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Oracle Enterprise Performance Management: Bridge to Fusion Applications

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Executive Overview

To thrive in today's global economy, organizations must achieve both operational and management excellence. An integrated ERP platform provides a solid foundation to help companies achieve operational excellence. Enterprise Performance Management (EPM) systems integrate and automate management processes and leverage investments and data from operational systems to enable organizations to achieve management excellence. Oracle's EPM System is a complete, open and integrated suite of applications and tools that help organizations gain better insight, make better decisions, and drive better results.

Oracle's EPM solutions integrate with both Oracle and non-Oracle data sources and add value to organizations using the current generation of operational systems, providing a fast time to benefit and low cost of ownership. They also integrate with Oracle's next generation of applications, Oracle Fusion Applications. Because of this, Oracle EPM solutions can play a key role in your adoption strategy for Fusion Applications acting as a "bridge" to the future, by providing a consistent reporting, planning and analysis layer for executives, managers and analysts who need to maintain a steady pulse on the business and can't afford a disruption due to an operational systems migration.

Oracle EPM – Driving Management Excellence

For many years organizations have been able to create competitive advantage from investments in operational ERP systems such as Financials, Human Capital Management, Procurement, and Supply Chain as well as Customer Relationship Management (CRM) and standardization of these systems and processes. The objective was to create excellent operational processes by focusing on reducing cost inefficiencies, improving product and service quality, and increasing the speed of production and delivery.

Although further efficiencies can still be gained, due to the widespread adoption of ERP and CRM systems, many organizations are shifting more of their IT investments to the management systems that integrate with and leverage their ERP and CRM investments – such as Business Intelligence and Performance Management solutions – in order to gain Management Excellence.   Investments in these management systems are creating organizations that are:

- Smart – gaining better insights into the business than peers and competitors

- Agile – adapting to business and market changes faster than their competitors

- Aligned – ensuring managers have access to the right information and can more effectively allocate resources across the organization

Achieving management excellence is also enabled by automating and integrating the management processes. But what are the management processes? Operational processes are easy to identify because in most organizations they are well defined and standardized – i.e. order to cash, procure to pay, invest to retire, etc. Management processes are more difficult to identify because they occur in different functions, often on an ad hoc basis, i.e. activities such as goal setting, strategic planning, financial budgeting, operational planning and forecasting, financial and management reporting.

While all organizations routinely perform these processes, in most organizations the management processes are not well defined, and they are highly fragmented – often supported by spreadsheets or non-integrated point solutions. When this is the case, the result is that goals and objectives across the organization are not well aligned and it's harder for senior management to predict future performance and provide accurate guidance to stakeholders. It also leads to highly inconsistent business decisions across the organization.

But a growing number of organizations are seeing the light and beginning to think about these management processes holistically; they are investing in enterprise performance management (EPM)

Customer Example of Operational and Management Excellence

Experian is a global information services company with more than 15,000 employees in 65 countries. Experian consolidated three instances of Oracle E-Business Suite to a single instance on Release 12, which supports three shared service centers. This strategy is designed to consolidate resources and optimize economies of scale and operational efficiency. Experian also leverages Oracle's Hyperion EPM applications suite for planning, management reporting and financial reporting, integrating data from Oracle E-Business Suite and other sources. In addition they use Oracle Business Intelligence (BI) for operational reporting across transaction systems. Working closely with their operational systems, the Oracle EPM and BI solutions empower business users and enable greater visibility across the company's information services divisions and product lines.

solutions that can automate and integrate these interconnected management processes, much like ERP systems support the operational processes. These organizations are integrating the EPM systems and processes to their ERP systems, so that they are achieving both operational and management excellence and are gaining competitive advantage as a result.

