



41880 – Introduction to Hyperion Financial Management

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Oracle Enterprise Performance Management

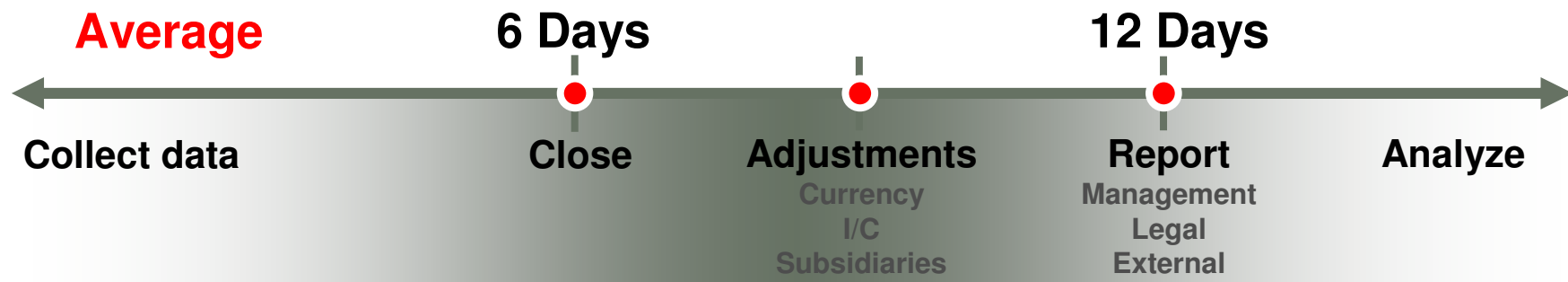
Agenda

- Customer needs
- Solving financial consolidation and reporting issues
- Our unique value
- Summary



The Financial Consolidation Challenge

Reporting Goal: High Value While Reducing Cycle Times



Customer Challenges

- Financial restatements
- Inconsistent account structures
- Dozens of source systems
- Changing disclosure requirements
- More operational data
- Rising audit fees



Financial Close and Reporting Today

...a controlled process is not easy to achieve!

- Lengthy and cumbersome closes
- Inefficient and disconnected processes
- Difficulty with reporting and analysis
- Data quality issues
- Inability to keep pace with change
- No control over the process
- Too many spreadsheets

...AUDIT ISSUES



L. Dennis Kozlowski



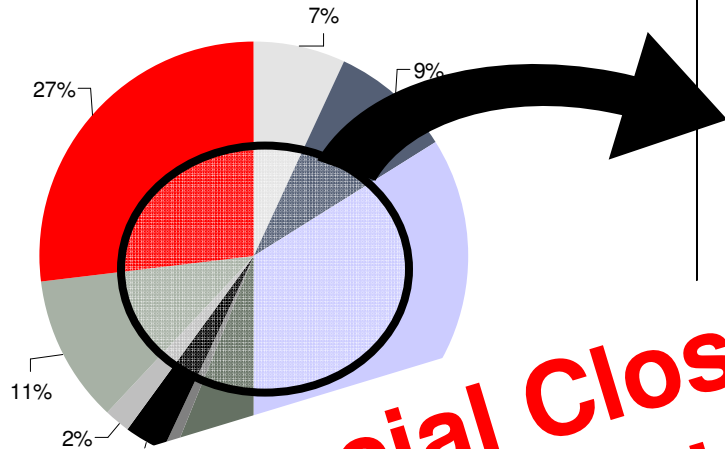
Bernard Ebbers



Kenneth Lay

Accounting scandals have brought financial reporting into focus as never before.

