

ORACLE®

ENTERPRISE PERFORMANCE
MANAGEMENT SYSTEM



Delivering a Modern Financial Close

ORACLE®



Increasing regulation and stakeholder demands are putting more and more pressure on financial close and reporting processes. Organizations are continually required to report more in less time, both internally as well as externally. This is coupled with demands for increased transparency and governance.

A fragmented approach to financial close and reporting processes makes meeting these demands problematic. Organizations are turning to software solutions that address the entire process from sub-ledger close to regulatory filing, like Oracle Hyperion Financial Close Suite, to help them deliver the **Modern Financial Close.**

“We’ve got tougher requirements set by the authorities on the one hand, and by the stakeholders on the other... We’ve also high pressure due to limited resources, requirements regarding data quality, and last but not least, increasing compliance demands.”

—Mark Minne, Vice President of Reporting & Information Service (RISE) at Deutsche Telekom

Quote from EY report: Connected reporting Responding to complexity and rising stakeholder demands 2014

CUSTOMER QUOTE:



Interserve Captures Reporting Data 80% Faster, Consolidates Group Close in Two Days

“Oracle Hyperion Financial Management gives financial teams one-click access to timely, reliable, transparent intelligence and turns analytics into smarter decision-making.”

—Chris Watson, Accounting Systems Manager

Today's Financial Close Challenges

Financial close and reporting requirements come from a variety of sources and are both complex, and ever-changing. Regulatory scrutiny has never been higher—especially since the Sarbanes-Oxley Act (SOX) in the United States and International Financial Reporting Standards (IFRS 2005) in Europe. In addition, external stakeholders want more quantitative and qualitative disclosures about the organizations they are investing in, as well as internal management stakeholders who are demanding more frequent insights into financial and operating results.

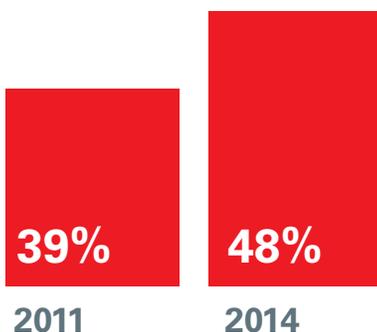


The Extended Financial Close: Delivering High Value and Reduced Cycle Times

Peers



Top Performers



Managing the complex needs of stakeholders is one of the top five challenges quoted by finance professionals in Accenture's High Performance Finance Study 2014. In fact this has increased from 39% in 2011 to 48% in 2014.

*Accenture 2014 High Performance Finance Study:
The CFO as Architect of Business Value*

To Meet These Demands Organizations Have To:

- Streamline the period-end close cycle
- Ensure visibility and predictability in financial consolidation and close
- Integrate financial controls to ensure accuracy of financial results
- Avoid delays from unexpected reconciliation issues
- Address all external/statutory and internal reporting needs
- Manage costs related to financial reporting and filing

Taking a Modern Approach

Traditionally financial close and reporting processes have been fragmented, often held together by manual interventions and many disconnected spreadsheets. The result has been lengthy cycles, opportunity for undiscovered errors and little governance and transparency. These cycles are often further increased by the time taken to collect all the information before consolidation. Because consolidation can be a time-consuming computing process, organizations avoid running it more times than is absolutely necessary. The modern approach taken by many world-class organizations is holistic, addressing the entire, or extended, financial close and reporting process and using an enterprise software solution to support this.

Interim Financial Close Reporting

For many organizations it can take several days to collect all the information from multiple subsidiaries, often spread around the world and therefore located in different time zones. Waiting for all this information before calculating and reporting the consolidated results delays action. With short consolidation times organizations can run this process multiple times to get interim flash reports throughout the extended financial close and reporting process. This can be done without extending the overall time and optimize the availability of information for analysis, adjustment and action.

