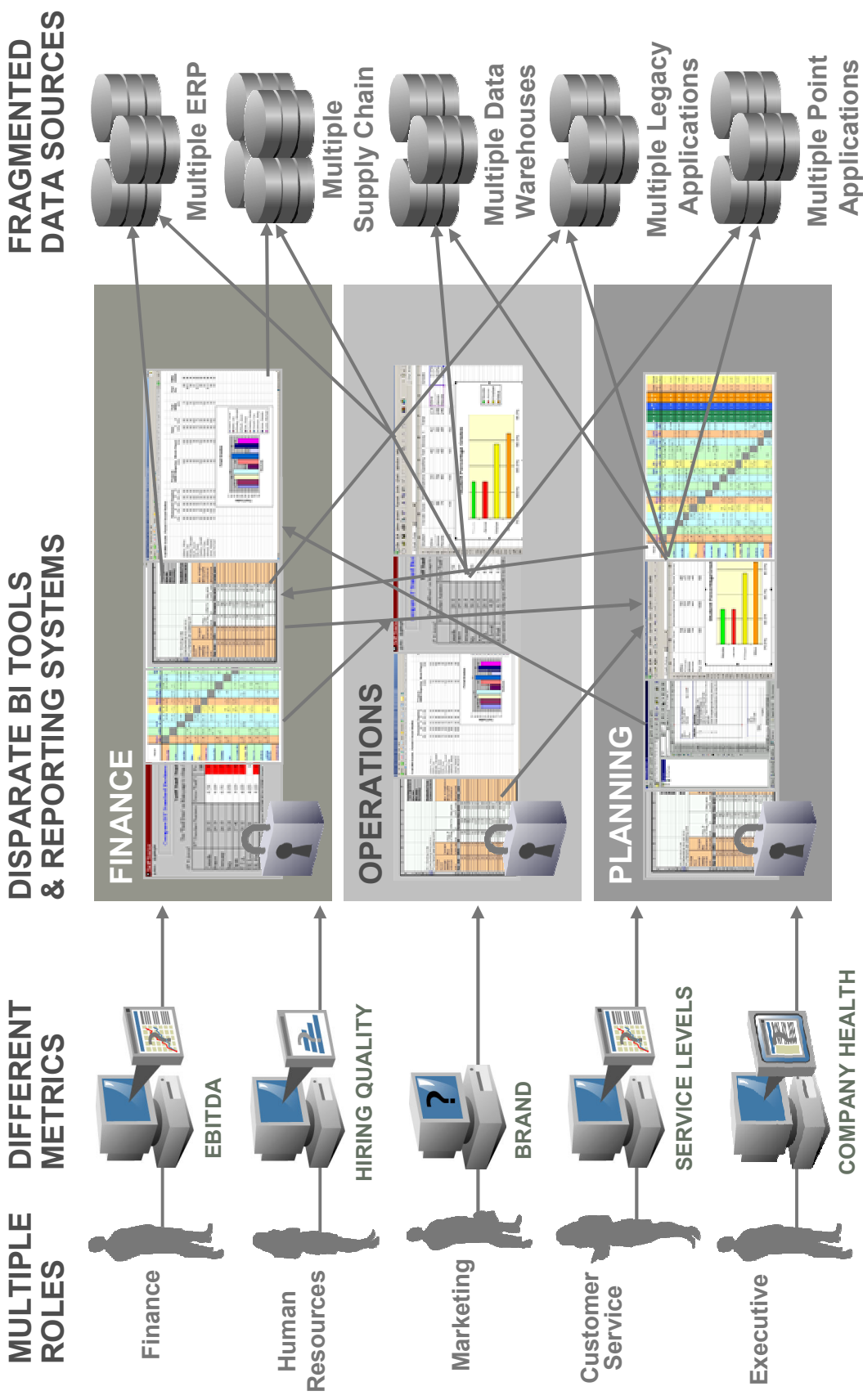


# Today's Reality: Management Processes Are Siloed





# System Complexity Creates Chaos





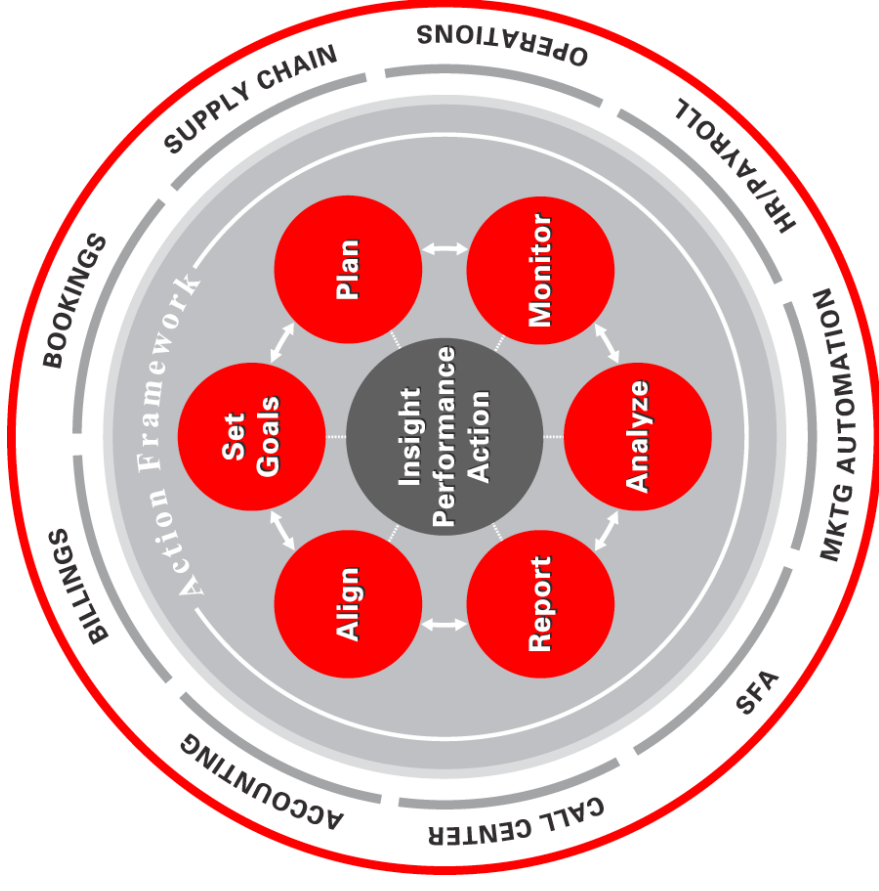
# Results of Silos

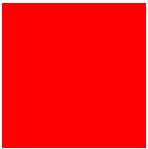
- **Alignment:** Can't Align Corporate Goals with Plans and Execution
- **Predictability:** Not Able to Improve Accuracy in Forecasts and Plans
- **Consistency:** Unable to Base Decisions on the Right Information
- **Transparency:** Not Able to Meet Changing Disclosure Requirements
- **Immediacy:** Data is Out of Date and Irrelevant

