

# Hyperion Focus 2015

## EPM in the Cloud

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Oracle

# Agenda

- 1 Enterprise Performance Reporting Cloud Service
- 2 Planning and Budgeting Cloud Service Update
- 3 What's Coming – Preview and Roadmap
- 4 Q&A



# Enterprise Performance Reporting Cloud Service

# Value Creation Has Changed in the Digital Age

## Intangible Assets Now Determine Corporate Value



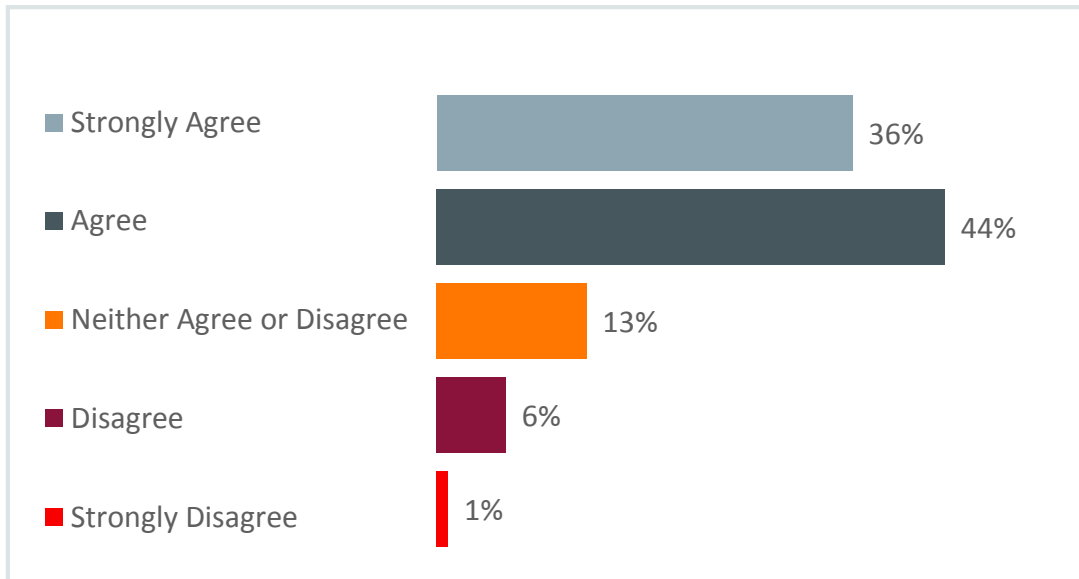
- The **historic method of value creation matters less in today's digital age**: tangible assets now constitute just 20% of total corporate value on the S&P 500, compared to 80% in 1975
- Investors are paying more for companies with business models that emphasize **"intangible assets" – customer, human, and intellectual property** – and leverage the wisdom of crowds to co-create products and services
- CFOs who continue to allocate their company's capital to tangible assets using previous generations of technology are putting their **company's management and shareholders at serious risk, generating lower levels of performance** and enterprise value than digitally and big-data savvy CFOs

Source: Research by Deloitte & Touche LLP an Open Matters, cited in the *Wall Street Journal*, July 28, 2014

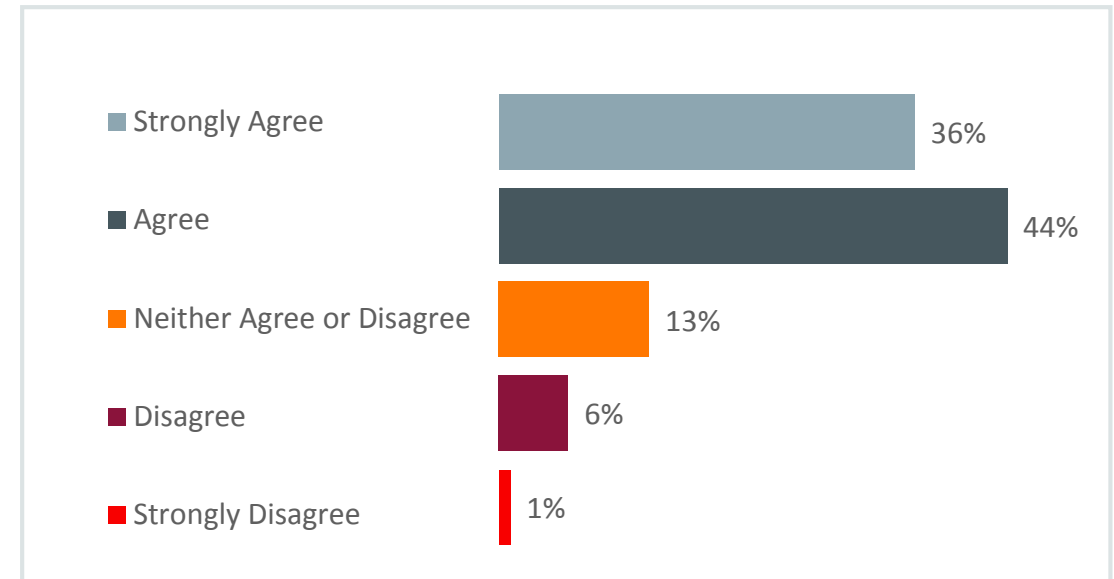
# The Ability to Effectively Explain Corporate Value is Becoming a Competitive Differentiator

