Transforming Enterprise
Business Planning
Plan with Accuracy,
Perform with Confidence

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Summary
As global market volatility continues, organizations worldwide are looking for ways to improve the accuracy of forecasts and plans, and are seeking solutions that can bring much-needed agility to the enterprise-planning process. However, global research of 1,200 organizations by Dynamic Markets in 2011 shows that, on average, 1.7 months will pass before the finance department becomes aware that operational plans and/or market circumstances for the company have changed.

These planning and forecasting challenges are often made tougher by reliance on disconnected and error-prone planning processes. Inflexible and resource-intensive systems, poor data integrity, and a lack of standardized processes and communication across business functions can slow down planning cycles and drive up costs.

**Enterprise Business Planning**

The key to addressing these challenges is to adopt a more integrated approach to end-to-end planning processes. Enterprise business planning enables organizations to revolutionize the accuracy and integrity of plans, budgets, and forecasts by aligning processes and replacing spreadsheet-based systems with advanced forecasting tools—driving business agility, mitigating risk, and improving resource allocation.
This e-book offers a short introduction to the strategies and tools that can help you:

- **Align strategic and financial planning** for clearer business insight
- **Manage risk and uncertainty** and understand the key drivers of your success
- **Adopt a rolling forecast** to respond rapidly and effectively to market changes
- **Plan at the speed of business** by reducing cycle times while also increasing the input from line-of-business participants
- **Integrate detailed plans** to deploy the right resources in the right place at the right time
- **Align financial and operational plans** to improve forecasting accuracy and achieve profitability objectives

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We strongly recommend Oracle Hyperion Planning because it simplifies and streamlines the financial planning process for all users, reducing the overall effort involved.

*Franz Brauchart,*
Head of Data Governance for Central and Eastern Europe, UniCredit Bank Austria

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- **Case Study | UniCredit Bank Austria Streamlines Planning and Budgeting in Central and Eastern Europe**
In many organizations, strategic planning is undertaken by small groups of financial analysts using a bewildering array of spreadsheets to perform complex modeling. But these disconnected and cumbersome spreadsheets are prone to error, reducing accuracy and slowing planning cycles.

To assess the long-term financial impact of strategic decisions, analysts must be able to integrate financial and strategic planning activities into a unified system, with shared assumptions, business rules, and calculations. With tools to automatically generate integrated financial statements, organizations are able to:

- **Gain** a complete view of all relevant financial data
- **Ensure** robust accounting integrity
- **Evaluate** strategic projects and calculate shareholder value
- **Simulate** unlimited scenarios, including the effects of M&A
- **Optimize** capital structure and debt schedules, and manage short- and long-term cash flow
Oracle Hyperion Strategic Finance provides powerful, flexible tools to align strategic, treasury, and M&A planning, enabling the rapid development of financial models with improved integrity, transparency, and efficiency.

- **Deliver deep business insight** with on-the-fly, what-if analysis
- **Increase modeling integrity** to reveal the true effects of strategy on the bottom line
- **Reduce the time and cost** of financial planning activities
- **Accelerate ROI** with rapid deployment and minimal IT support

More than half of Oracle Hyperion Planning users surveyed began to realize benefits less than two months after implementation.

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- Data Sheet | Oracle Hyperion Strategic Finance
- Podcast | Improving Strategic Financial Planning at Wyndham Worldwide
Traditional modeling techniques provide analysts with a base outcome from which best- and worst-case scenarios are created, based on changing a few input assumptions. But these techniques are unable to account for the relative importance of a vast number of variables, meaning that plans are often based on possibilities rather than probabilities.

To quantify risk more accurately, many organizations are adopting more-sophisticated predictive modeling techniques, such as Monte Carlo simulation, to review a broad range of outcomes and analyze the risk and rewards for thousands of combinations of input assumptions. These advanced simulation techniques allow organizations to:

• **Measure** and predict the effects of uncertain inputs
• **Know** the probability of any given outcome
• **Quantify** the risk of not achieving business goals
• **Understand** which variables will have the biggest impact on success
Oracle Hyperion Enterprise Planning Suite provides integrated predictive planning capabilities, giving business users direct access to the most advanced statistical modeling techniques.