# Oracle's EPM Vision

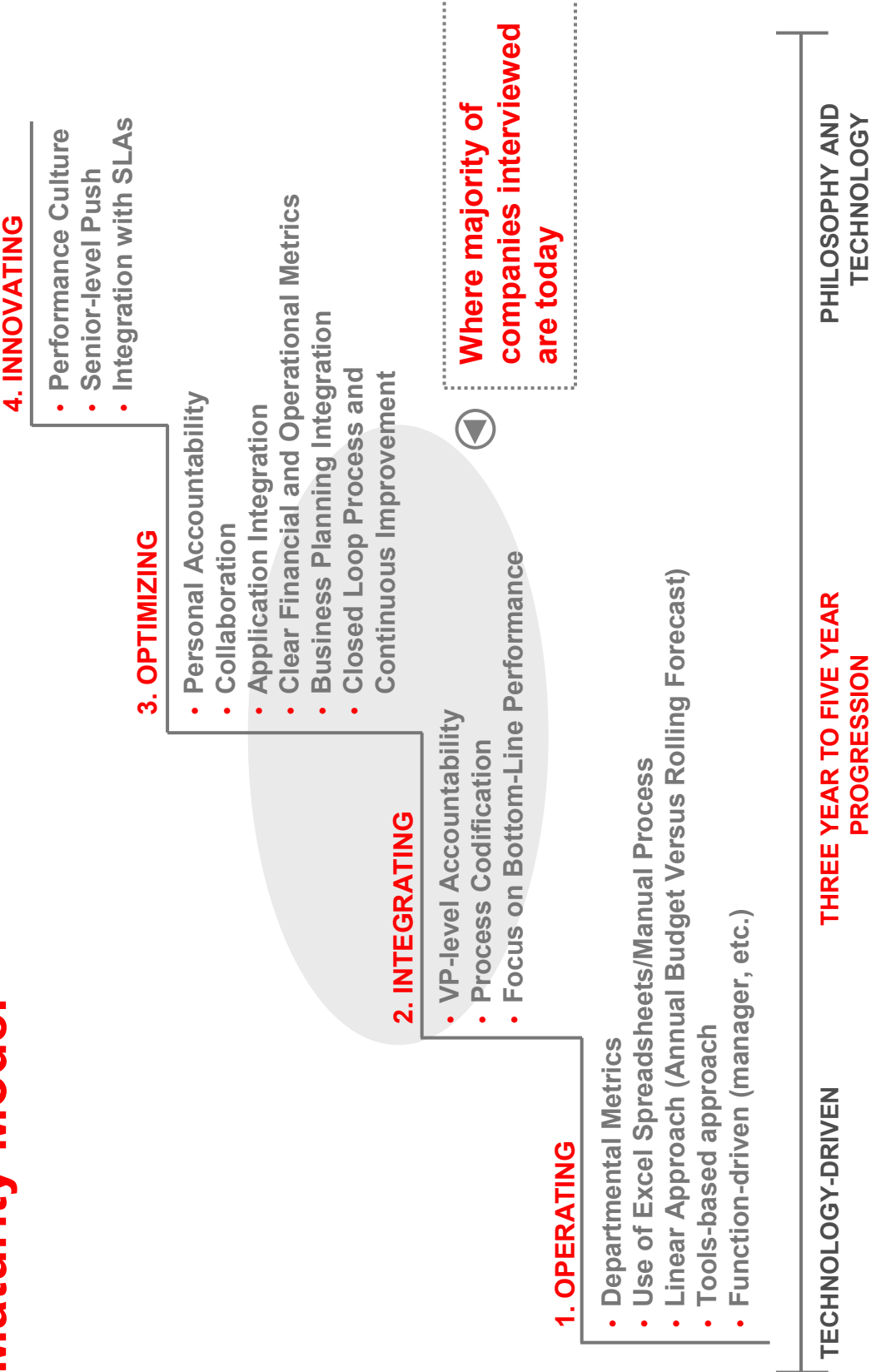
## Focus on Today and Plan for Tomorrow

- Link strategic goals to operational decisions
- Integrates all management processes
- Deliver consistent, reliable insights to drive action
- Lower costs and reduces system complexity
- Single version of the truth





# Enterprise Performance Management Maturity Model



Source: AMR Research, 2004





# Oracle's Enterprise Performance Management System



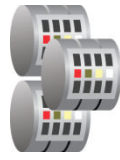
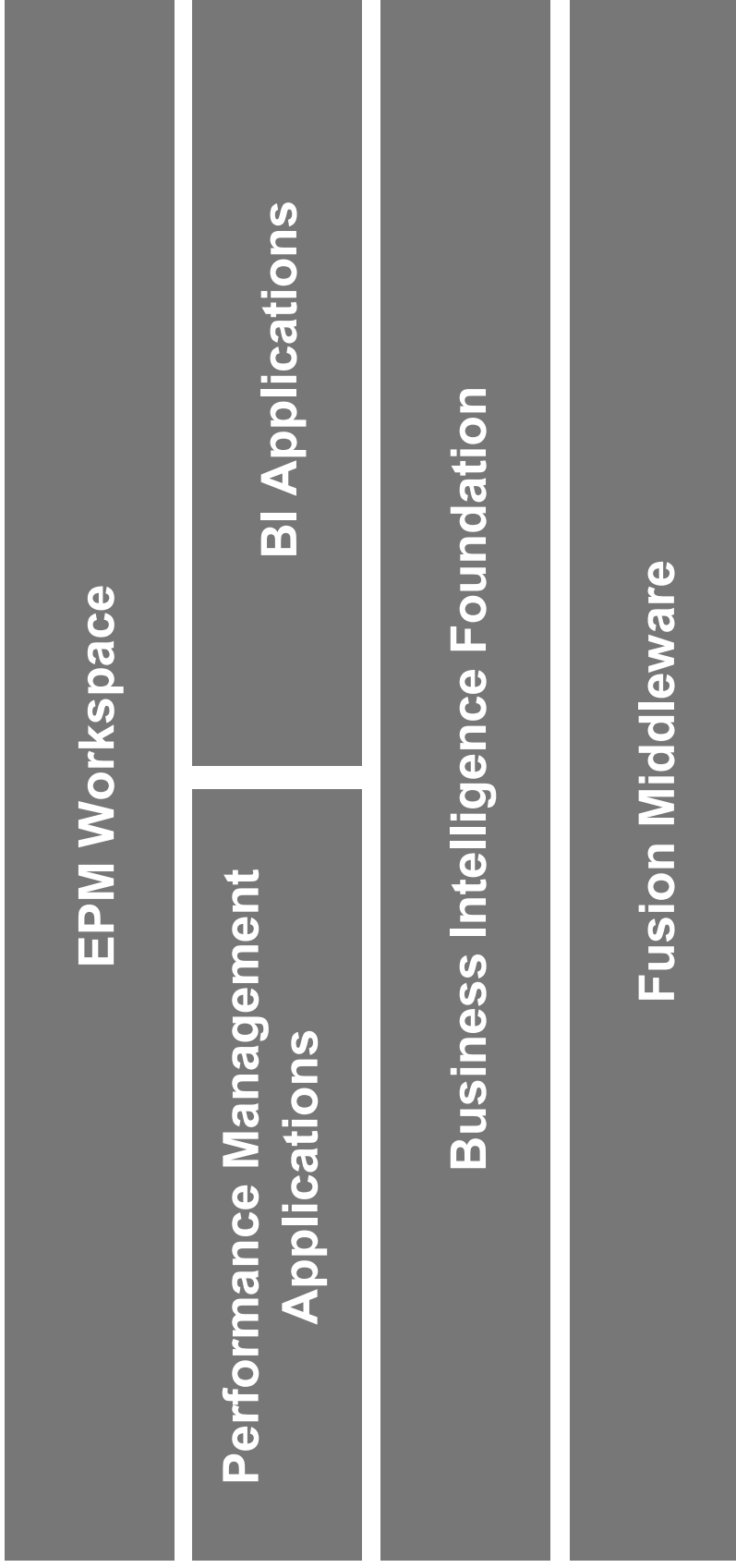
# Leadership Product Strategy