Quality of a company's reporting impacts perception of management quality and potentially a company's cost of capital

Impacts on perception of the quality of it's management



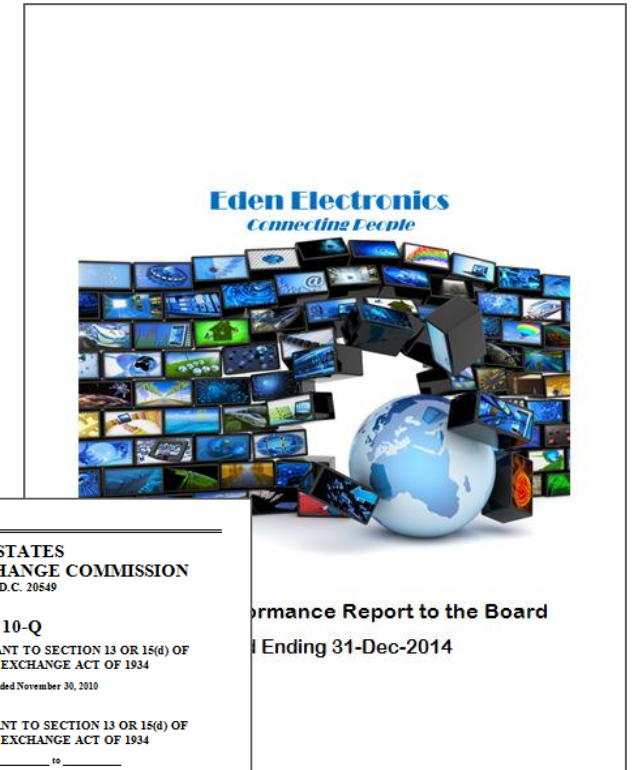
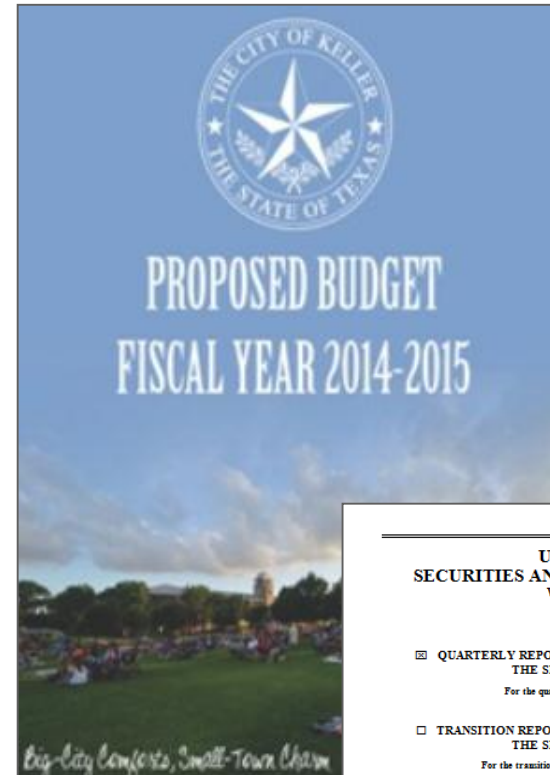
Impact on a company's cost of capital



Source: PwC Investor Survey, "Innovate your way to clearer financial reporting," October, 2014

# What is Narrative Reporting

- Combining Data (“What”) with Business Commentary (Who, When, Where, and/or Why)
- Presented in expository and descriptive paragraphs, as opposed to a form, a letter, or tables.