Percentage of Internal Control Issues* by Major Category

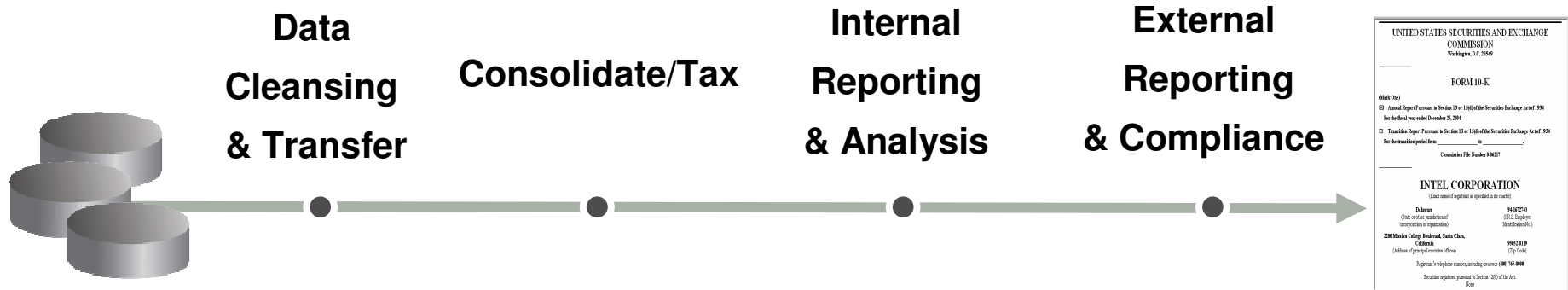


- Document
- Entity-level
- Financial St
- IT Controls
- Merger Issues
- Multilocation Considerations
- Other
- Personnel Issues
- Significant Account Level

Financial Close & Consolidation Process is Biggest Problem!!

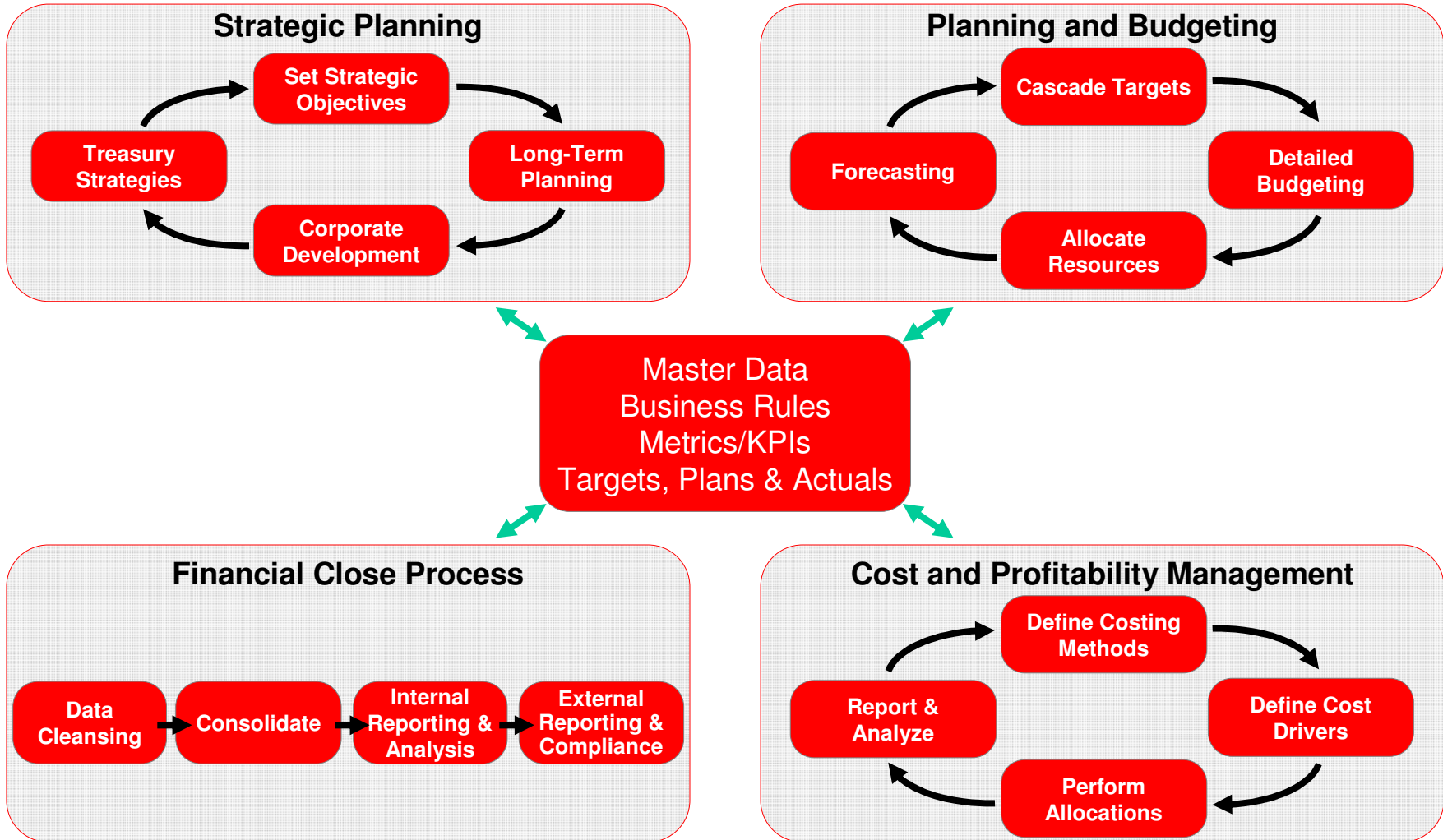
Internal Control Issues by Major Category	By Sub Type	#
Documentation	Policies/documentation Issues	141
	Entity-Level & Anti-Fraud Controls	15
Entity-Level & Anti-Fraud Controls	Compliance Monitoring	20
	Control Environment	151
	Financial Statement Close Process & Disclosure	256
Financial Statement Close Process & Disclosure	Financial statement close process & consolidation	120
	Intercompany	93
		212
		25
		23
		27
		52
	Processor issues	27
	International operations & subsidiaries	59
	Other	32
Personnel Issues	Segregation of duties	76
	Staffing issues (levels, expertise, training)	157
Significant Account Level	Accounts payable	26
	Accounts receivable	30
	Accruals/restructuring costs	50
	Contracts/loans/third-party transactions	75
	Employees' benefits/pensions	38
	Inventory management	55
	Property, equipment, leases	83
	Revenue & billing	79
	Tax issues	112
	Total # Internal Control	