- Industry's First Complete and Integrated End-to-End Enterprise Performance Management System
  - Comprehensive Applications
  - Common Enterprise Information Model
  - Pervasive Information Delivery Layer
  - Powerful Analytic 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
- Substantial Change in Oracle's Position in 18 Months

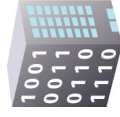




# Oracle's Enterprise Performance Management System



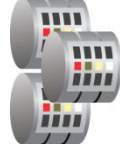
OLTP & ODS  
Systems



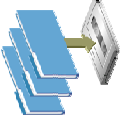
Data Warehouse  
Data Mart



OLAP



SAP, Oracle, Siebel,  
PeopleSoft, Custom



Excel  
XML



Business  
Process

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# Pervasive Information Access Through a Unified BI Foundation

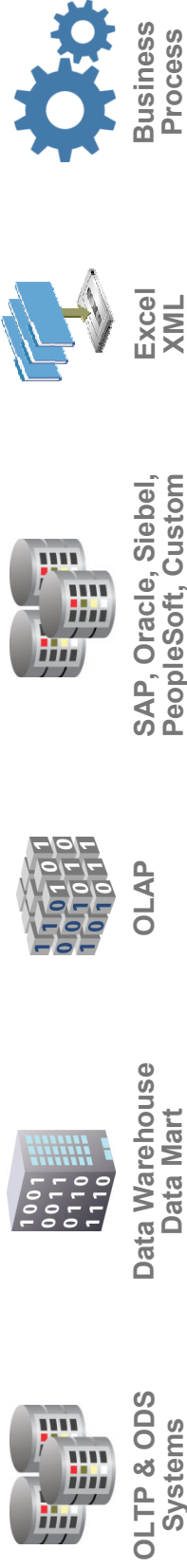


Performance Management Applications

BI Applications

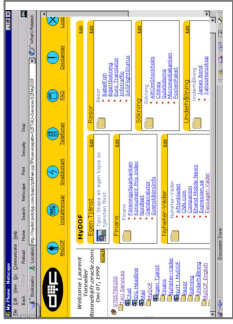
Business Intelligence Foundation

Fusion Middleware



# Hot-Pluggable With Existing IT Investments

## PORTALS



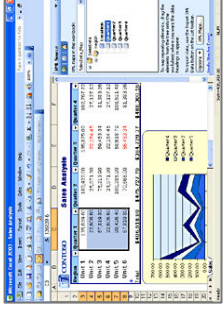
Any JSR 168 Portal

## DATA MINING



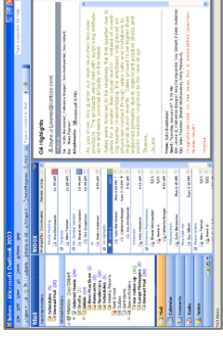
Oracle Data Mining,  
SPSS, SAS

## APPLICATIONS



Oracle EBS, Siebel, SAP,  
PeopleSoft, JD Edwards...

## DESKTOP TOOLS



Excel, Outlook,  
Lotus Notes...

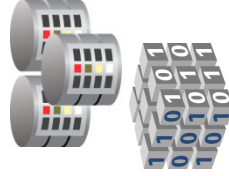
## Oracle Enterprise Performance Management System Oracle Business Intelligence Foundation

## SECURITY



Oracle Kerberos  
iPlanet  
MSFT AD  
Novell  
Custom  
Others...

## DATA ACCESS



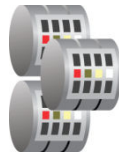
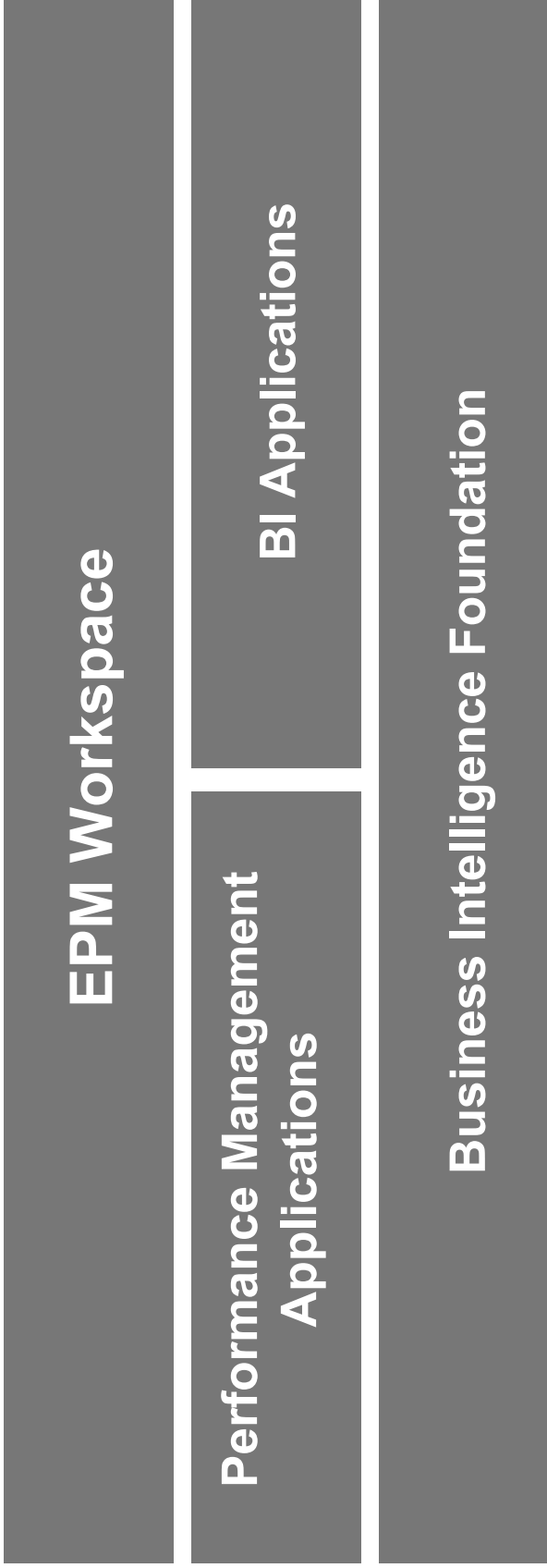
Oracle RDBMS  
Oracle OLAP Option  
Microsoft SQL Server  
Microsoft Analysis Services  
IBM DB2  
Teradata  
Essbase  
SAP BW  
XML, Excel, Text

## DATA INTEGRATION

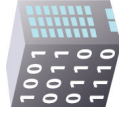


Oracle Data Integrator  
(Sunopsis)  
Oracle Warehouse  
Builder  
Informatica  
Ascential  
Others...