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended November 30, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 000-51788

**Oracle Corporation**  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	54-2185193 (U.S. Employer Identification No.)
500 Oracle Parkway Redwood City, California (Address of principal executive office)	94065 (Zip Code)

(650) 506-7000  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted to its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§132.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

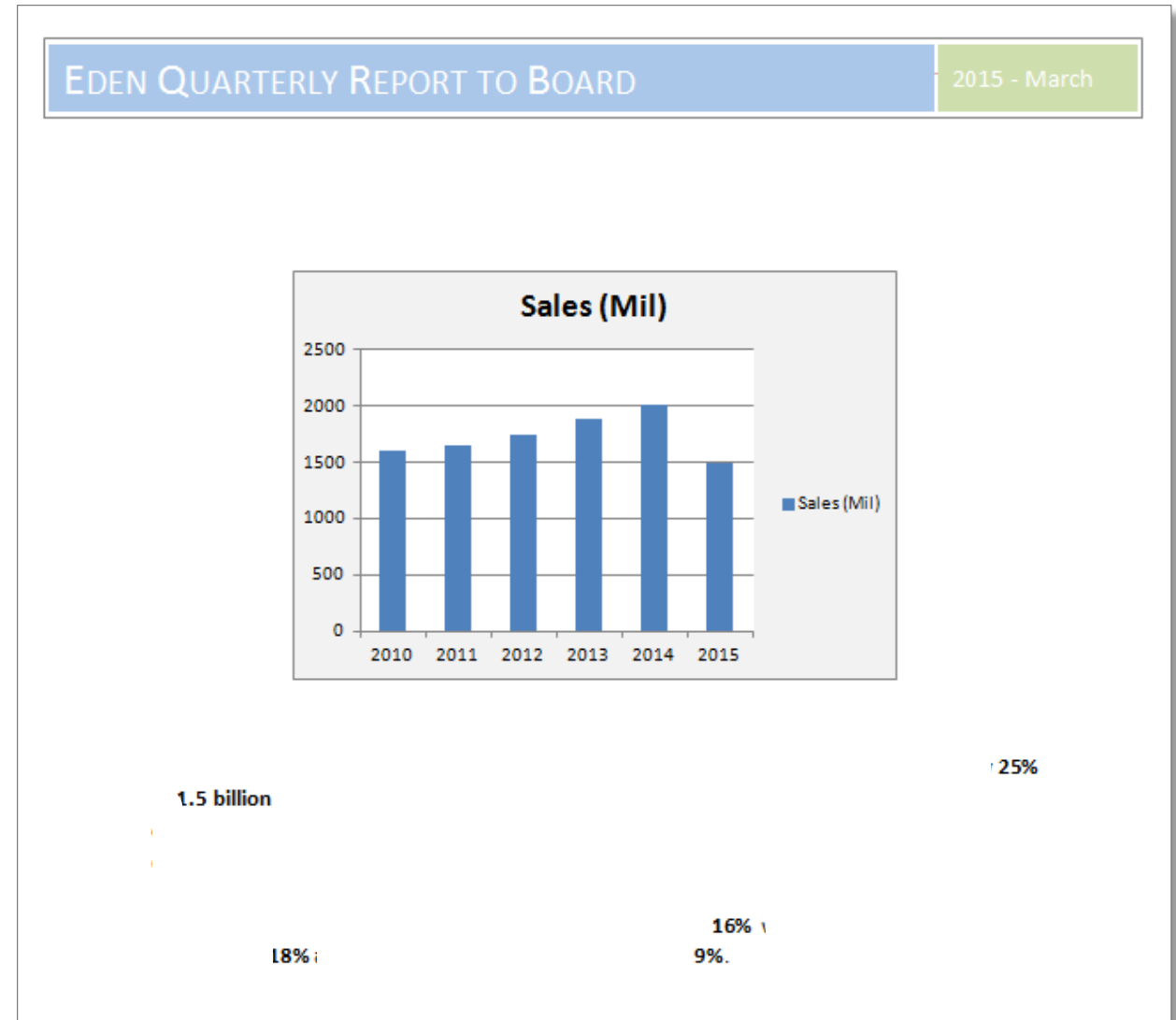
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of registrant's common stock outstanding as of December 15, 2010 was: 1,051,420,000.