Oracle's EPM System is a complete, open and integrated system that supports a broad range of management processes and drives management excellence. It's the first and only EPM system that integrates performance management and business intelligence (BI) applications on a common platform. It includes three layers of capabilities – Information Delivery, EPM and BI Applications and a common Business Intelligence Foundation. And it's designed to integrate with and add value to both Oracle and non-Oracle data sources and transactional systems.
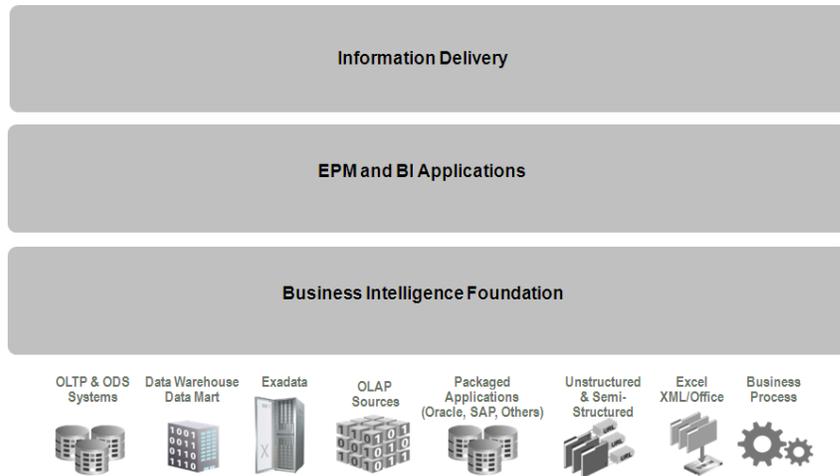

Figure 1 – Oracle's Enterprise Performance Management System

Oracle Fusion Applications – The New Standard for Business

Let's turn our attention back to the operational applications. While thousands of organizations have achieved great value and competitive advantage from Oracle E-Business Suite, PeopleSoft, JD Edwards, Siebel and other operational applications - the nature of business and technology has evolved and advanced over time and created an opportunity for Oracle to introduce a new generation of transactional systems.

Designed from the ground up using the latest technology advances and incorporating best practices gathered from thousands of customers, Oracle Fusion Applications are completely open, service-enabled, enterprise applications. Built on a foundation of 100 percent standards-based middleware, using a service-oriented-architecture approach and a common data model, Oracle Fusion Applications set a new standard for the way you innovate, work, and adopt technology. Delivered as a complete suite of modular applications, Oracle Fusion Applications work together with your existing application investments—enabling you to improve performance, lower IT costs, and get better results.

Unique Design Principles

Oracle Fusion Applications were built with unique design principles that set them apart from other applications on the market and to add significant business value to your existing applications investments. These design principles include:

- A complete, best-in-class application suite built on a 100 percent standards-based foundation to support all aspects of your business and add strategic business value to existing applications.

- Complete role-based user experience tailored for unique needs—from the boardroom to the front lines—connects users with a proactive list of what they need to get done, the information they need to make effective decisions, guidance on how to execute tasks, and quick access to the people who can help them get the job done.

- Complete choice of uptake paths and deployment options with the flexibility to implement a module, a family, or the entire suite. Deployment options range from on premise to public clouds and private clouds or a hybrid combination.

The New Standard for Innovation

The old reality of business applications was that they created efficiencies, but the brittle nature of their code and proprietary approach to technology created severe limitations and increased costs. Oracle Fusion Applications were built on a foundation of middleware using a service-oriented approach and a common data model. This modern approach benefits both business and IT—accelerating the pace of change and innovation while, at the same time, lowering both short- and long-term costs. In addition, simplified configuration and a common data model enable a change-once, change-everywhere approach to business—accelerating the pace of innovation and reducing the obstacles and delays.

