ORACLE INTEGRATED OPERATIONAL PLANNING

KEY FEATURES AND BENEFITS

KEY FEATURES

• Integrated operational and financial planning models to help develop accurate revenue and profit projections
• Change based calculation engine that delivers interactive response times for what-if scenario analysis
• Ability for business users to revise model elements and planning assumptions as business needs evolve
• Microsoft Excel based user interfaces for rapid user adoption
• Open and configurable email based collaboration and approval workflows
• Integration with existing planning systems

KEY BENEFITS

• Align financial and operational plans and assumptions
• Achieve consensus across business functions
• Understand business wide impact of plan revisions
• Reduce planning cycles and improve productivity
• Leverage existing planning solutions in finance and operations

With increasing competition, spiraling costs, higher customer expectations and a volatile economic environment, dynamic business planning has become a business imperative. You need to align operational and financial planning processes to respond to changing market dynamics in a timely and effective manner. Oracle Integrated Operational Planning links financial plans and metrics to operational plans from manufacturing, sales, marketing and other functions to create an integrated business planning framework that enables fact-based decision-making. It addresses a range of high-value planning processes typically solved with offline spreadsheets today—such as integrated revenue and profit planning, cost of goods sold (COGS) modeling, product allocation, and stock keeping unit (SKU) rationalization. With Oracle Integrated Operational Planning, planners within finance and operating functions can collaboratively change operational and financial assumptions, reevaluate planning scenarios, assess impact on revenue and margin projections, and update the plan of record.

Align Operational Feasibility with Financial Goals

Today's executives and managers face a highly competitive business environment. Short product lifecycles, spiraling material and energy costs, operational complexities, and high customer and investor expectations mean that business planning cannot be a discrete activity performed once a quarter or even once a month. Instead, it must be a dynamic process that allows timely and effective responses to changing market dynamics. However, many businesses still struggle to integrate disconnected planning processes performed within functional silos. In particular, planning processes are hampered by tools that are not purpose-built to capture the detailed realities of the operations and tie them to the key financial metrics for the business. The result is manual processes, oversimplified spreadsheet models, and ad hoc decisions.

Oracle Integrated Operational Planning complements existing planning systems within finance and other business functions by linking functional plans into an integrated framework. It allows you to align key operational and financial planning processes to provide a common perspective across the business plan, and tie them to core financial metrics such as revenues, profits, and inventory reserves. This shared perspective allows analysts and planners to:
• Link financial, operational, and cost drivers and assumptions to financial metrics.
• Proactively identify gaps between financial and operational plans based on changes to key drivers and assumptions.
• Create and analyze what-if scenarios for plan revisions to address the projected gaps.
• Assess the potential impact of plan revisions on key business metrics.
• Manage the collaboration and approval workflows.
• Submit plan changes to other planning systems as well as to execution systems.
• Capture all plan changes for review and root cause analysis.

Oracle Integrated Operational Planning leverages your existing investments in planning and execution systems

Rapid Cross Functional Planning
Today’s planning solutions force companies to make unacceptable trade-offs. Although flexible spreadsheet based models allow planners to change plan assumptions and quickly assess the potential impact of these changes, they lack accuracy and detail. In contrast, function specific planning solutions—which provide rich data and detailed models—are weak in modeling cross functional scenarios and assessing business wide impact.

Oracle Integrated Operational Planning’s change based data modeling (CBDM) technology removes this trade-off. This patent pending technology supports rich models that capture the necessary amount of detail within each functional area—
finance, operations, marketing, or sales—and link them together within an integrated model for cross functional planning. Oracle Integrated Operational Planning allows business planners to create and analyze what-if scenarios at aggregate levels but using detailed data.

This modeling approach also enables users to model key operational as well as financial drivers and assumptions and link them to critical financial metrics. They can then proactively forecast changes to these drivers and analyze the impact on financial metrics such as revenues, COGS, and inventory reserves.

Oracle’s CBDM technology supports
- Integrated business models across finance and the operating functions.
- Interactive response times when calculating impact of plan changes.
- Cross-functional scenario management linked through workflow.
- Hundreds of concurrent users evaluating numerous planning scenarios.

Using Oracle Integrated Operational Planning
Here is a quick overview of how Oracle Integrated Operational Planning enables integrated business planning.

Model and Plan the Business
Most planners are accustomed to using spreadsheet models. To increase user adoption and simplify training, Oracle Integrated Operational Planning leverages Microsoft Excel as the user interface for plan revisions and what-if modeling. It enables the creation of models that span across finance and operations to enable integrated business modeling and impact analysis.
Analyze the Impact of Changes
Oracle Integrated Operational Planning facilitates fact-based analysis and decision-making. It allows planners to assess the true business impact of plan revisions, taking into account financial desirability as well as operational feasibility. It also provides an in-context exception reporting mechanism that lets you easily drill down to relevant details when analyzing impact of a plan change.

Collaborate with Your Peers
You can invite others to collaborate across business functions while developing a proposed solution. Participants can review relevant metrics and scenario inputs and ensure feasibility and alignment before plan revisions are finalized.

Submit Plans for Approval
Planners can submit proposed changes to Oracle Integrated Operational Planning and notify approvers via email. Relevant information—including alternatives considered, estimated impact on key business metrics, and qualitative comments—is included as part of the review and approval process.

Publish Plans for Execution
Once approved, the bottom up revenue, cost, and margin projections can be published to Oracle Hyperion Planning for further development of the P&L and balance sheet projections. In addition, plan changes can also be sent to ERP systems for execution or to other planning systems to align key assumptions. Change details are memorialized within Oracle Integrated Operational Planning for later review and root cause analysis.

Monitor Performance to Plan
Oracle Integrated Operational Planning provides configurable dashboards and reports so executives and managers can monitor key business metrics and easily track variances against plans.
Address High Value Operational Planning Problems

Oracle Integrated Operational Planning empowers managers and planners to confidently make critical operational and financial decisions and improve business performance.

<table>
<thead>
<tr>
<th>SAMPLE PLANNING PROBLEMS ADDRESSED</th>
<th>SAMPLE WHAT-IF PLANNING SCENARIOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Revenue &amp; Profit Planning</td>
<td>What will be the impact of surging raw material and transportation costs on product costs and profitability?</td>
</tr>
<tr>
<td>COGS Modeling</td>
<td>What feasible choices are available for us to make up a projected revenue and margin shortfall?</td>
</tr>
<tr>
<td>Product Allocations</td>
<td>How does a proposed product allocation scheme impact our revenues and margins? Is it in line with customer service targets?</td>
</tr>
<tr>
<td>Inventory Exposure Modeling</td>
<td>If we decide to prune non-performing SKUs, what is the excess and obsolete inventory exposure at global facilities?</td>
</tr>
<tr>
<td>Key Materials &amp; Capacity Modeling</td>
<td>What are the financial implications of a changing product mix?</td>
</tr>
<tr>
<td>SKU Rationalization</td>
<td>Given changing cost structures, how should we realign manufacturing across our global facilities?</td>
</tr>
<tr>
<td>Standard Cost Planning</td>
<td></td>
</tr>
</tbody>
</table>

Contact Us

For more information about Oracle Integrated Operational Planning, please visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.