# Leverages Fusion Middleware



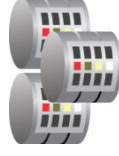
OLTP & ODS Systems



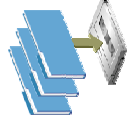
Data Warehouse Data Mart



OLAP



SAP, Oracle, Siebel, PeopleSoft, Custom



Excel XML



Business Process

# Market Leading Performance Management Applications

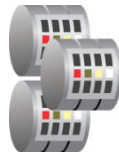
## EPM WORKSPACE

PERFORMANCE MANAGEMENT APPLICATIONS			
Strategy Management	Business Planning	Profitability Management	Financial Reporting & Compliance

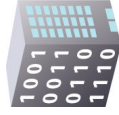
## BI Applications

## Business Intelligence Foundation

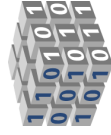
## Fusion Middleware



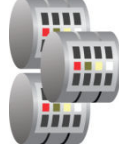
OLTP & ODS Systems



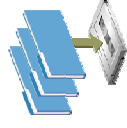
Data Warehouse Data Mart



OLAP



SAP, Oracle, Siebel, PeopleSoft, Custom



Excel XML



Business Process

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# Oracle's Hyperion Financial Management

**#1**

**Financial Consolidation, Reporting and Analysis**

## 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 Reporting Challenges Solved...

CUSTOMER CHALLENGES
Complex Financial Closing
Inconsistent Account Structure
Financial Data Collection Errors
Changing Disclosures
Inefficient Filing Process
ROI



RESULTS WITH ORACLE
<b>5 Days; 585 Legal Entities; 45 BU's</b>
<b>10 Systems; Reduced by 50%</b>
<b>26 Countries</b>
<b>Sustainable Reporting; 150 KPI's</b>
<b>17% Productivity Gain in 10-Q's</b>
<b>67% with 1.5 Year Payback</b>





# First to Report on the Dow Jones Hyperion Financial Management



The world's leading producer of primary aluminum with \$23.5 billion in revenues with operations in 43 countries and 350 locations. Alcoa has over 131,000 employees.

**Before**

- 12+ days to close
- Many analytical technologies
- Complex reporting and forecasting processes
- Hours to create reports



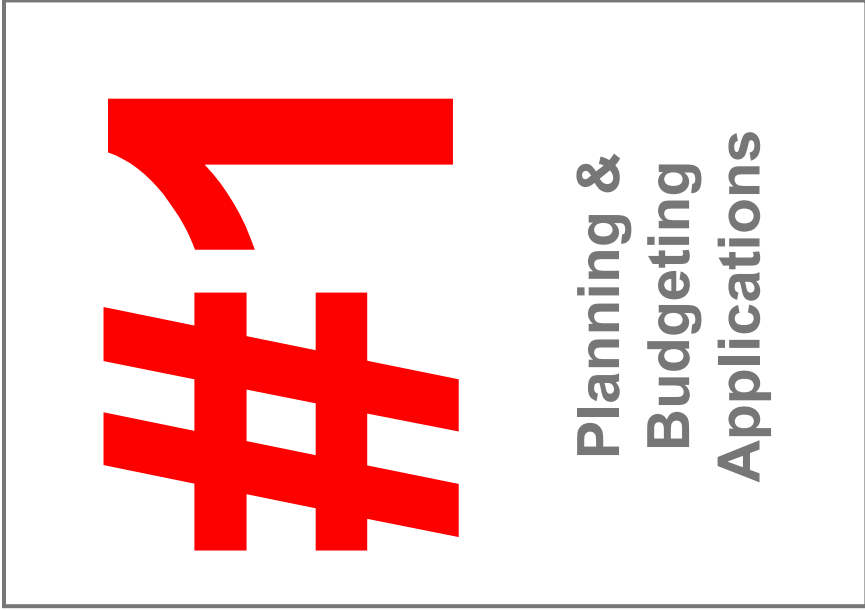
**After**

- 5 days to close
- Global consolidation across 58 lines of business
- Global forecasting and reporting solution for 1,000+ users
- Minutes to access information





# Oracle's Hyperion Planning

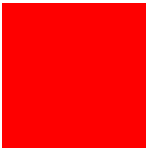


## FEATURES

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

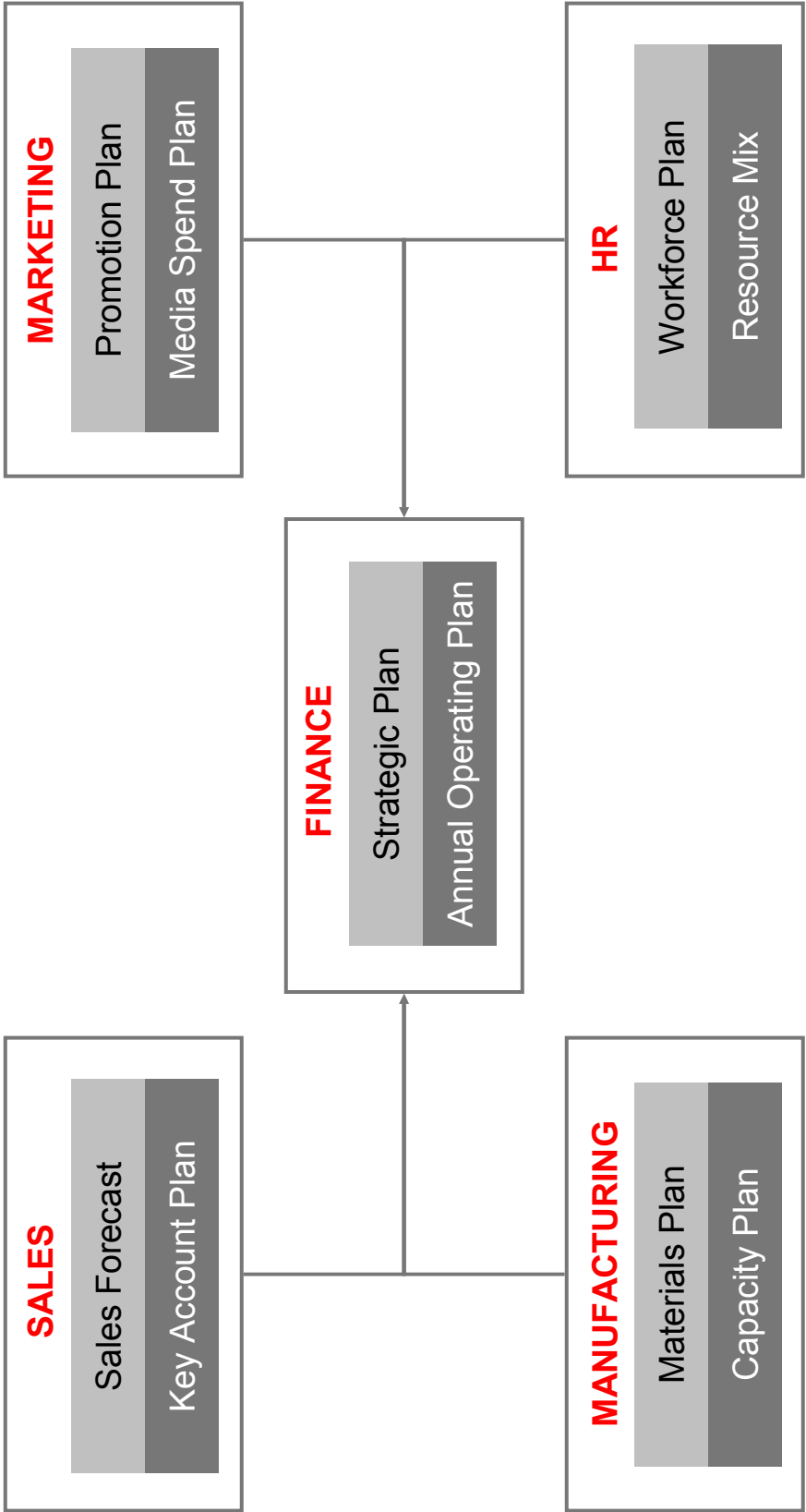
## BENEFITS

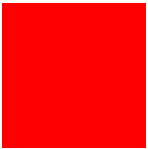
- Speed
- Accuracy
- Align finance and operations
- Accountability
- Visibility to past, current and future business performance



