

Pearson Gains Real-Time Enterprise Performance Insight with Standardized Reporting and Planning



Pearson
London, England
New York, NY
www.pearson.com

Industry:
Media & Entertainment

Annual Revenue:
US\$8.394 million

Employees:
30,000

Oracle Products & Services:
Hyperion Financial Management
Hyperion Planning

Partner
AMOSCA
www.amosca.co.uk

"Oracle's Hyperion solutions give us consistent, accurate, timely, user-centric intelligence that helps increase our resilience to challenging economic conditions through proactive agile financial management." – Michael Benjamin, Senior Vice President and Controller (Americas), Pearson

Pearson, an international media company, is committed to satisfying the growing demand for knowledge by helping customers live and learn in the world of education, business information, and consumer publishing. With businesses in over 60 countries, Pearson knew it had to gain a single, centralized environment of business knowledge, as well as streamline and integrate processes for management and statutory reporting.

Pearson Reporting and Information Management Environment (PRIME), the company's collection, consolidation, and reporting enterprise performance management (EPM) portal, went live in 2004 on a single global instance of Oracle's Hyperion Financial Management. Some 300 managers in 60 locations use it to consolidate 80 enterprise resource planning (ERP) environments for compliance, regulatory, and stockholder filings. Standardized group policies and key performance indicators give business managers and analysts near-real-time visibility of financial performance across the full reporting cycle which enables them to identify anomalies and identify opportunities much earlier.

Oracle's open source, non-proprietary software gives Pearson the flexibility to configure functionality to its business needs, while avoiding the high cost of recruiting specialist technical skills. Its user-centric, interactive design facilitated high levels of input from business users during development and testing and ensured rapid adoption with efficient training.

PRIME's structured, centralized processes have limited number crunching, ensured data integrity, improved process control, reduced ad-hoc information requests, and enabled finance resources to focus on strategic tasks. Having seen significant benefits with Hyperion Financial Management in the initial 18

Key Benefits:

- Gained single source of management information
- Achieved progressive reduction in monthly submission times from day 12 to day 5
- Reduced licensing costs
- Achieved continuous reduction in support costs over five years
- Centralized and streamlined reporting and compliance
- Gained real-time enterprise performance insight
- Improved knowledge with multidimensional data analysis
- Built transparent, agile financial management structure
- Gained seamless integration between planning and reporting

months, Pearson is now rolling out Oracle's Hyperion Planning across its global businesses to improve the forecasting and budgeting processes.

Since implementation, processes have been simplified, bottlenecks identified rapidly and the number of subconsolidation points has been reduced. As a result, Pearson has more than halved the monthly close time by consolidating financial reporting for its three global businesses on Hyperion Financial Management. Migrating from legacy software has cut licensing costs and ensured a continuous reduction in support costs.

Centralized, Multidimensional Reporting

Pearson decided to make financial reporting more streamlined and less costly in 2002. The company's aim was to cut close times significantly and facilitate compliance with International Financial Reporting Standards (IFRS) by improving the transparency, consistency, and relevance of its data. Pearson also wanted to benefit from consistent, meaningful business knowledge flowing throughout the organization at divisional and group levels to improve management information and decision-making.

"We were a large, dispersed organization operating within a predominantly decentralized environment," said Michael Benjamin, senior vice president and controller (Americas). "Our businesses were using different versions of Oracle's Hyperion Enterprise and a range of third-party tools, for which we needed a support team of 15 people. In addition to the need for Web-based, standardized, multidimensional reporting, migrating from multiple instances of Hyperion Enterprise to Hyperion Financial Management will free up resources engaged in data collection across all of our businesses."

Investing in Process Improvement

Prior to the creation of PRIME, Pearson undertook a nine-month consultation with its businesses. By consensus prior to implementation, Pearson established corporate policies governing cash flow, intercompany allocations, and journal postings. Financial controllers and chief financial officers signed off on the "Pearson Blueprint," which became the enterprisewide reporting standard.

