

# ORACLE PROFITABILITY MANAGER

## KEY FEATURES

### ACHIEVING GREATER INSIGHT INTO PROFITABILITY

- Integrated with Oracle E-Business Suite
- Scalable enterprise solution
- Multi-dimensional modeling and profitability analysis
- Open to data from any source
- Open to any methodology particularly Activity-Based Management
- OLAP reporting capabilities
- Comprehensive auditing and data integrity
- Configurable homepage
- Data set registration and creation
- Business rule definition and management
- Flexible use of hierarchies
- E-Business Suite responsibility-based security and shared system administration

*“In the 1980’s and early 1990’s, back office departments used ABC for cost analysis and to improve the bottom line, while the front office worried about revenue and the top line. Today a more integrative approach is needed - profitability analysis.”*

*Gartner, Inc 2005<sup>1</sup>*

*Oracle® Profitability Manager provides enterprises with greater insight into the profitability of current operations, and empowers them with actionable information for making decisions and driving improved profitability. As part of the Oracle Corporate Performance Management (CPM) suite, Oracle Profitability Manager is a comprehensive solution for the calculation, analysis and reporting of profitability.*

### Meeting the Profitability Analysis Challenge

Oracle Profitability Manager integrates the functionality of Oracle Performance Analyzer and Oracle Activity-Based Management applications into a single, comprehensive solution for the calculation, analysis, and reporting of profitability. The multi-dimensional model that Oracle Profitability Manager is based upon allows analysis and reporting of profitability along any dimension, including product, customer, channel, activity, business unit and even transaction. Oracle Profitability Manager supports strategic and operational decision-making by providing accurate information to answer questions about your business such as:

- How much does it cost to serve my customers?
- Which customers, products or channels are the most profitable?
- Where are the best opportunities to reduce costs?
- What products or services should we invest in or divest?

Powerful analytical capability is driven by an open allocation engine, using your preferred methodology, from the simple to the complex, including activity-based management concepts, which are now becoming widely adopted. Built on the scalable Oracle database and applications framework, Oracle Profitability Manager accepts data from multiple sources, and provides confidence in your results by reconciling inputs to source systems of record, and by easily tracing results to calculations.

### Delivering Analysis and Reporting to the Entire Enterprise

But all of this analytical power and flexibility is of no use if the results cannot be widely delivered across the enterprise to enable managers to act. Oracle provides the capabilities to support rich reporting and analysis, with built-in reporting support from Oracle Business Intelligence. Additionally, Oracle’s open standards

<sup>1</sup> “ABC Provides the Basics of Corporate Performance Management,” Frank Buytendijk, Nigel Rayner, August 8, 2005

allow any third-party reporting tools to be integrated.

### **Provides Powerful Multi-Dimensional Modeling**

Oracle Profitability Manager's multi-dimensional approach takes advantage of the richness of your detailed data. You can analyze your organization from multiple points of view (e.g. customer, geography, product, channel, business unit, transaction) and make use of powerful modeling capabilities to capture the nuances of your business. Armed with this information, you are able to make solid, supportable decisions about your customers, your products, as well as your business policies and processes.

### **Includes Multiple Hierarchies for Analysis and Reporting**

The multi-dimensional management ledger includes 11 analytic dimensions, 4 data management dimensions and 3 financial characteristics dimensions. Additionally there are 10 seeded 'user configurable' analytic dimensions that you can customize to meet your particular analytical challenges. Upon any of these analytic dimensions, you can define an unlimited number of hierarchies, each with as many levels as needed. These hierarchies and dimensions are actively used not only for analysis, but also for the creation of modeling rules and business definitions. Detailed account and transaction level data can be defined with an unlimited number of dimensions and facts.

### **Includes Easy to Deploy Data Loading and Validation Utilities**

Data loading utilities are provided with Oracle Profitability Manager through the functionality of the Enterprise Performance Foundation. Dimension data, dimension hierarchies and customer/transaction detail data can be loaded through interface tables provided, using seeded loader programs. Seamless integration with Oracle General Ledger allows you to easily load ledger data, and open APIs help you to load data from any other source.

### **Includes Activity-Based Management Concepts**

Oracle Profitability Manager leverages the strengths of Activity-Based Management and Costing methodologies to provide a complete view of the profits and costs of doing business. Using Oracle Profitability Manager, you learn the value added by each activity and can perform detailed analysis to enable continuous improvement and competitive benchmarking of your business process.

Focus Name	Update
[-] Rule Sets	
[-] Previous	
[+] 1. Support Expenses – Fully Loaded	[Pencil]
[+] 2. Available Support Minutes – at Practical Capacity	[Pencil]
[+] 3a. Activity Rates – Per Support Minute	[Pencil]
[+] 3b. Activity Rates – Unit Rates Per Support Call	[Pencil]
[+] 4. Assigned Costs – Support Costs, Portfolio Level	[Pencil]
[+] 5. Assigned Costs – Support Costs, Transaction Level	[Pencil]
[+] 6. Aggregate Support Transactions to Support Customer Accounts	[Pencil]
[+] 7. Total Support Customer Accounts	[Pencil]
[+] 8a. Customer – Account Consolidation	[Pencil]
[+] 8b. Customer – Profit Aggregation	[Pencil]
[+] 8c. Customer – Profit Calculation	[Pencil]

**Figure 1: Mapping Rule Set Navigator – provides grouping and sequencing of rules**

### **Integrated with Your Business Applications**

Oracle Profitability Manager provides features to support your analysis and provide confidence in results, including security, centralized administration, auditing of processes and results, and workflow authorization of changes to business mapping rules.

### **Summary**

Oracle Profitability Manager is designed to take you beyond traditional cost allocation. The core strengths of Oracle Profitability Manager –open to data from any source, scalability, allocation power, reliable results, multi-dimensional reporting and sophisticated analysis capabilities – enable you and your organization to understand, and then act upon that insight to deliver real results.

### **About Oracle Corporate Performance Management**

Oracle Profitability Manager is part of Oracle’s Corporate Performance Management (CPM) suite, an integrated suite of analytic applications that enables organizations to drive world-class performance by aligning strategic objectives with the right information and resources. Oracle CPM, including Enterprise Planning and Budgeting, Financial Consolidation Hub, Balanced Scorecard and Profitability Manager, helps managers formulate strategies for profitable growth, align strategies with operational plans, monitor day-to-day operations and take action to improve performance.

**KEY BENEFITS**

ORACLE PROFITABILITY  
MANAGER IS DESIGNED  
TO:

- Take you beyond traditional cost allocation
- Be deployed across many industries due to its flexibility and its ability to use your preferred methodology

ORACLE PROFITABILITY  
MANAGER'S CORE  
STRENGTHS

- Scalability, open to data from any source, allocation power, reliable results, multi-dimensional reporting and sophisticated analysis capabilities
- Enables you and your organization to understand, and then act upon the knowledge to deliver real result

## RELATED PRODUCTS

Part of Oracle's Corporate Performance Management solutions, which includes:

- Balanced Scorecard
- Business Intelligence Applications
- Demand Planning
- Enterprise Planning and Budgeting
- Financial Consolidation Hub
- Funds Transfer Pricing
- Profitability Manager

## RELATED SERVICES

The following services are available from Oracle Support Services:

- Update Subscription Services
- Product Support Services
- OnlineDBA
- OnlineDBA for Applications

**Oracle E-Business Suite—The Complete Solution**

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, and products—all important aspects of your business. Whether you implement one module or the entire Suite, Oracle E-Business Suite enables you to share unified information across the enterprise so you can make smarter decisions with better information.

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