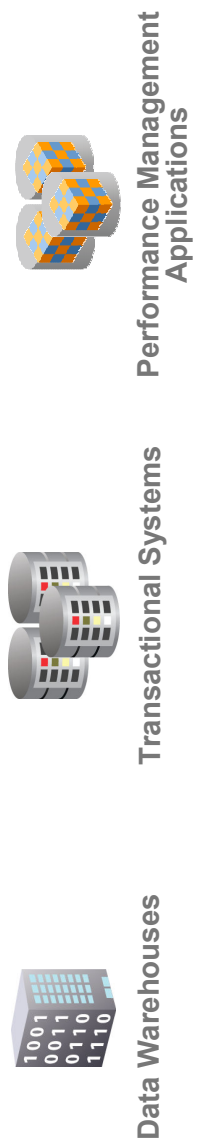
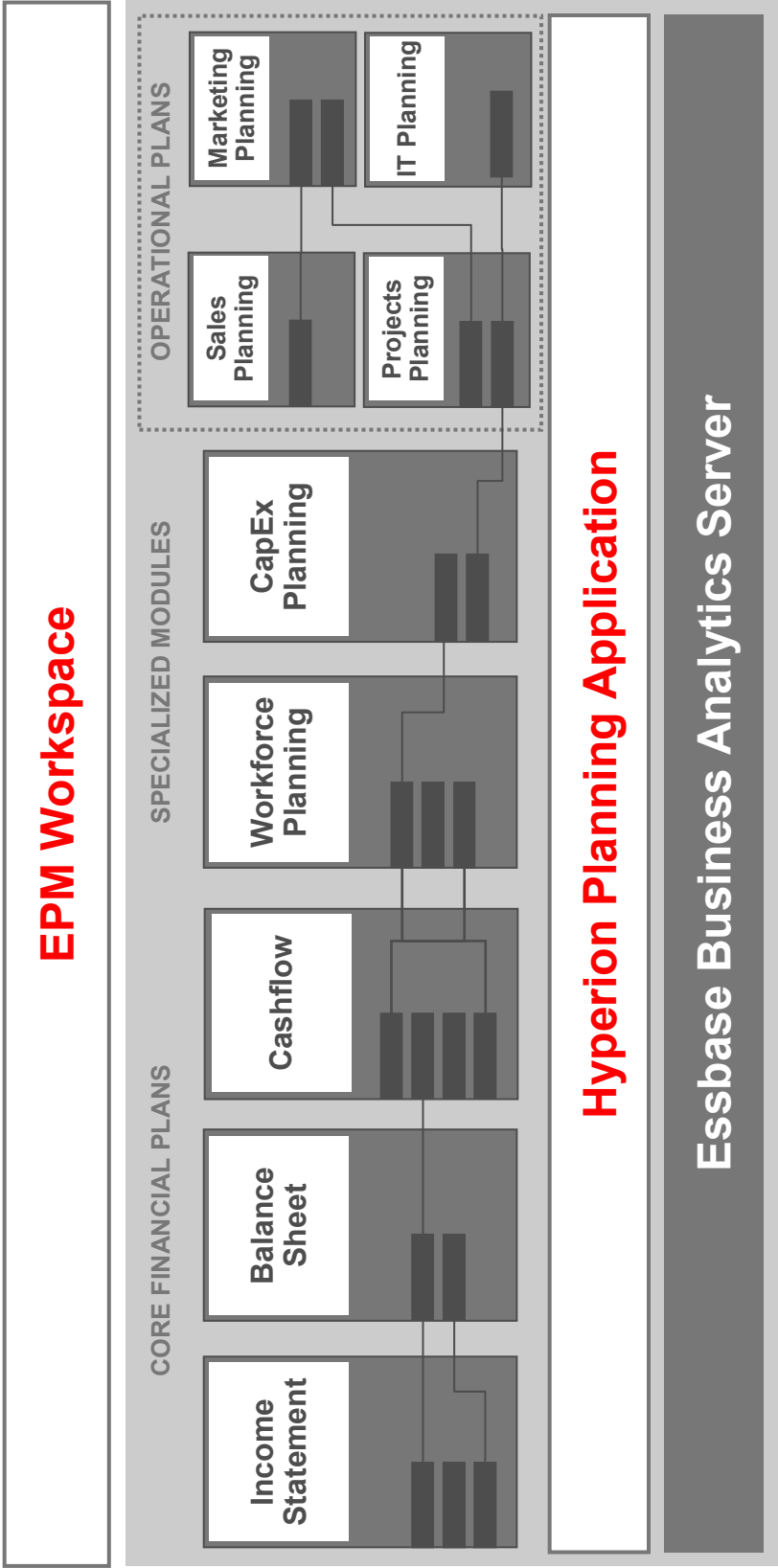
# All Planning Roads Lead to Finance

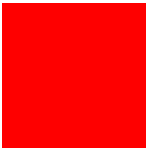
## Truth in Numbers





# Integrated Business Planning Solution





# Planning & Forecasting Challenges Solved...

CUSTOMER CHALLENGES
Planning Cycle Time
Accuracy / Variance
Excel Errors
Level of Plan Detail
Finance Productivity
ROI



RESULTS WITH ORACLE
<b>50-82% Time Reduction</b>
<b>65-80% Improvement</b>
<b>Replaced 6000+ Spreadsheets</b>
<b>700 Accounts; 60,000 Employees</b>
<b>8 FTE's Transferred to Analysis</b>
<b>\$1.5M Return on Investment</b>



# 700 Accounts for 60,000 Employees

## Hyperion Planning



Ing Direct is one of the 20 largest financial institutions worldwide with revenues of \$9B and more than 113,000 employees.