The New Standard for Work

Most transactional work today is automated, with information captured and work flowed through the process. It's very effective, but it doesn't help knowledge workers make the right decisions or manage exceptions. To advance the work and make decisions, knowledge workers need decision support that includes business intelligence and unstructured information—such as documents and collaboration with colleagues, business partners, and customers. New technologies and Web 2.0 designs enable role-based workspaces to support knowledge workers in a way that transactional systems never could.
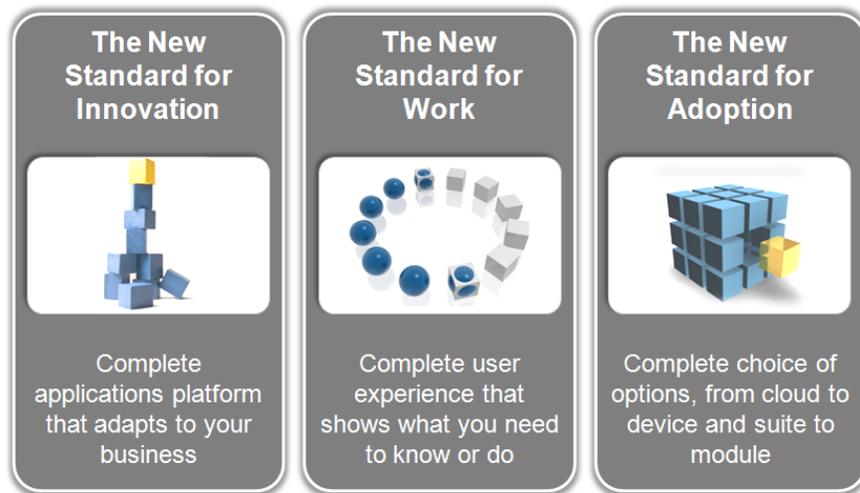
The New Standard for Innovation	The New Standard for Work	The New Standard for Adoption
Complete applications platform that adapts to your business	Complete user experience that shows what you need to know or do	Complete choice of options, from cloud to device and suite to module

Figure 2 – Oracle Fusion Applications: The New Standard for Business

The New Standard for Technology Adoption and IT Management

With traditional business applications, the needs to adopt new technology, rapidly implement new functionality, and minimize overhead costs have challenged both IT departments and the businesses they support. Oracle Fusion Applications provide a complete set of applications—from human resources and finance organizations to field sales and supply chains. A modular approach ensures that you can adopt what you need when you need it, and setup guides and tools help get your systems up and running quickly. A complete set of deployment options—from on premise to public clouds, private clouds, or hybrid public/private clouds—provides companies with the flexibility to accelerate implementations, scale up, scale down, or make changes quickly. At the same time, powerful and intuitive management capabilities ensure that business needs are met and resources are available while reducing IT overhead costs.

Additional Business Value for Your Existing Applications

Customers running applications such as Oracle E-Business Suite or Oracle's JD Edwards, PeopleSoft, Primavera, Siebel, or third-party applications will find a host of options and opportunities to create more strategic value, squeeze additional efficiency, and improve the timeliness and accuracy of

decisions with Oracle Fusion Applications. The modular design of Oracle Fusion Applications combined with Oracle's commitment to investment and support means that you can adopt Oracle Fusion Applications at your pace and on your terms.

Oracle EPM and Fusion Applications – Better Together

Oracle EPM solutions and Fusion Applications together can enable organizations to achieve an even higher level of operational and management excellence, and Oracle EPM solutions can be leveraged as a key enabler or "bridge" to Fusion applications. How is this possible?

- The first point is that Oracle EPM adds value and supports key management processes for customers with any mix of Oracle Fusion and E-Business Suite, PeopleSoft, and JD Edwards, as well as non-Oracle applications such as those from SAP.

- Second, Oracle Fusion Applications leverage key components and technologies from Oracle EPM solutions – for analytics and reporting. This is great news for customers who have deployed or are considering Oracle EPM solutions since the skills and experience in these technologies can be leveraged as you adopt the Fusion Applications.

- Third, Oracle Fusion and EPM applications leverage the same Fusion Middleware technologies ensuring easy integration and lower cost of ownership and IT compliance through standardization.

Let's explore each of these points in more detail.

Integrating Oracle EPM with Fusion Applications

Oracle EPM includes a powerful data integration tool called Hyperion Financial Data Quality Management (FDM) which is designed for finance users who need to integrate financial data from different source systems to the Oracle EPM applications. FDM's ERP Integrator (ERPI) module supports ERP adapter data integration to Oracle E-Business Suite Financials, PeopleSoft Enterprise Financials and HCM, and SAP R/3 including the ability to drill-back into transaction system details. Meta data may also be loaded from Oracle E-Business Suite and PeopleSoft Financials to EPM applications via FDM ERPI.