- **Increase forecast accuracy** by projecting trends and patterns
- **Empower your decision-makers** with an intuitive user interface
- **Plan for success** by identifying the inputs to achieving desired outcomes
- **Make informed plans** by quantifying risk across a full range of scenarios

Customers surveyed reduced the time spent gathering data by more than 30% and increased the time spent analyzing data by almost 90%.

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- Podcast | Enhancing Enterprise Planning and Forecasting Through Predictive Modeling
While most organizations still operate an annual budgeting process, many are now constantly updating their planning assumptions with quarterly or monthly rolling forecasts. This allows them to respond quickly to economic and market changes, rapidly adjusting plans to mitigate risk and take advantage of emerging opportunities.

With rolling forecasts, plans and budgets are amended to reflect actual results and offer a more accurate view of the next four to six quarters compared to traditional annual budgeting, which can quickly become out of date and irrelevant. Rolling forecasts, enabled by enterprise business planning systems, allow organizations to:

- **Boost** business agility by keeping plans and budgets up to date
- **Focus** resources where circumstances have changed and need attention
- **Reinforce** planning as a constant process rather than an artificial annual process
- **More** frequently assess and update strategic plans
Oracle Hyperion Enterprise Planning Suite provides Web-based tools to support agile planning, budgeting, and forecasting across the enterprise. With comprehensive Microsoft Office integration, it provides a solid, easy-to-use foundation for rolling forecasts and driver-based planning.

- **Maintain accurate plans** with more frequent reviews and revisions
- **Adapt quickly and effectively** to changing market conditions
- **Anticipate future issues** and identify preventative actions
- **Balance collaboration and control** with flexible planning management
- **Increase workforce efficiency** and adoption by using existing Microsoft Office tools

Oracle Hyperion Financial Management has streamlined our financial data consolidation process. In addition, Oracle Hyperion Planning has allowed us to bring our internal management reporting to a new and more efficient level, bringing time savings of up to 70%.

**Riikka Tarvonen,**
Hyperion Service Manager,
Reporting and Analysis Applications and Collaboration, Business Information Services, Stora Enso

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- [Datasheet | Oracle Hyperion Planning](#)
- [Case Study | Stora Enso Accelerates Financial Data Processing and Improves Efficiency with Consolidated Database](#)
The key to getting the most from rolling forecasts and integrated planning tools is to involve as many people within the organization as appropriate without being limited by technology or process. Only frontline managers and employees can provide firsthand knowledge of what’s really happening on the ground—and that knowledge is critical to effective planning and forecasting.

Involving more individuals in the planning process offers a range of benefits, but it also requires advanced technologies capable of gathering, analyzing, and distributing the large quantity of data generated. With the right tools, organizations can revolutionize planning activities, helping them:

- **Base** forecasts and plans on high-quality, insightful information
- **Gain** more commitment to plans by involving frontline staff in the process
- **Easily** manage thousands of users and massively increased data volumes
- **Address** the large data requirements of industries like telecommunications, retail, financial services, and utilities
The Oracle Exalytics In-Memory Machine delivers the processing performance that allows large organizations with many users and very detailed information to plan more often, more quickly, and with a much lower total cost of ownership. Optimized to accelerate the performance of Oracle Hyperion Enterprise Planning Suite, it enables large numbers of users to contribute to a faster and more granular planning process.

- **Accelerate planning cycles** with huge gains in response times
- **Visualize complex forecasting models** to quickly and easily fine-tune plans
- **Improve forecast accuracy** by engaging more users in the planning process
- **Extend planning** beyond finance into every line of business
- **Increase business agility** by moving from monthly to intraday analysis

Customers surveyed halved the time they spent on monthly forecasting.

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- Solution Brief | Oracle Hyperion Planning on the Oracle Exalytics In-Memory Machine
- Demo | Oracle Hyperion Enterprise Planning Suite on Oracle Exalytics
For enterprise business planning to be effective, it needs to be based on the appropriate level of detail for the organization. Companies with large headcounts cannot afford to base workforce budgeting decisions on high-level overviews; they often need to drill down to the individual employee level. Similarly, asset-intensive organizations need a fine level of detail to understand the impact of capital decisions, maintenance programs, and depreciation expenses.

