Oracle Hyperion Planning on the Oracle Exalytics In-Memory Machine

An April 2011 global survey by Dynamic Markets found that poor agility creates consequences:
One third of respondents (33%) see plans become obsolete, 55% incur unnecessary cost and 43% witness a negative impact on employee morale.

Key Features
Oracle Hyperion Planning
• Best of breed functionality in an integrated suite
• Common web interface and Microsoft Office support
• Common reporting and analysis tools
• Common application administration
• Leverages the market-leading OLAP server, Oracle Essbase
• Integrates with Oracle and non-Oracle transactional systems
• Part of Oracle’s complete, open and integrated enterprise performance management system

The planning environment has changed considerably for most organizations in today’s global economy. Global recession, erratic growth and recovery, market volatility all make planning and forecasting accurately a challenging process. In fact, in a 2010 survey by CFO Research Services, 40% of respondents indicated they could only reliably forecast results 1 – 3 months in advance. This is a key sign that market volatility is impacting organizations’ abilities to forecast and plan their resource allocations more than a quarter into the future.

Improving Business Agility through Enterprise Business Planning
Leading edge organizations are now looking to adopt a common enterprise wide system that takes the time and complexity out of getting all relevant information in a timely fashion, supporting more agile planning and decision-making and improved alignment across the enterprise. In addition, they are adopting a number of best practices designed to support world-class, enterprise business planning. These best practices include:

Align Strategic and Financial Planning – these functions are often run in silos, with limited sharing of information between them and often supported by complex spreadsheet models. The strategic planning process should provide goals and targets that drive the financial budgeting and planning process. Actual results and updated forecasts need to be fed back into the strategic planning system to ensure a closed-loop process.

Adopt Flexible Planning and Forecasting Processes – while most organizations still create an annual budget, many are placing less emphasis on the annual budget and are updating it with quarterly or monthly forecasts to reflect current business trends and adjust resources accordingly. In addition, many organizations are using a rolling forecast process to project financial results 4 – 6 quarters into the future.

 Evaluate Impact on Workforce, Capital and Project Requirements – while many organizations are taking a more summarized approach to budgeting, companies in headcount-intensive industries are often taking a very detailed approach to budgeting for compensation and benefits to ensure hiring and compensation plans align correctly to the overall financial plan. In this case organizations are budgeting for salaries, benefits and related expenses down to the individual employee or position level. A similar approach is being taken to budgeting for capital assets and depreciation, and major projects where these are a significant portion of the budget.
In these cases, the planning process is being expanded to get more line of business managers involved in the process to provide input and valuable operating assumptions. This technique requires a budgeting and planning system that is capable of handling a large volume of users across large data sets, with high performance.

**Align Financial and Operational Plans** – to bridge the gap between financial and operational planning, more organizations are expanding the planning and forecasting process out beyond financial analysts to sales, marketing and other line of business managers. Some are pushing financial targets into sales and operations planning applications, and also leveraging the latest sales volume forecasts and other metrics to update key drivers in the financial plans. In addition, some organizations are performing detailed allocations of revenue and costs to better understand profitability at a more granular level and are incorporating those costs drivers into the financial planning process. In both cases the planning process is expanded to include potentially hundreds to thousands of additional line of business managers and the planning/forecasting system must be capable of handling large volumes of operational detail.

**Manage Risk and Uncertainty** – most organizations rely on a limited number of scenarios to navigate uncertainty in their plans and forecasts. Leading edge organizations are using predictive modeling and simulation to bring statistical analysis and techniques such as Monte Carlo simulations into the mix. These techniques can augment the forecasting being performed by line managers and can be used to validate those forecasts based on historical information, and to produce a broader range of outcomes to consider in decision-making. These techniques require a system that can leverage large volumes of historical information and can quickly run scenarios and simulations based on different combinations of planning assumptions.

**An Engineered Approach to Addressing the Requirements**

What’s needed to deal with today’s more rigorous requirements is a solution that addresses corporate planning and forecasting as well as the unique needs of the individual lines of business, is responsive, scales to thousands of users, and has a quick time to value. Oracle’s approach is to is deal with these challenges by engineering hardware and software to work together, upending the longstanding industry practice of cobbling together different components. This gives us the unique ability to offer customers a complete hardware and software solution, from applications through middleware and databases, and all the way down into servers and storage.

The Oracle solution for addressing the requirements of enterprise-wide budgeting, planning and forecasting is centered around two main components; the Oracle Exalytics In-memory Machine and the Oracle Hyperion Planning Suite, which is part of Oracle's Enterprise Performance Management System.

**Scalable, Pervasive Planning and Analysis with the Oracle Exalytics In-memory Machine**

Oracle Exalytics in-Memory Machine (Oracle Exalytics) is the world’s first engineered system specifically designed to deliver high performance analysis, modeling and planning. Built using industry-standard hardware, market-leading business intelligence software and in-memory database technology, Oracle Exalytics is an optimized system that delivers answers to all your business questions with unmatched speed, intelligence, simplicity and manageability.