As a result, end user drill-back analysis is supported from the EPM Workspace, Hyperion Financial Reports and the Hyperion Smart View for Office interface.   When the Oracle Fusion Applications become generally available, Oracle will have an FDM/ERPI adapter and the same integration capabilities for this suite as well. This integration capability enables organizations to automate and integrate their management processes using Oracle's EPM solutions, while integrating financial and operational information from any combination of Oracle Applications Unlimited, Fusion Applications and non-Oracle systems.

Oracle EPM and BI Technologies within Fusion Applications

Oracle Fusion Applications are the next generation applications that provide a new standard for innovation, work and adoption. Oracle EPM and BI technologies play a strong role in this strategy by integrating analytics into key operational processes.

Throughout the Fusion Applications suite, analytics and business intelligence are embedded into key business processes through integrated dashboards, analytics on transactional pages, multi-dimensional calculations, decision support and optimization. Oracle's BI technology is leveraged across the Fusion Applications suite to provide real-time, self-service reporting and analysis directly from the transactional data or against a data warehouse. With Oracle BI embedded in Fusion Applications, users will enjoy seamless navigation between analytics and transaction processing, with role-based dashboards and reports, single-sign on and integration with the underlying meta data. IT managers will benefit from the low cost of ownership provided by this integrated approach.

Oracle EPM technology is also embedded throughout Fusion Applications. This includes Oracle Essbase – the industry-leading multidimensional analysis engine, the Hyperion Financial Reporting tool, and Hyperion Smart View for Microsoft Office. Again, end-users will benefit from the consistent user experience between analytics and transaction processing, and seamless integration with Fusion Applications such as Financials, CRM and Project Portfolio Management. IT will benefit from the lost cost of ownership provided by our integrated approach, and the ability to leverage existing resources and skill sets with expertise in the Oracle EPM technologies.
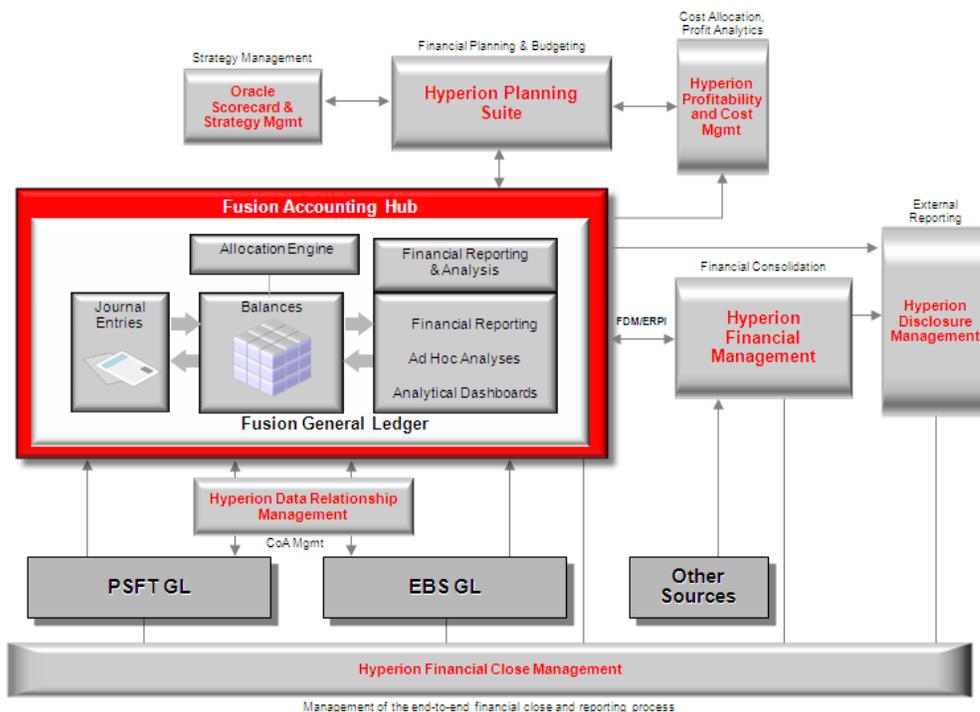