Our Vision – A Streamlined Financial Close Cycle Your Auditors will Approve, Year after Year



- **Finance Owned and Operated** – Finance owns both: the results and the system
- **Packaged Application** – Out-of-the-box financial intelligence – minimal ongoing consulting
- **Open and Agnostic** – Data from any source, but with full controls
- **Designed for Sarbanes-Oxley and IFRS Compliance** – 1000s of customers passing audits every year

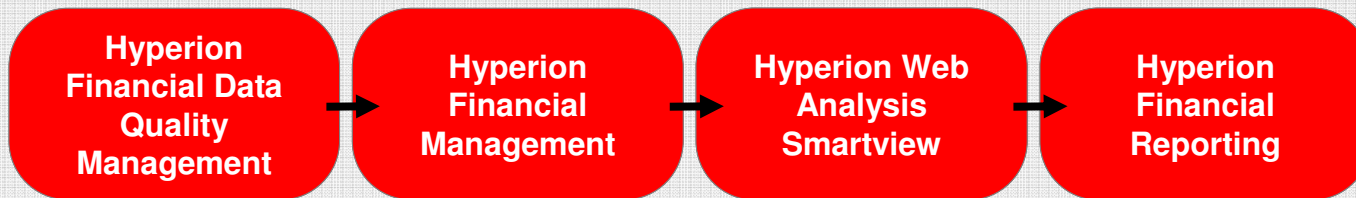
Oracle Performance Management



Oracle Financial Consolidation and Reporting Applications

Purpose Built Applications and Tools for Each Step of the Process

Financial Close Process



Hyperion Financial Management

#1

Financial
Consolidation,
Reporting &
Analysis

FEATURES

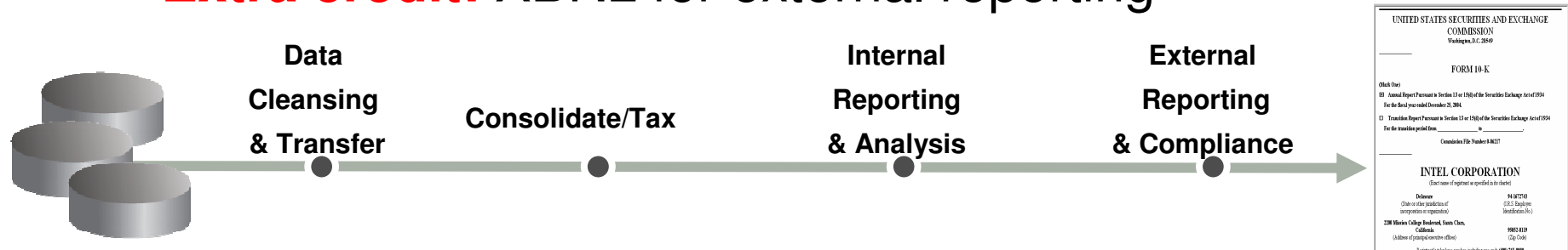
- Simple to customize
- Easy to integrate
- Financial Data Quality
- Complete audit trails
- Flexible workflow
- Powerful reporting
- Finance owned & operated

BENEFITS

- Confidence in the numbers
- Reduce cycle time
- Automate collection & validation
- Lower cost of compliance
- Speed and aailtiv