# Value of Narrative Reporting

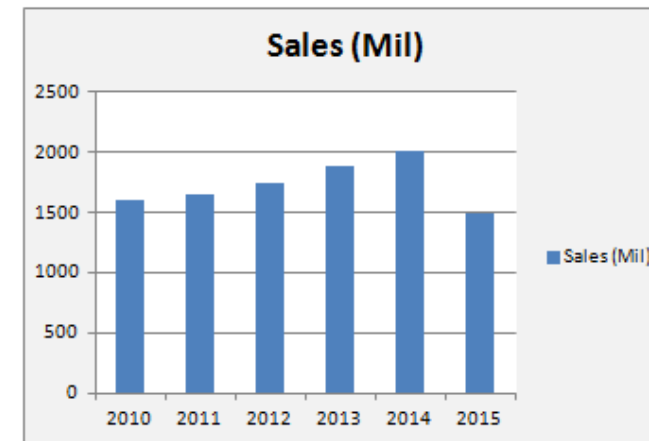
- Looking at Data Only....
- What does it tell you?



# Value of Narrative Reporting

- Looking at Data Only....
- What does it tell you?
- Looking at Data + Narrative... What does it tell you?

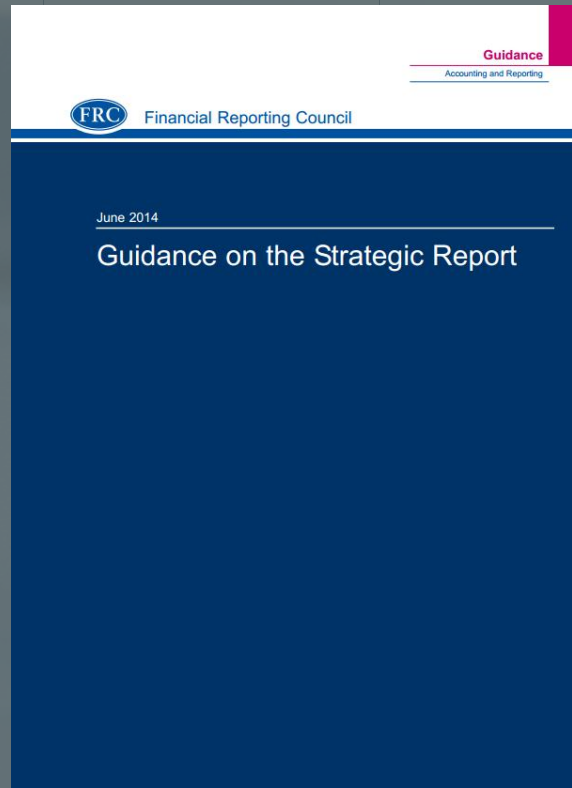
## 4. YOY SALES CONCERNS



### SUMMARY

The major significant item of worry over this last quarter is the YoY same store sales fell by 25% to **1.5 billion**. The effects were most widely seen in stores that process a large number of credit cards and debit card based transactions, and therefore, can be traced back to the events last quarter related to the disclosed data breach. However it is important to note, that all the stores saw some level of decline, even among those who mostly deal in cash transactions. In Fiscal Quarter 3 customer transactions in all stores declines by 16% with card based transactions declining by 18% and cash based transactions declining by 9%.

### DETAILS



“In June 2014, the FRC published Guidance on the Strategic Report which encourages companies to **facilitate communication and engagement** with investors by publishing **more relevant narrative reports.**”

Financial Reporting Council - EU Directive on Non-Financial Reporting

“The SEC is seeking to make financial disclosure more effective, particularly in the Management’s Discussion and Analysis. SEC staff recommend, among other things, that the MD&A evolve over time, shun boilerplate, summarize the most important aspects of the business, disclose key performance indicators, and avoid repeating discussion from other sections of the filing.”

CFO Magazine Outlook 2015

**CFO**

A blurred background image of two men in business suits. One man in the foreground is holding a smartphone, and another man is visible behind him. The image is semi-transparent, allowing text to be overlaid.

# Today's Management and Narrative Reporting Processes & Tools Fall Short

Today, most management reporting processes are manual and ad-hoc

Error-prone in combining Data (what) with Narrative (who, when, why)

Challenging to bring Subject Matter Experts into the process

Lacks versioning and auditing functionality



**“Almost 70% of respondents agree that it is very challenging to satisfy the different needs of external stakeholders with corporate reporting.”**

*EY report: Connected reporting - Responding to complexity and rising stakeholder demands 2014*

# Finance Departments need Literacy as well as Numeracy

**It's not just about the numbers – stakeholders want them put into context.**



**90% of respondents** agree that expanding qualitative commentary in management reporting processes is critical to their organization.