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Real-Time Global Visibility

Each of Pearson’s companies inputs data in local currency at the lowest reporting level entity into PRIME. From this information, managers can prepare a wide range of reports for their respective business units while providing inputs for consolidated financial management and group-level executive summaries. Data entered by each business is accessible to Pearson’s central finance team, but is kept discrete from all other parts of the group.

Standardization Efficiencies

Hyperion has facilitated improvement in the time spent submitting data at regional and business unit levels, reduced the time spent collating data centrally, and streamlined compliance with financial accounting guidelines. Standardizing the system design and centralizing management has also reduced support and maintenance. The organization can apply patches, upgrades, and other system changes once and centrally, with minimal outage, instead of by each business individually.

Monthly Close Cut to Five Days

“PRIME has enabled us to achieve a progressive reduction in submission times” Benjamin said. “We have rapid performance visibility which improves our ability to move quickly in response to changing market conditions and customer needs to be able to meet competitors head on.”

Synchronized Business Planning

Pearson is capitalizing on the success of PRIME and deploying Hyperion’s Web-based budgeting and forecasting solution, Oracle’s Hyperion Planning. The intention is to allow each business and region to carry out scenario modeling and “what -if” analyses on its own localized data to gain in-depth operational insight. Financial planners will conduct granular analysis and input new intelligence, which then becomes immediately available to their colleagues and the corporate financial team. The solution then automatically loads updates to

business plans using PRIME, ensuring seamless integration with corporate data.

Used by Penguin in the United Kingdom since 2006 and now by Pearson Education, Hyperion Planning provides the different businesses and regions with the forecasting autonomy they need, while retaining real-time central visibility. Pearson is rolling out the solution to other parts of the organization and it will become the de facto solution for planning and forecasting.

World Leading Enterprise Performance Management

Oracle's acquisition of Hyperion resulted in increased investment in product development and improved functionality.

"Oracle is actively encouraging feedback from Hyperion customers through its user groups and is committed to continuous solution enhancement in line with customer needs," Benjamin said.

Why Oracle?

Pearson evaluated proprietary solutions from other vendors in addition to Oracle's Hyperion for its global reporting needs. The company chose Hyperion Financial Management for its open standards, low cost of ownership, and strong customer references in the United States and the United Kingdom, where Pearson is most present. "Hyperion's open coding enables it to be flexible rather than prescriptive, which means we can adapt workflows to our needs and make changes easily as our business evolves," Benjamin said.

"Oracle's Hyperion solutions give us consistent, accurate, timely, user-centric intelligence that helps increase our resilience to challenging economic conditions through proactive agile financial management," Benjamin continued.

Why AMOSCA?

Oracle partner AMOSCA's management were part of the Pearson Hyperion team before taking their services to the wider community. AMOSCA's experience in implementing and managing EPM solutions has helped many companies maximize the benefits of their software investment.

Pearson is also using the EPM Maestro Suite, a set of dynamic functions developed to enhance the core functionality of Hyperion Financial Management with automated end-user administrative functionality. Organizations can configure EPM Maestro Suite's dynamic functionality to the needs of all industry sectors and give Oracle's Hyperion Financial Management customers improved data security, visibility, and auditability.

Implementation Process

Oracle's Hyperion Financial Management went live globally following a 'big-bang' implementation. After intensive parallel testing it became the corporate reporting standard for Pearson.

Advice from Pearson

- Choose a user-centric tool that allows regional business users to give input into system design
- Invest time up-front and get buy-in from key users which will ease the cultural transition from decentralized to centralized system control and management
- Create and update training manuals online to accelerate adoption and reduce the cost and time of training new employees

Pearson is an international media company with world-leading businesses in education, business information, and consumer publishing. The company's mission is to satisfy the growing demand for knowledge by helping customers live and learn.