CUSTOMER QUOTE:



BANYAN TREE
HOTELS & RESORTS

Banyan Tree Group Reduces Financial Reporting Time by 50%

“Oracle Hyperion Financial Management has enabled us to reconcile the different currencies and reporting standards we use across our global locations more efficiently to meet our regulatory obligations. We can now produce monthly financial reports 50% faster.”

—Michael Lee, CIO



“Almost 70% of respondents agree that it is very challenging to satisfy the different needs of external stakeholders with corporate reporting.”

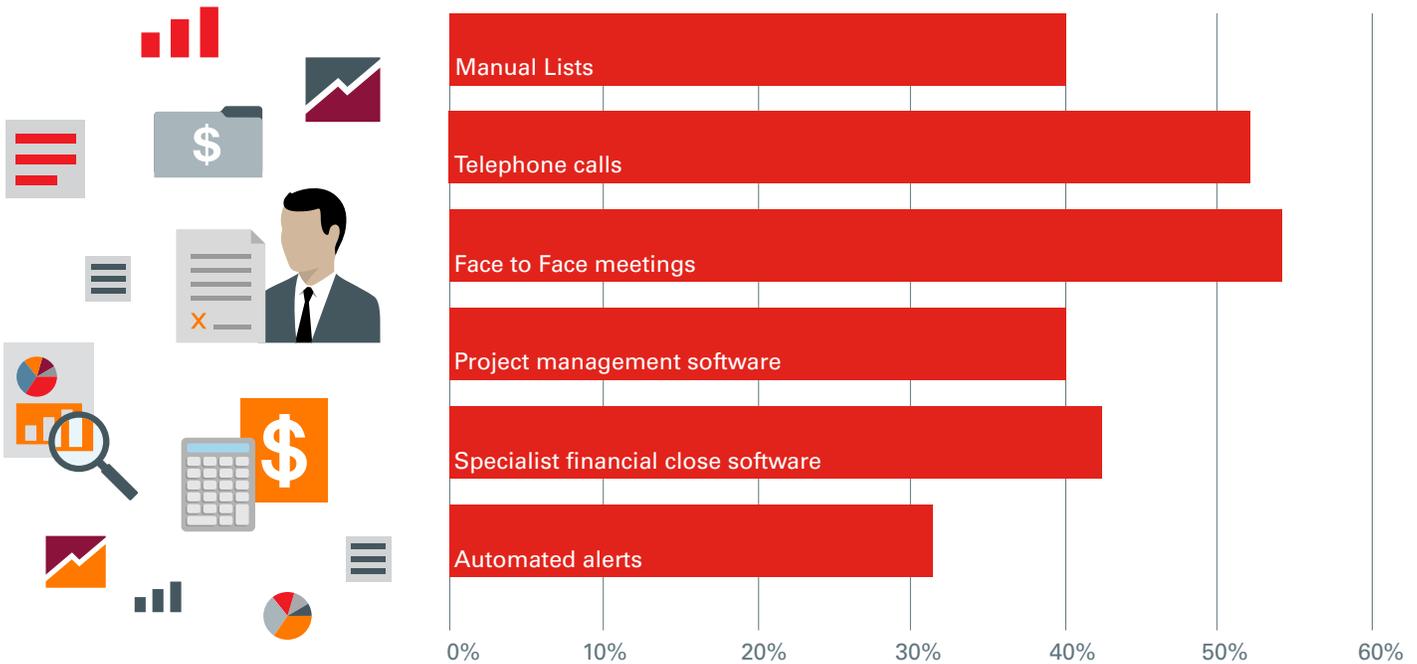
EY report: Connected reporting - Responding to complexity and rising stakeholder demands 2014



The Extended Financial Close

The 'extended' financial close encompasses everything that takes place from sub-ledger close to submitting filings to the appropriate regulatory body. This often can involve 1000s of individual activities and 100s of people even in a mid-size organization, especially where there are many subsidiaries. Making this happen on time and right the first time requires careful planning and management and, smooth and trouble-free execution. Not an easy task with manual tick lists, email, spreadsheets and disparate systems. Oracle and Accenture research shows that while organizations use many different tools to manage the process, see graph, in fact 86% of them also use spreadsheets.