Yet, **more than half of respondents** are not confident in their tools to provide sufficient collaboration to produce that qualitative commentary.

Source: Oracle EPM Top Trends 2015 Report

# CFOs Embrace Moving Financial Applications to the Cloud

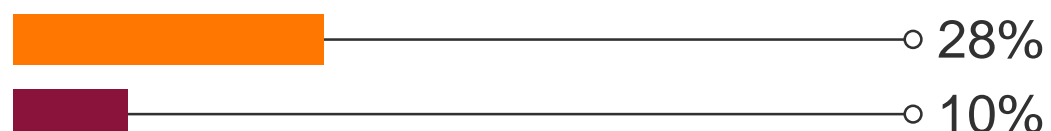
## Integrated financial management



## Management reporting



## Board books



## SEC and XBRL filings



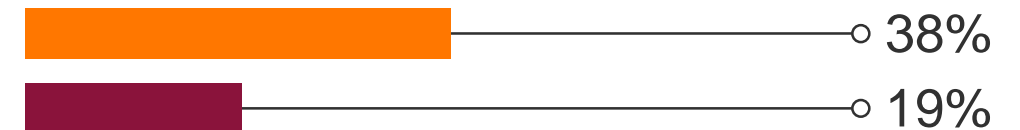
## Travel expense management



## Financial reporting



## Budgeting and planning



## Reconciliations



2014 2013

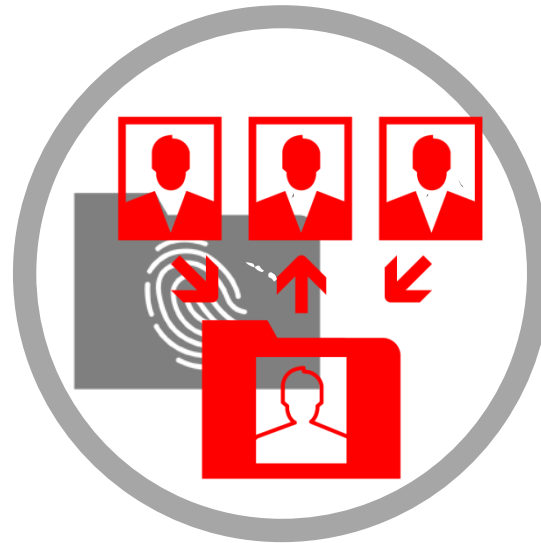
Source: "The CFO's Technology Imperatives for 2014," FERF Issue Alert, 2014 [https://www.oracle.com/webfolder/s/delivery\\_production/docs/FY15h1/doc4/Report-Comply.pdf](https://www.oracle.com/webfolder/s/delivery_production/docs/FY15h1/doc4/Report-Comply.pdf).

# Reinvent Your Narrative Reporting Process

## Oracle Enterprise Performance Reporting Cloud Service



**Combine Data  
and Narrative**



**Collaborate  
Securely**



**Confidently  
Report**



# Planning and Budgeting Cloud Service

# Oracle Planning and Budgeting Cloud Service

## The Story So Far: February 2014 to August 2015



~600  
Subscriptions

70+ Multiple



~325  
International  
Subscriptions



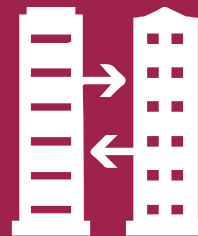
40,000

End Users and  
Growing!



Cross Industry

Financial Services, Higher Ed,  
Consumer Goods, Retail,  
Professional Services, High Tech



Over 90 with  
100+ Users

Largest Number  
of Users: 1,500+



~150 Customers  
Live or  
Implementing

# Oracle Hyperion Planning

## Best-in-class Budgeting, Forecasting and Reporting

- 15 years' market leadership and continuous innovation
  - Top-down and bottom-up
  - Driver-based planning
  - Revenue and cost allocations
- Web, Office and mobile
- Predictive planning
- Application-based design
- Leverages Oracle Essbase

The screenshot displays the Oracle Enterprise Performance Management System Workspace, Fusion Edition. The main window shows a budgeting grid for 'TotPlan2' with columns for months (Jan, Feb, Mar, Q1, Apr, May, Jun) and rows for various categories like 'Members', 'Travel', 'Training', 'Telephone', 'Office Supplies', and 'Department Costs'. A validation message is visible: 'Travel Expense over 25k not allowed'. A 'Review Planning Unit' dialog box is open, showing details for a task named 'Submit Plan for Approval'.