Oracle Exalytics delivers extreme performance for all users requiring information to help with operational decision making. Oracle Exalytics can be deployed in existing IT environments by itself.
Oracle Hyperion Planning on the Oracle Exalytics In-Memory Machine

Key Features
Oracle Exalytics In-Memory Machine

• 1 TB of RAM
• QDR (40 Gb/second)
• InfiniBand connectivity to Oracle Exadata & Oracle Exalogic
• 10Gb and 1Gb Ethernet interfaces
• Oracle Business Intelligence Foundation for reporting, adhoc query, dashboards, scorecards and OLAP
• Leading in-memory database for speed of thought analytics
• Adaptive intelligent in-memory caching
• Powerful visualizations
• No application redesign
• Compression of up to 10x for better memory management
• Certified for Oracle BI & EPM applications
• Automated configuration and management

or in conjunction with Oracle Exadata to enable extreme performance and best in class user experience. Based on proven hardware, software and in-memory technology, Oracle Exalytics lowers the total cost of ownership, reduces operational risk and provides unprecedented analytical capability for workgroup, departmental and enterprise wide deployments.

The Oracle Exalytics features an optimized Oracle BI Foundation Suite (including Oracle Essbase) and Oracle TimesTen In-Memory Database for Exalytics (figure 1). The Business Intelligence Foundation takes advantage of large memory, processors, concurrency, storage, networking, operating system, kernel, and system configuration of the Oracle Exalytics hardware. This optimization results in faster calculations, better query responsiveness, higher user scalability and markedly lower TCO compared to standalone software. The TimesTen In-Memory Database for Exalytics is an optimized in-memory analytic database, with features exclusively available on Oracle Exalytics platform.

Figure 1: Oracle Exalytics in-Memory Machine – hardware and software engineered to work together

Enterprise Planning with Oracle’s Hyperion Planning Suite and Oracle Exalytics

The Oracle Hyperion Enterprise Planning Suite leverages the capabilities of the Oracle Exalytics. The Oracle Hyperion Enterprise Planning Suite provides an integrated solution for strategic, financial and operational planning processes. Leveraging the power of Oracle Essbase, the market-leading OLAP server, Oracle Hyperion Planning applications provide many pre-built features, as well as a common web interface, workflow and process management to help streamline the planning, budgeting and forecasting process.

The Oracle Hyperion Enterprise Planning Suite includes core financial budgeting and planning functionality as well as purpose-built modules for strategic planning, workforce planning, capital expense planning and profitability management. The modules can be easily configured to address specific planning requirements and integrated with operational planning applications like Oracle Value Chain Planning as well as third party sales and operations planning systems.

Taking advantage of the capabilities of Oracle Exalytics, Oracle’s Hyperion Enterprise Planning Suite provides a number of unique capabilities and value for customers, including:
Enterprise-wide planning, budgeting and forecasting involving hundreds to thousands of users across an organization with speed of thought performance for complex calculations, standard and ad hoc reporting and analysis.

- Detailed planning, budgeting and forecasting across thousands of cost centers, millions of customers or products, and multiple scenarios.
- Fast time to benefit and reduced total cost of ownership (TCO) by supporting enterprise-scale planning and budgeting and forecasting with a reduce number of server platforms.

Here are a few examples of “extreme planning” requirements that can be supported by the combination of Oracle’s Hyperion Enterprise Planning Suite and Oracle Exalytics:

- SKU level sales and profitability analysis and forecasting in Consumer Packaged Goods (CPG)
- Daily product by store level sales and profitability analysis and forecasting in Retail
- Clinical Trials results forecasting in Health Sciences
- Financial Instrument level income and profitability forecasting in Financial Services
- Customer Churn and Product Affinity Analysis in Telecommunications
- Smart Meter Data Analysis and Energy Usage Forecasting in Utilities

Summary

Competing in today’s global economy requires an enterprise-wide approach to planning and budgeting, and the ability to respond quickly to changes in the environment through frequent re-forecasting of results. Organizations can no longer rely on corporate finance staff or divisional financial analysts to provide updated planning assumptions, and many are now extending the planning process to include active participation by sales, marketing and other line of business managers. It’s also no longer sufficient to analyze financial results and forecast performance at a corporate or business unit level. Organizations need the ability to analyze and forecast at a more granular level in order to understand which products, services, locations, customers and channels are profitable and which are not so that resources can be allocated in a way that maximizes profits.

The combination of Oracle Exalytics and Oracle’s Hyperion Enterprise Planning Suite provides a scalable and responsive solution for detailed, enterprise-wide planning, budgeting and forecasting. Each of the planning modules targets a specific set of requirements and they work together to enable the alignment of strategic, financial and operational planning and forecasting. The Oracle Exalytics In-Memory Machine provides an engineered systems platform that scales to thousands of users and provides advanced visualization capabilities for rapid data discovery, analysis and planning. The combined solution is deployed quickly and efficiently, resulting in a faster time to value and lower total cost of ownership.

CONTACT US

For more information please visit www.oracle.com/epm or call +1.800.ORACLE1 to speak to an Oracle representative.