Fast Close Best Practices

- **Holistic approach** – address entire process
- **Focus on the time-killers** (intercompany, cash flow, foreign exchange, minority interests, tax etc)
- **Include unstructured information** – flash reporting with commentary
- **Close transaction systems** – keep them closed
- **Do it right the first time** – data quality, audit trails, process control
- **Extra credit:** XBRL for external reporting



Market Leading Performance Management Applications

EPM Workspace

PERFORMANCE MANAGEMENT APPLICATIONS

Strategy Management	Business Planning	Profitability Management	Financial Reporting & Compliance
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BI Applications

Business Intelligence Foundation

Fusion Middleware



OLTP & ODS Systems



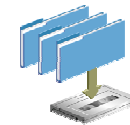
Data Warehouse Data Mart



OLAP



SAP, Oracle, Siebel, PeopleSoft, Custom



Excel XML



Business Process

Financial Management Functional Architecture

Client

Browser/Windows/Smart View

Data Entry & Consolidation	MS Office Integration	Formatted Reports	Dashboards
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Server

Fail-Over and Load Balancing

GAAP	IFRS	Currency Translation & Eliminations	Journals	Role-Based Security
Compliance				
Rules Engine				
Inter-Company Processing	Process Management	Line Item Management	Custom & Predefined Dimensionality	Audit Tracking

Data

Data Import/Validation	Meta Data Repository	Security
Documents attachments Cell text	Interoperability	Logs

Deployment of HFM Pays for Itself in 18 Months Saves \$1 Million Annually

PEARSON

Global publisher of textbooks for the education,
business information,
and consumer publishing markets

Business Challenge

- 20 days to close
- Lengthy year-end reporting
- Costly financial reporting process
- 78 charts of accounts
- Widely varying reporting definitions and procedures



Value Delivered

- 6 days to close
- Reduced year-end reporting by 25%
- \$1 million annual savings (67% ROI)
- 1 reporting chart of accounts
- More productive finance staff

Hyperion Financial Management Accelerates Reporting Cycles and Reduces Costs of Compliance

- Patented financial consolidation and reporting features
- Complete audit trails, workflow and validations
- “Smart Dimensionality”
- Flexible "what if" scenario management features
- Powerful, reporting and analysis tools
- Full integration with ERP and other transaction systems
- Easy to customize and extend
- Web-architected

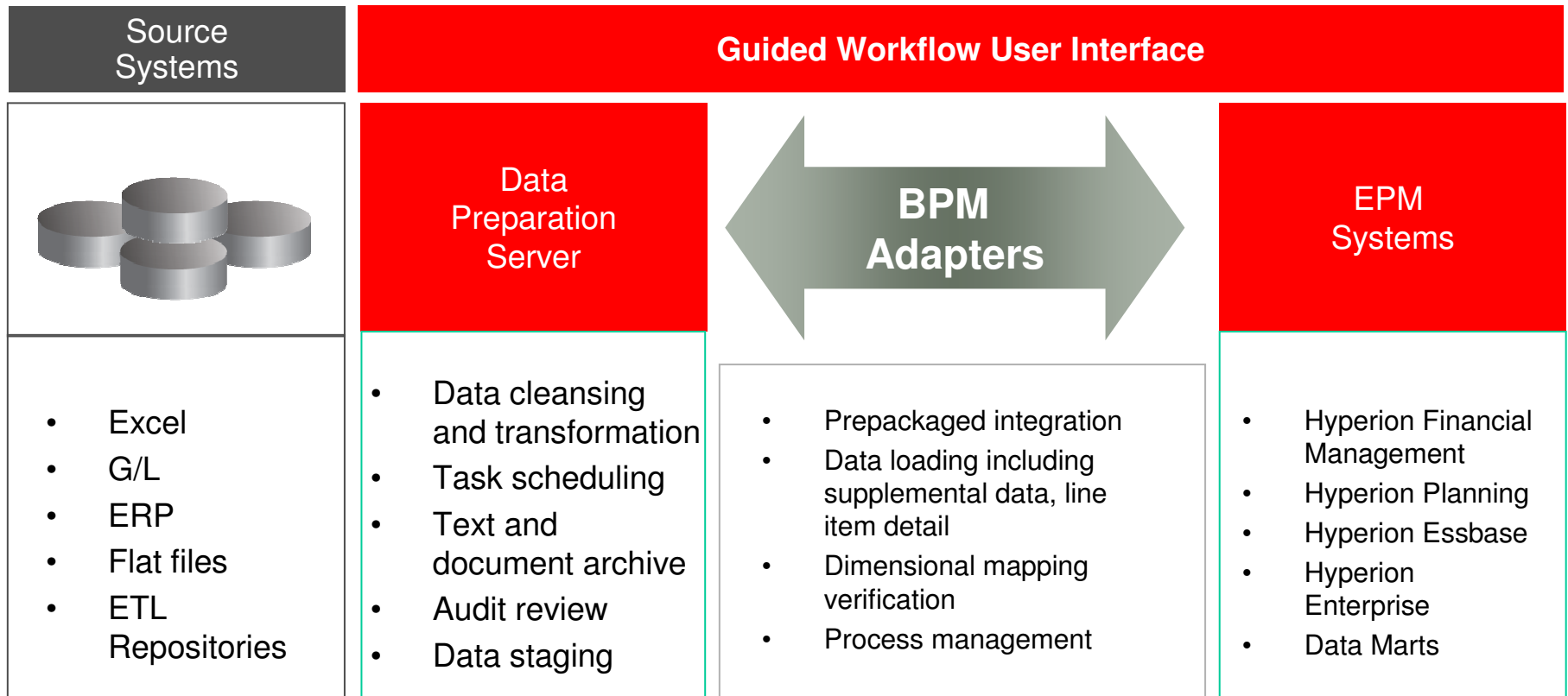
The screenshot shows the Hyperion System 9 Workspace interface. The main window displays a task list for 'Closing' and a data table for 'Scenario: Budv1', 'Year: 2005', and 'Period: April'. The table has columns for Entity, Review Level, Pass / Fail, Validation, and Calc Status. The 'Pass / Fail' column uses red 'X' icons for 'Not Started' and green checkmarks for 'OK SC' or 'NODATA'.