### Before

- 8 weeks for first budget iteration
- 10 days to transfer employees
- 4 weeks to create and distribute Excel templates
- Data was not dependable
- Corporate budget group had 9 FTE's to maintain the process



### After

- 4 ½ weeks for first budget iteration
- Reorganizations down to 24 hours
- Detailed budget to 700 accounts
- Phase 2 budgeted to 60,000 people
- First multidimensional reporting
- Interactive variance analysis

# Comprehensive BI Applications

## EPM Workspace

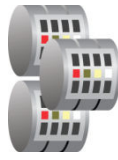
### Performance Management Applications

#### BI APPLICATIONS

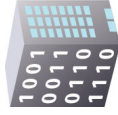
Sales	Svcs.	Mktg.	Contact Center	Order Mgmt.	Supply Chain	HR	Finance
-------	-------	-------	----------------	-------------	--------------	----	---------

## Business Intelligence Foundation

## Fusion Middleware



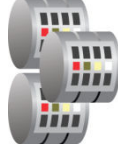
OLTP & ODS Systems



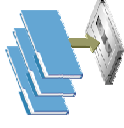
Data Warehouse Data Mart



OLAP



SAP, Oracle, Siebel, PeopleSoft, Custom



Excel XML

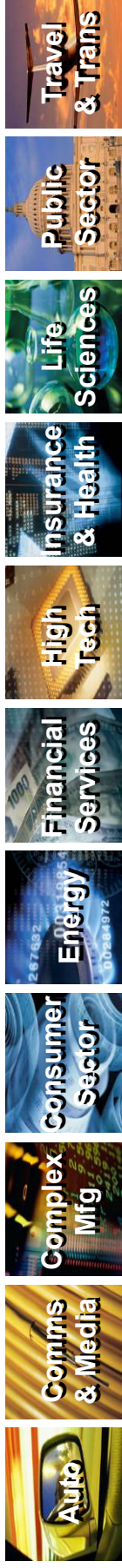


Business Process

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# Oracle BI Applications

Multi-Source Analytics with Single Architecture



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

Prebuilt adapters: **ORACLE**

PeopleSoft<sup>®</sup>

**SIEBEL**

**SAP**

Other Operational & Analytic Sources

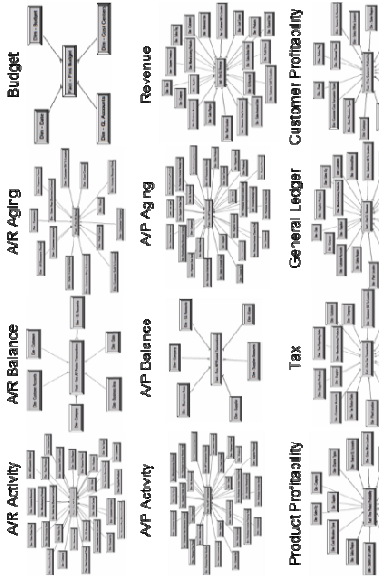
Oracle BI Suite Enterprise Edition

# Pre-Built, Pre-Mapped, Pre-Packaged Insights

## Financial Analytics

1

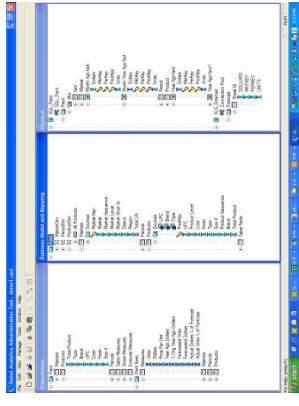
Pre-built warehouse with more than 16 star-schemas designed for analysis and reporting on Financial Analytics



3

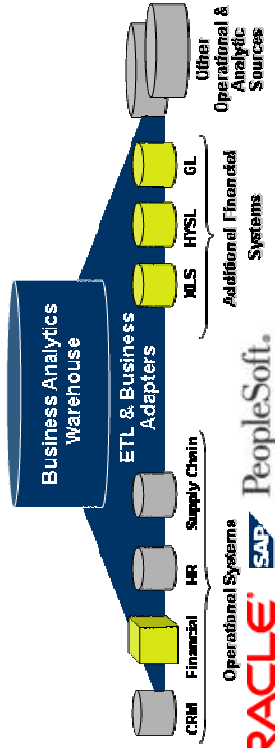
Pre-mapped metadata, including embedded best practice calculations and metrics for Financial, Executives & other Business Users.

- Presentation Layer
- Logical Business Model
- Physical Sources



2

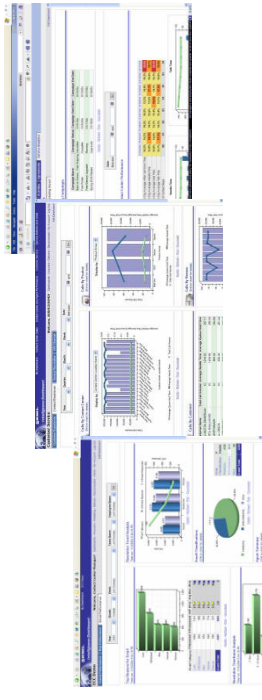
Pre-built ETL to extract data from hundreds of operational tables and load it into the DW, sourced from Oracle EBS, PeopleSoft Enterprise, SAP R/3, and other sources.



ORACLE SAP PeopleSoft

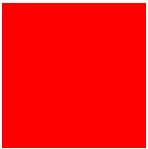
4

A “best practice” library of over 360 pre-built metrics, Intelligent Dashboards, 200+ Reports and alerts for CFO, Finance Controller, Financial Analyst, AR/AP Managers and Executives



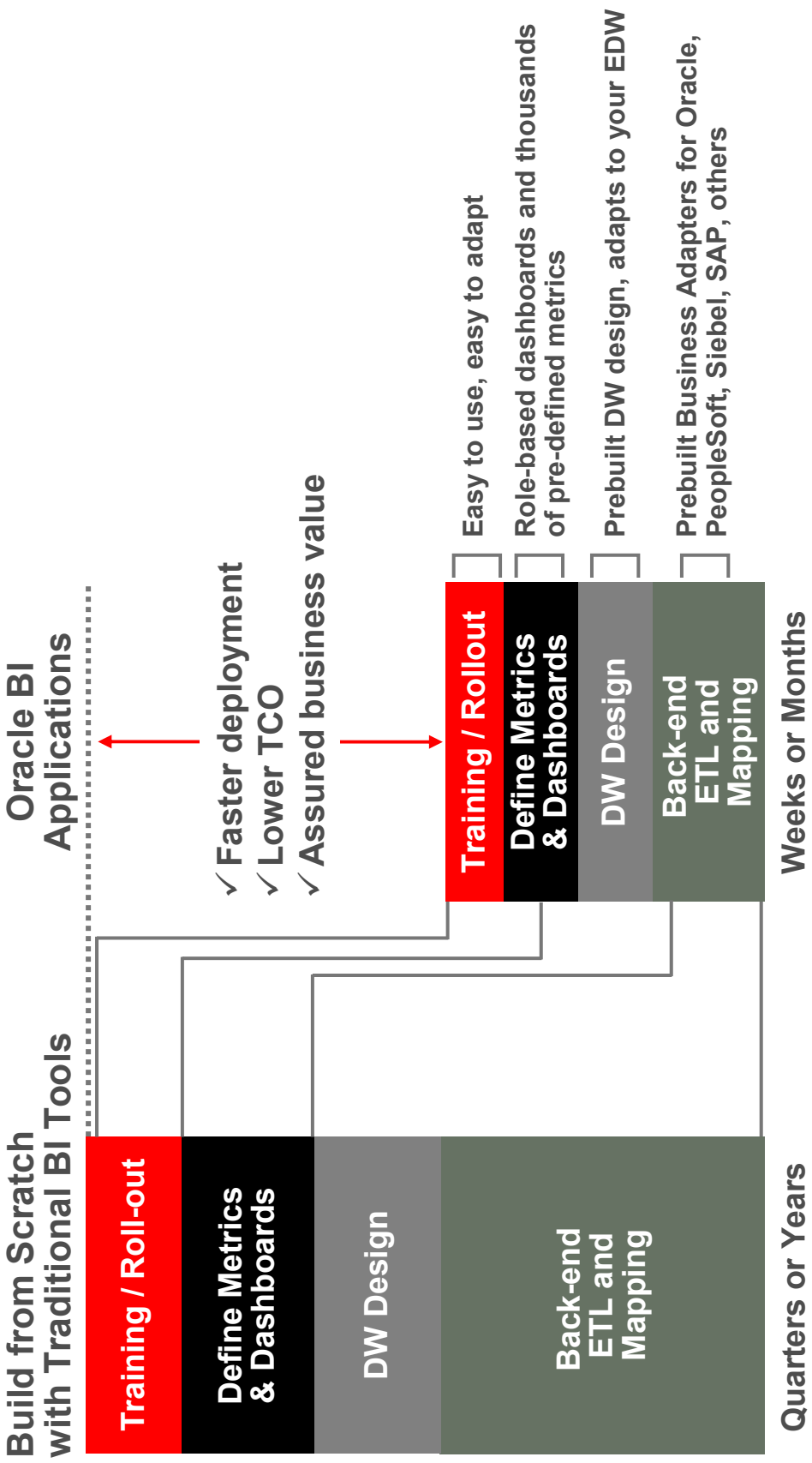
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# Speeds Time To Value and Lowers TCO