	Jan	Feb	Mar	Q1	Apr	May	Jun
Members	10	15	25	50	15	75	55
Travel	5	10	10	25	10	40	35
Training	3	0	5				
Telephone	2	4	5				
Office Supplies	2	2	5	9	2	15	18
Department Costs	3	3	10	10	3	14	4

# World Class Planning with Simplicity of the Cloud

## Oracle Planning and Budgeting Cloud Service



**Fast  
Adoption**

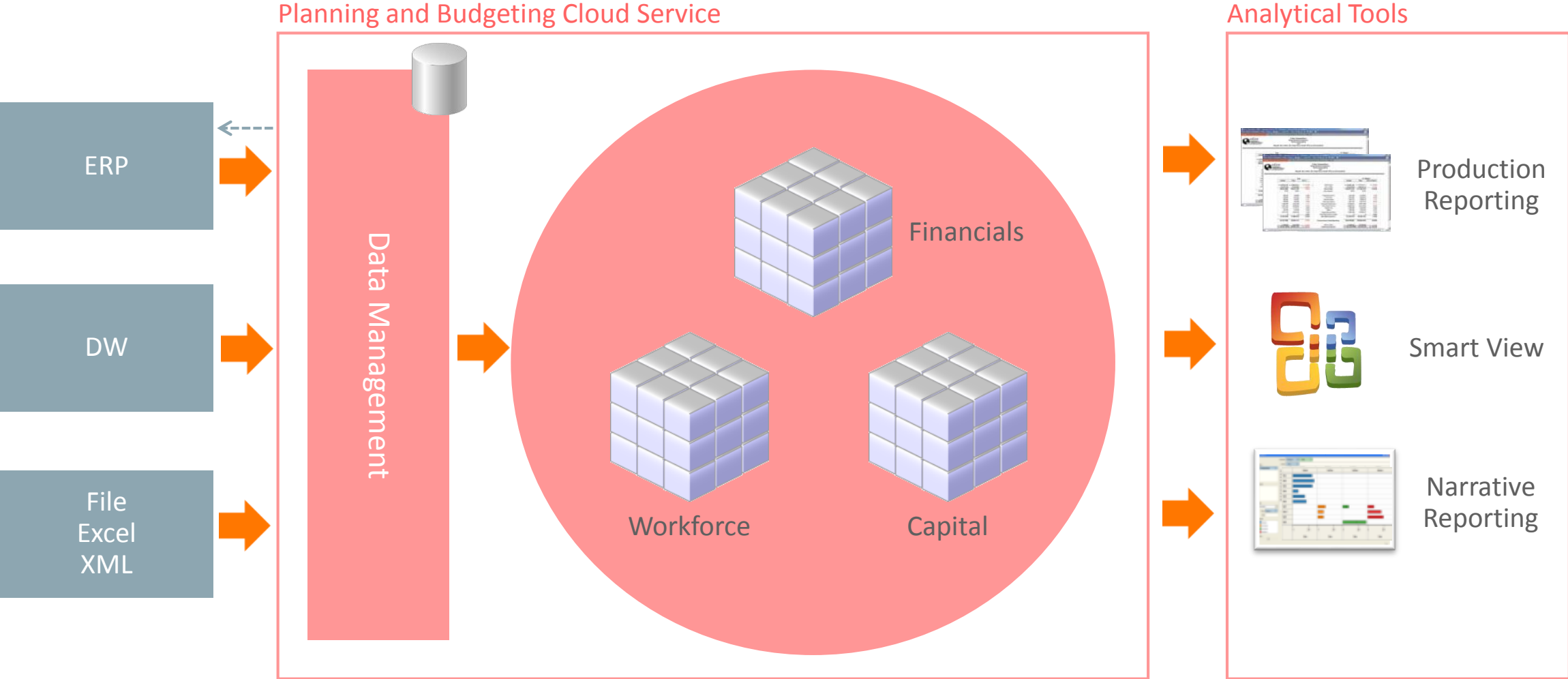


**First-in-Class  
Functionality**



**Flexible  
Deployment**

# How It All Hangs Together





[cloud.oracle.com](https://cloud.oracle.com)  
[kevin.mccarthy@oracle.com](mailto:kevin.mccarthy@oracle.com)

# Thank you!