Entity	Review Level	Pass / Fail	Validation	Calc Status
Geographical	Not Started	✗	✓	CN
Geographical.UnitedStates	Not Started	✗	✓	CN
UnitedStates.EastRegion	Not Started	✗	✓	CN
EastRegion.EastSales	Not Started	✗	✓	CH
EastRegion.EastProducti	Not Started	✓	✓	OK SC
EastRegion.EastAdmin	Not Started	✓	✓	OK SC
EastRegion.UKSales	Not Started	✓	✓	OK SC
EastRegion.A	Not Started	✓	✓	NODATA
EastRegion.B	Not Started	✓	✓	NODATA
EastRegion.C	Not Started	✓	✓	NODATA
EastRegion.D	Not Started	✓	✓	NODATA
EastRegion.E	Not Started	✓	✓	NODATA
EastRegion.F	Not Started	✓	✓	NODATA
EastRegion.G	Not Started	✓	✓	NODATA

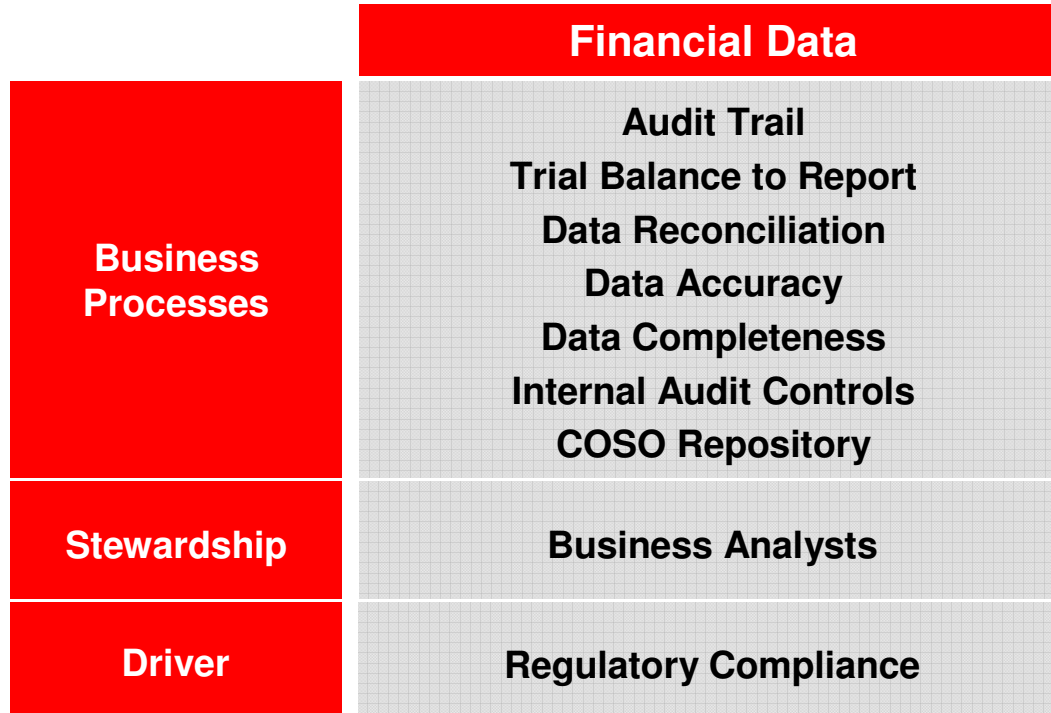
Addressing Global Compliance Needs

SARBANES-OXLEY REQUIREMENT	FINANCIAL MANAGEMENT
<ul style="list-style-type: none"> • Section 302 – CEO/CFO Must Certify • Section 404 – Internal Control Report • Section 401 – Conditions for use of non-GAAP Financial measures • U.S. Auditing Standards • Accelerated reporting 	<ul style="list-style-type: none"> • Submissions contain audit trail • Mandatory review/approval procedures • Multiple organization hierarchies and chart of accounts • Autonomy from transaction systems • Web solution, I/C reconciliation, journals
IAS/IFRS REQUIREMENT	FINANCIAL MANAGEMENT
<ul style="list-style-type: none"> • EU Countries to comply by 2005 • Recognition and measurement • Consolidation and reporting 	<ul style="list-style-type: none"> • IFRS, Multi-GAAP, and local statutory • Custom dimensions; financial intelligence, journals with audit trail • Segment reporting, specialized currency, inter-company, disclosures

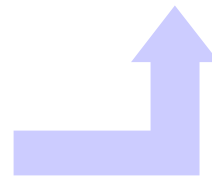
The Only Vendor Offering Financial Data Quality Management



