

Mentor Graphics Corporation Improves Financial Data Management and Reduces Costs



Mentor Graphics Corporation
Wilsonville, OR
www.mentor.com

Industry:

High Technology

Annual Revenue:

About US\$800 million

Employees:

Approximately 4,200

Oracle Products & Services:

Hyperion Essbase
Hyperion Data Relationship
Management

“One of the biggest benefits of our business performance management system is having information available in near real time. We no longer need to spend hours or days answering executive managers’ questions. We now literally have information at our fingertips and we can immediately provide the answers they need to make informed decisions.” – Jan-Willem Beldman, Team Lead for Analytical Applications and Data Quality, Mentor Graphics Corporation

A world leader in electronic hardware and software design solutions, Mentor Graphics Corporation firmly believes that people are its greatest asset. With employees across 28 engineering sites and a global distribution channel with 48 offices around the world, the company requires a constant pulse on global staffing for both the finance and human resource (HR) departments. Mentor Graphics turned, once again, to Hyperion applications from Oracle to help create a powerful solution for managing worldwide human resources.

Mentor Graphics has relied on Oracle’s Hyperion solutions since 1998, when it first chose Hyperion Essbase for global sales reporting. In the years that followed, the company aggressively added to its solution with Hyperion Essbase applications for executive reporting and budgeting and planning.

Managing the Most Important Asset

The company’s finance department is primarily concerned with accurate headcount numbers. Since most of the company’s divisions and business units have employees all over the world, it is particularly important for management to have a reliable tool to determine how many people work for each group at any given time.

When it comes to hiring, the finance organization has discovered over the years that headcount assumptions are notoriously optimistic. To ensure accurate data, they need to track actual hires versus planned hires, and be able to deeply analyze each separately.

Key Benefits:

- Replaced 1,200 spreadsheets with a single, Web-based solution
- Reduced complex analysis from seven minutes to seven seconds
- Shortened planning cycles by four months while increasing detail
- Moved from annual to quarterly forecasting
- Improved overall consistency of data and version control
- Reduced total cost of ownership
- Improved human resources (HR) allocation decision making
- Enabled the organization to respond to inquiries in near real time
- Enhanced information availability and accessibility

In addition to the finance department's requirements, the HR department needs a simple tool to understand attrition rates, reasons for leaving the company, hiring trends, and other critical HR statistics. They also need to be able to view and analyze information in a variety of ways—by geography, division, or specialty—so they can address sophisticated queries such as “Did we lose any key technologists this year?” or “How many sales people do we have in Europe?” To best understand, analyze, and act on global staffing needs, Mentor Graphics implemented a multi-dimensional cube based on Hyperion Essbase.

With Hyperion Essbase, the HR department almost immediately realized the ability to make better HR allocation decisions. Some teams, for example, operate more as service organizations, with fluctuations occurring as project needs increase and decrease. Hyperion Essbase allows these groups to address the need to have 20 people work for three months on one project and then work for another group on a completely different project.

“By making more informed staffing decisions, we are growing top-line revenue by allocating people where the need is greatest, and managing the bottom line by making sure they are being deployed optimally at all times,” said Jan-Willem Beldman, team lead for analytical applications and data quality at Mentor Graphics.

“One of the biggest benefits of our HR system is our ability to answer questions in near real time,” Beldman said. “We no longer need to spend hours or days answering very specific HR questions posed by executive managers. This was once a very hard and time-consuming process, which involved multiple spreadsheets across departments, geographies, and cost centers. We now literally have this information at our fingertips, and we can immediately provide the answers managers need to make informed decisions.”

A Constant Source of Accurate Information

Mentor Graphics counts on Hyperion Essbase to provide executives with rich, informative, and customized reports that make company-wide information easy to see and act upon. Refreshed up to six times a day, the system is a constant source of accurate information that executives can trust, including detailed data like critical bookings and revenue performance-to-plan analyses. The company has increased the sophistication of this

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Applications and Data
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Corporation

system over the years, bringing together SQL dimension builds, partitioning, and MaxL scripting to ensure constant accuracy while completely eliminating the need for ongoing maintenance.

“Because our worldwide reporting system is integrated with our sales, marketing, HR, and finance applications, our executives have the ability to drill-down into report data for additional information and perform powerful ad-hoc analysis,” Beldman said. “They value having the ability to not just see data, but to learn more about the genesis of numbers, as needed.”

Transforming the Budgeting and Planning Process

One of the most dramatic transformations that Mentor Graphics has undertaken has been its worldwide budgeting and planning process. In 2002, after its initial success with the Hyperion-based sales reporting system, the company began an effort to replace the time-consuming planning and budgeting process—an annual event involving more than 1,200 spreadsheets for each worldwide cost center—with a bottom-up, Web-based solution using Hyperion Essbase.

“We used to go through an exhaustive process for budgeting and planning,” Beldman recalled. “Every group had to tie out its budget, and when it all came together, it never quite matched. We had broken formulas, inaccurate numbers, version control issues, and a lot of back-and-forth to find where the errors happened and correct them before they proliferated throughout the process.”

Today, Mentor Graphics plans quarterly instead of annually, using a bottom-up planning process that ensures that data is accurately collected as each person moves through the process. With an automated workflow for each cost center, plans are approved hierarchically—first by division, then by region, and finally by the company controller. A comprehensive model is in place by the time the planning process is complete. It includes details for each cost center and rolls all the way up to the top.

“It only took two-and-a-half people and four months to implement the planning system, a small price to pay for a highly automated approach that ensures timely, accurate budgets and reports, Beldman said. “It also provides us with the ability to do ‘what-if’ scenarios and other sophisticated modeling and analysis.”

Ensuring Data Consistency and Version Control

Hyperion Data Relationship is integrated with each of Mentor Graphics' Hyperion Essbase applications, allowing the company to manage hierarchical master data across these applications, as well as its transactional, reporting, and analytics systems.

Implementing Hyperion Data Relationship has allowed Mentor Graphics to streamline its change-management process for updating its multiple systems' master data in unison. After the initial roll-out in sales hierarchy management, the company expanded the technology to its cost center, statutory and management reporting, budgeting, and forecasting product hierarchies.

Continually Improving Access to Information

Oracle's Hyperion Essbase and Hyperion Data Relationship provide timely information, speed of analysis, and accuracy of data management that a geographically dispersed company like Mentor Graphics needs to remain competitive. To continue to improve the availability of information across the company, Mentor Graphics is exploring the use of dashboards as a way to bring timely, actionable data directly to the desktop.

"We have seen incredible results," Beldman said. "Eight years ago, we had limited access to data. Today we have analytic power, worldwide access to information, true scalability, and unbreakable processes. Moreover, we have completely transformed the way we think about data. We are no longer dealing with a collection of abstract numbers, but we're building intelligence around every single aspect of our business. We make better, faster business decisions that directly benefit the bottom line and keep us competitive."

Mentor Graphics Corporations is a world leader in electronic hardware and software design solutions, providing products, consulting services, and award-winning support for the world's most successful electronics and semiconductor companies.