The same applies for project-intensive enterprises—budgets and plans must take into account the impact of changes across a wide range of projects and portfolios. By integrating plans with the correct level of detail into the enterprise planning process, organizations can:

- **Ensure** sufficient resources are in place to achieve strategic objectives
- **Identify** where to invest and where to cut costs
- **Gain** a clear understanding of the effects of any alterations
The Oracle Hyperion Enterprise Planning Suite offers specific modules designed to support detailed planning across key business processes that are fully integrated with the core financial planning application.

- Integrating workforce planning with human capital management systems to optimize resource allocation and save time and money
- Planning across the complete capital asset lifecycle while analyzing the impact on overall expenses
- Integrating project-management systems and financial-planning processes to manage the financial implications of every project

Oracle’s Hyperion applications provide a scalable planning and budgeting solution. We have improved collaboration, reduced our budget cycle time, and increased data reliability – helping us make more-effective business decisions as the company continues to grow.

Rodrigo Baca, Hyperion Project Manager, DexCom, Inc.
Many organizations suffer from a lack of connection between financial and operational planning. Too often, finance planners don’t allow for operational realities, while operations planners focus on driving execution rather than wider financial targets.

Alignment and integration between financial and operational plans ensures that financial considerations form part of operational plans, and operational forecasts can also be used to continuously update financial plans, helping organizations to:

- **Validate** key financial drivers based on operational details
- **Increase** collaboration and accountability between operations and finance
- **Enable** continuous validation throughout planning and forecasting cycles
- **Manage** profitability at a more granular level
- **Transfer** and share information between operational and management systems

Oracle Hyperion Enterprise Planning Suite can integrate with multiple transactional systems to enable information sharing between systems and the people using them in finance, sales, marketing, and operations.

- **Improve** alignment between finance, sales, and operations teams
- **Compare** operational forecasts to financial plans and budgets
- **Include** up-to-date demand and revenue plans in corporate financial forecasts
Profitability and Cost Management

Overall financial reports alone cannot provide managers with the operational insight to make the right planning decisions that will impact the bottom line. Oracle Hyperion Profitability and Cost Management combines financial and operational data to reveal detailed information about cost and profit drivers down to product and customer level. This can be used with Oracle Hyperion Enterprise Planning Suite to increase planning accuracy and to focus on profitable products and services.

- **Highlight** cost sensitivities
- **Understand** key profit drivers
- **Support** detailed planning
- **Visualize** profitability at any level of detail

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The sales and operations planning process we implemented, based on Oracle’s comprehensive and advanced solutions, was a key element in fully developing and leveraging our global supply chain as a competitive advantage. It has increased visibility and streamlined processes, resulting in improved profitability.

Randall Wood,
Staff Vice President, Business Systems,
Leggett & Platt

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**Focus On...**

**Profitability and Cost Management**

**LEARN MORE**

- Podcast | Demystifying Profitability and Cost Management
- Customer Video | Leggett & Platt
The Oracle Hyperion Enterprise Planning Suite offers a comprehensive range of integrated but modular solutions covering every aspect of the enterprise planning process and is designed to accelerate the adoption of enterprise business planning, helping you:

- **Align financial and operational plans** in a single, integrated system with extensive workflow and process management
- **Ensure predictable results and accurate forecasts** by engaging a broad user community in the planning process
- **Support better-informed decisions** by providing greater insight for improved resource allocation and business agility
- **Identify cost and profitability** at a detailed level to enable focus on areas of opportunity and growth
Oracle Hyperion Planning provides a reliable, solid foundation for budget reorganization across the bank’s many subsidiaries and entities. We are simplifying processes at a local level and accelerating consolidation at the head-office level.

Gael Gillois,
Program Director,
Société Générale

LEARN MORE ABOUT ENTERPRISE BUSINESS PLANNING

- Solution Brief | Oracle Hyperion Enterprise Planning Suite
- 3rd Party Research | Performance Management: An Incomplete Picture
- Podcast | Oracle EPM Planning and Reporting at Irish Life
- Case Study | Société Générale Standardizes, Accelerates, and Improves Budget Planning Accuracy across Global Enterprise
- Case Study | Aéroports de Lyon Centralizes Budget and Planning Data, Improves Financial Scenario Modeling with Goal to Become France’s Second-Busiest Airport
- Demo | Oracle’s Plan to Act Solution
- White Paper | Future Guidance – The Role of Planning and Forecasting
- Oracle Enterprise Performance Management
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