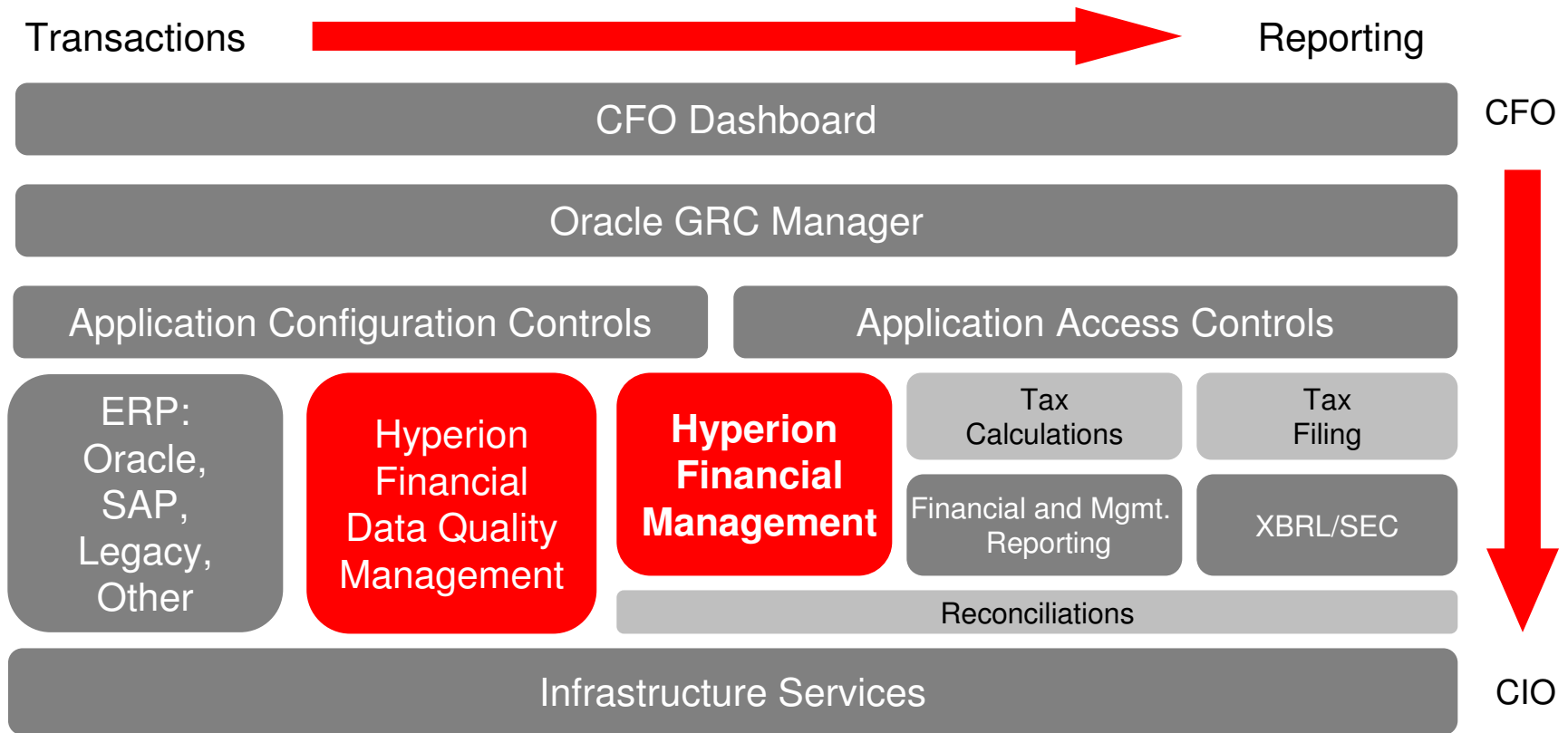
Ensuring Financial Data Quality



We mean



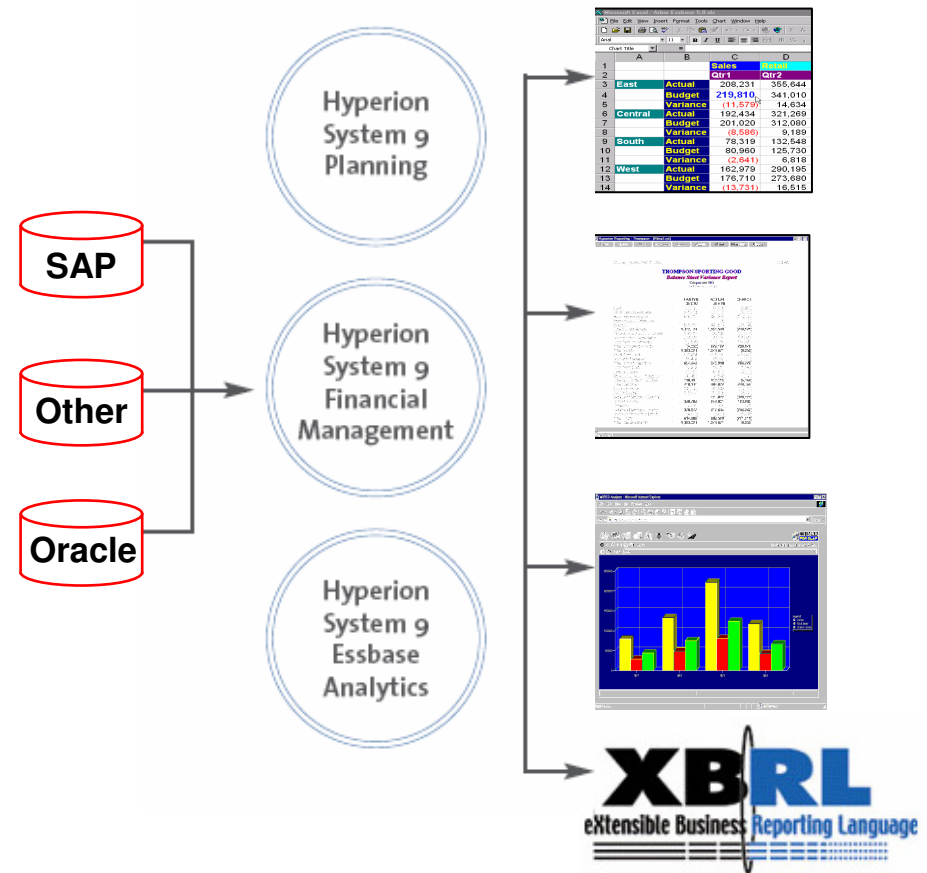
Hyperion Financial Management – The Heart of Financial Reporting Compliance



Oracle/Hyperion
 Partner

Financial Reporting XBRL Manager

- eXtensible Business Reporting Language
 - A standard for preparing, producing and analyzing financial reports in XML
 - Hundreds of companies have been working together to develop specifications for taxonomies and instance documents
 - See <http://www.xbrl.org/> for more information
- Support for XBRL 2.1 specification
- Output (Instance Doc) can be sent directly to SEC.