## Oracle Operational BI Applications



Source: Patricia Seybold Research, Merrill Lynch, Oracle Analysis



# 1,250 Users; 3 Months; 1 IT Staff Oracle Operational BI Applications



Pitney Bowes is the world's largest producer of postage meters. Implemented Oracle BI Applications (Sales, Service, and Marketing Analytics) to over 1,250 employees.

## Before

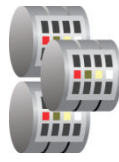
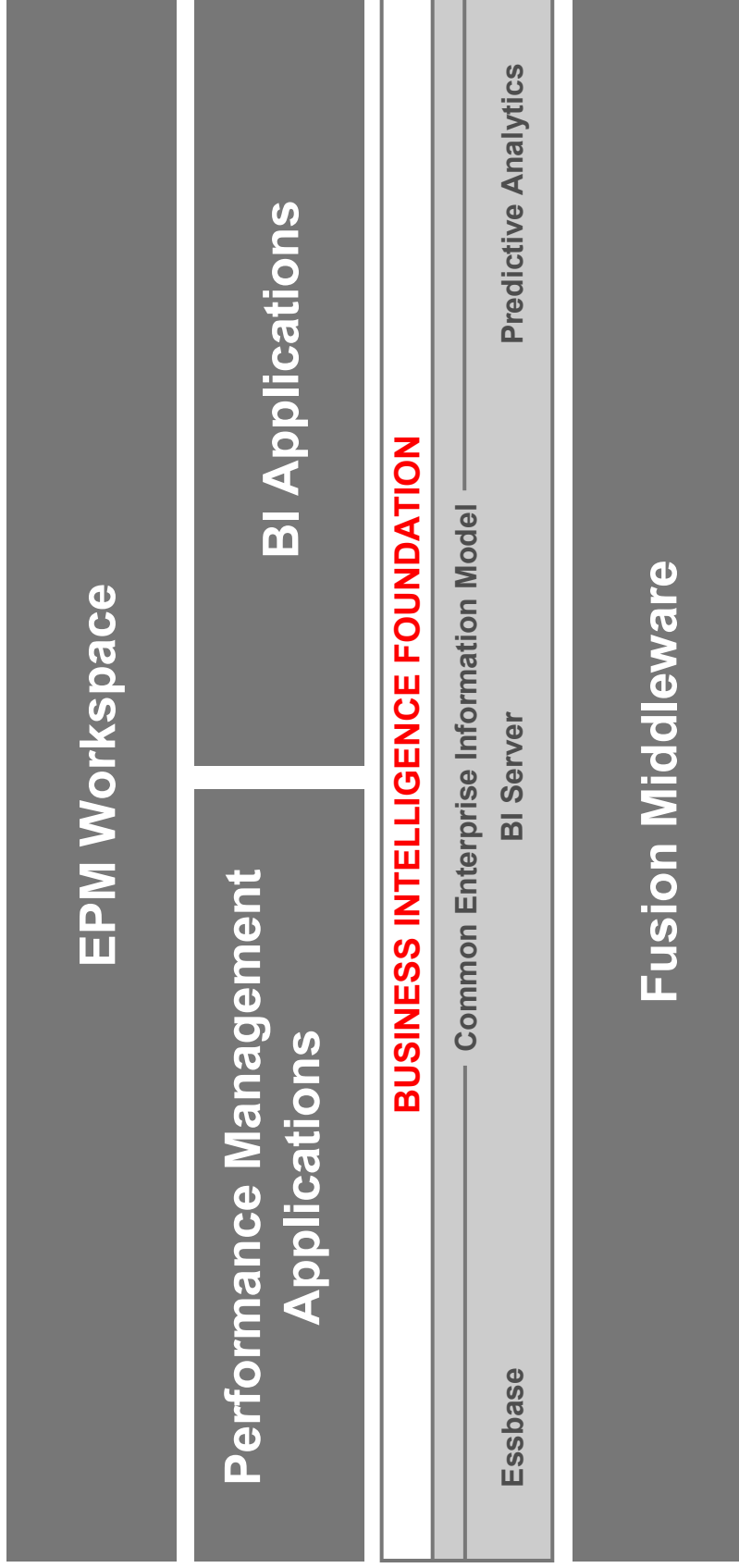
- Poor measurement of employee performance in sales and service
- Lack of customer insight - no consistent, real-time view
- Slow "Customer Inquiry Response Time"
- No single source of customer data for segmentation
- High reliance on IT for information



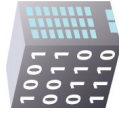
## After

- "Turned the tides" in sales force with better insight into performance
- Enhanced sales productivity with 360° view of customer relationship
- Increased customer responsiveness, leading to greater satisfaction retention
- Unified customer data for better marketing segmentation and targeting
- Customer-facing employees empowered with the information they need