Figure 3 – Oracle Fusion General Ledger Co-existence with Hyperion Applications

For example, Oracle Essbase is seamlessly embedded within Fusion General Ledger to support multidimensional reporting and analysis of GL account balances. Every time a transaction or journal is posted in Fusion General Ledger, the embedded multi-dimensional balances are also updated at the same time to ensure that balances are always in sync and up-to-the-minute accurate. End users can then report and perform multidimensional analysis on this information via Hyperion Financial Reporting and the Smart View Excel interface.

These tools provide the ability to review financial results at a summary level, and then drill down into the transaction details. With this approach, everyone from a General Ledger clerk to the CFO would have a consistent interface and a single version of the truth utilizing our core EPM technology. In addition, account balances can be integrated from Fusion General Ledger into Oracle Hyperion Financial Management for financial consolidation and reporting or Hyperion Planning Suite for budgeting and planning.

Leveraging Fusion Middleware Technology

Oracle EPM and Fusion Applications leverage the same Fusion Middleware (FMW) Technology Stack. Oracle EPM applications have continued to adopt key elements of Oracle Fusion Middleware over the last several years. These include common security and access management, system monitoring and diagnostics, application server and clustering infrastructure, and application development tools and technologies. IT organizations can realize lower cost of ownership and higher productivity by leveraging common FMW technologies and skills across a broad set of applications. End users will benefit from single sign-on, consistent navigation, and consistent look and feel as they move from management and analytic to transactional processes.

Migration Strategies

Oracle EPM solutions can play a role in any of the deployment scenarios our customers are considering.

If you are planning to continue with your current investments in Oracle Applications – then Oracle EPM provides best in class EPM capabilities for your Oracle E-Business Suite, PeopleSoft and JD Edwards environments. If you are planning to incrementally add Fusion applications, Oracle EPM can integrate with and support the management processes across Fusion and Applications Unlimited applications. And if you are planning to migrate to Fusion Applications, Oracle EPM can play a key role in the migration process by providing a consistent financial planning, close and reporting environment before, during and after the migration to Fusion Applications.

Customer Strategy	Oracle EPM Value
Continue with Applications Unlimited, upgrade to latest releases	Oracle EPM for best in class financial planning, close and reporting
Incrementally add Fusion Applications to Apps Unlimited Solutions	Oracle EPM integrates with Fusion as well as EBS/PSFT/JDE and other applications
Upgrade to Fusion Applications	Oracle EPM as consistent financial planning, close and reporting solution during and after upgrade

Figure 3 – Customer Migration Strategies to Fusion Applications

Conclusion

Oracle Fusion Applications represent the next generation of operational applications setting a new standard for the way you innovate, work, and adopt technology. Oracle EPM solutions integrate with operational systems and help organizations leverage these investments to achieve a combination of operational and management excellence.

Oracle Fusion Applications and Oracle EPM solutions work "better together" to help organizations achieve a higher level of competitive advantage. Acting as a "bridge" between the current generation of ERP applications and Fusion applications, Oracle EPM can provide a consistent reporting, planning and analysis layer for executives, managers and analysts who need to maintain a steady pulse on the business and can't afford a disruption due to an operational systems migration.

Because Oracle EPM and Oracle Fusion applications leverage a common Fusion Middleware layer, IT organizations can realize lower cost of ownership and higher productivity by leveraging common FMW technologies and skills across a broad set of applications. End users will benefit from single sign-on, consistent navigation, and consistent look and feel as they move from management and analytic to transactional processes.

For more information about Oracle EPM solutions please contact your local Oracle account representative or go to www.oracle.com/epm.

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