Metso Corporation – Sustainability Reporting in Hyperion Financial Management



FOCUS AREAS OF METSO'S MANAGEMENT AGENDA

PROFITABLE GROWTH

- Economic responsibility**
- Profitable growth
 - Metso's long - term development
 - Distribution of well-being to Metso's stakeholders
 - Identifying and managing risks

OPERATIONAL EXCELLENCE

- Social responsibility**
- Efficient business, management and HR processes
 - Supply chain management and transfer of know-how
 - Competence development
 - Improvement in customer satisfaction

CUSTOMER SATISFACTION

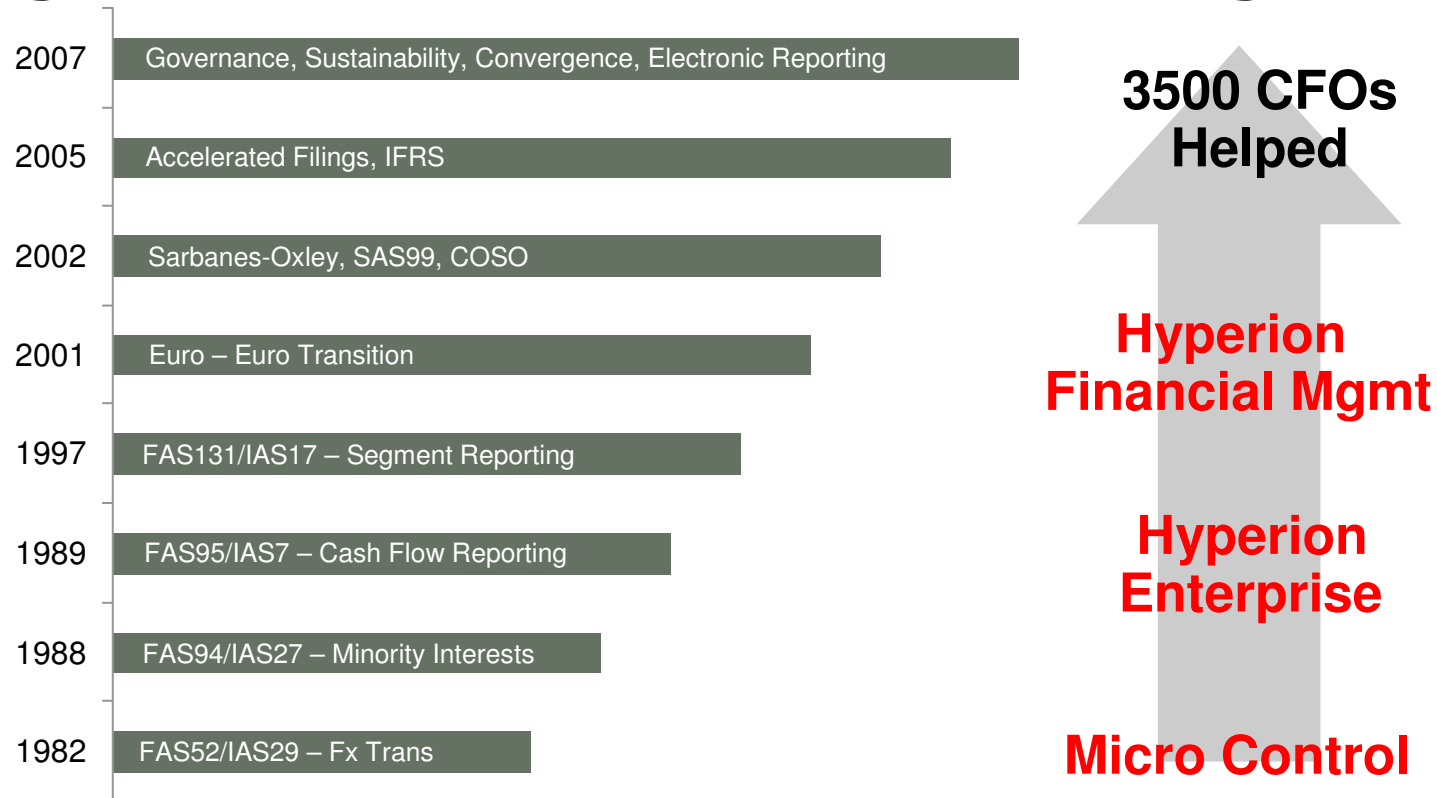
- Environmental responsibility**
- Reducing environmental impact throughout product life cycle
 - Recycling solutions
 - Minimizing environmental impact of own operations

Unprecedented Strength **Oracle's** Hyperion Financial Management

#1

- Consolidation
- Management Reporting
- Integrated Financial Platform
- Data Quality Management
- Compliance

Hyperion: 25+ Year History



Global Impact

Our Heritage