# Highly Scalable BI Foundation



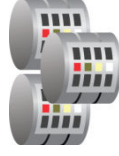
OLTP & ODS  
Systems



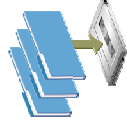
Data Warehouse  
Data Mart



OLAP



SAP, Oracle, Siebel,  
PeopleSoft, Custom



Excel  
XML



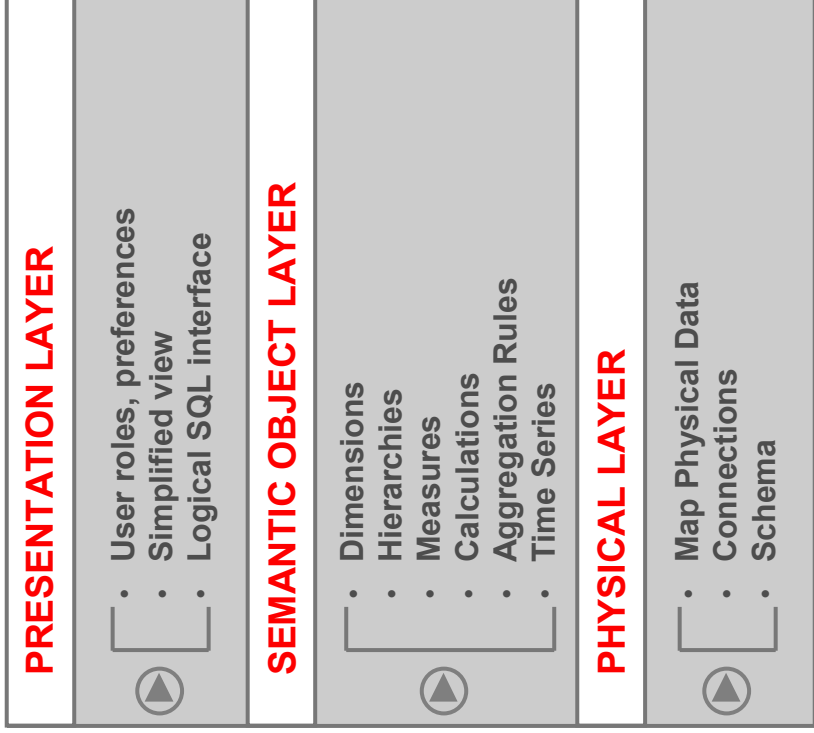
Business  
Process

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# Common Enterprise Information Model

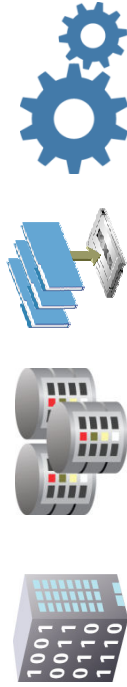
## Enables Consistency, Security, Reuse, Flexibility



Role-Based Views of the Information Relevant to the User

Consistent Definition of Business Measures, Metrics, Calculations

Model Once, Deploy Everywhere

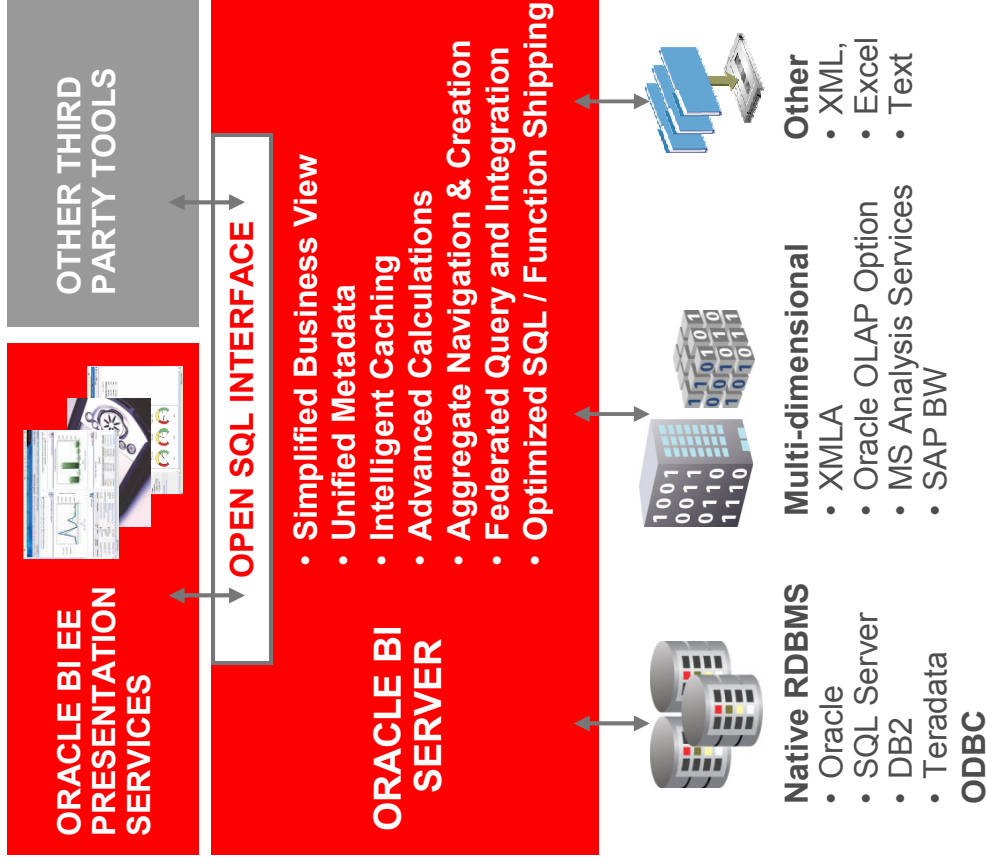


Across Any Data Sources

# Oracle BI Server

## Simplified, Powerful, Intelligent Across Sources

- Simplified Business Model View
- Advanced Calculation and Integration Engine
- Intelligent Request Generation and Optimized, Distributed Data Access
- Mission Critical Scalability and Performance
- Foundation for all OBIEE Presentation Services





# Oracle's Hyperion Essbase Speed of Thought Analytics

<b>Richest Business User Experience</b>	<ul style="list-style-type: none"><li>• Superior Tools for the Business User</li><li>• Broadest Analytic Functionality</li><li>• “Speed of Thought” Response</li></ul>
<b>Most Highly Advanced Calculation Engine</b>	<ul style="list-style-type: none"><li>• Superior Calculation Power</li><li>• Comprehensive Library of Functions</li><li>• Extensive Financial and Time Intelligence</li></ul>
<b>Best Custom Analytic Environment</b>	<ul style="list-style-type: none"><li>• Optimized Storage</li><li>• Enterprise scale Forward Looking Applications</li><li>• Premium Performance</li></ul>



# 9/11 Crisis in the Airline Industry

## Southwest Airlines Adapts



- 83 Million Passengers a Year
- 63 Destinations
- 3300 Flights a Day

### Needs

- Determine how long cash balances of \$1 billion would last – immediately
- Develop capital spending plans and 15 month rolling forecasts in 1 day
- Create business cockpits for executives and other functional areas to track key metrics



### After

- Ability to forecast within 2% of outcome, providing top-bottom and bottom-top analysis
- Analysis provided comfort level (no employees laid off; no need for government funding)
- Finance moved to spending 10% accumulating data and 90% analyzing (75% / 25% before)



# Executing on the Vision

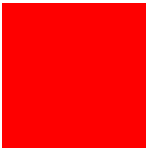
- **Phase One Product Integration is Complete**
  - Oracle Identity Management
  - Fusion Middleware 11g
  - Oracle Database 11g
- **Integrated Development Organization**
  - To Deliver Enterprise Performance Management System
- **Integrated Sales and Channel Organization**
  - Specialized: Business Intelligence & Performance Management
- **Integrated Support & Consulting Organizations**
  - Integrates Hyperion, Specialized: By Geography & Products



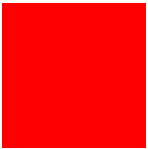


# Oracle's Differentiators in EPM

- **Comprehensive Solutions and Architecture**
  - Most complete performance management applications
  - Broadest coverage of pre-packaged BI applications
  - Most comprehensive semantic layer
- **Hot Pluggable into Any Environment**
  - Open to Oracle and non-Oracle platforms and applications
  - Modular system that can plug and play with IT infrastructure
  - Leverages Fusion Middleware
- **Power Beyond Dashboards**
  - Most powerful business analytics server
  - Only integrated master data management technology
  - Easy to use financial and predictive modeling



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