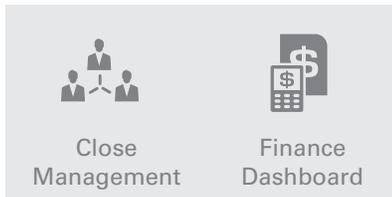
How Organizations Track the Financial Close, Reporting and Filing Process



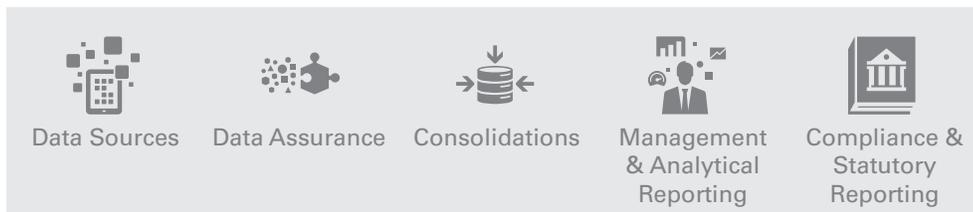
¹ The Challenge of Corporate Reporting Research Study carried out by Dynamic Markets on behalf of Oracle and Accenture.

The Extended Financial Close

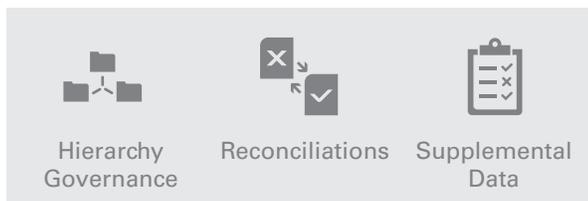
Control



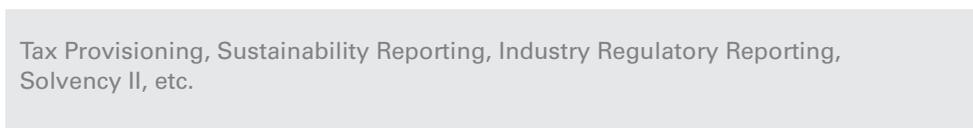
Execution



Support



Integrated Processes



“Complex organizations recognize they need to take active steps to simplify, standardize and optimize their business.”

Accenture 2014 High Performance Finance Study: The CFO as Architect of Business Value

CUSTOMER QUOTE:

IL&FS Transportation Networks Shortens Financial Consolidation



“Thanks to Oracle Hyperion solutions, we gained an integrated, easy-to-use financial management platform to ensure data integrity and improve reporting efficiency. We reduced the financial consolidation cycle by eight days, gained the ability to create management reports 2.5x faster, and provided management with in-depth insight into our subsidiaries’ performance.”

[Read the full customer story here.](#)

—Sudhir Kanvinde, CIO

A World Class Close

This is why world class performers look to integrated enterprise software solutions to support their efforts across the entire extended financial close.

It is only by integrating all aspects of the financial close that world-class results can be achieved. The key characteristics of how organizations approach the financial close are:

- Take a holistic approach—address and manage the entire process
- Focus on the time-wasters (intercompany transactions, cash flow, foreign exchange, minority interests, account reconciliations, supplemental data etc.)
- Deliver information as early as possible—interim flash reporting
- Include unstructured information—reporting with commentary
- Close source systems and keep them closed
- Do it right the first time—audit trails, process control
- Report direct from the system: self service and automated internal/ external reporting (Word, PowerPoint, Excel, PDF, XBRL etc.)
- Incorporate ALL Regulatory Reporting: Tax Provision, Sustainability, Solvency II

World Class Benchmark— Financial Close and Reporting

Metric	Top Performers	Peers
Time to close and consolidate books	3 days	5 days
Time to report month end operating results	2 days	4 days
Process costs as % of revenue	0.084% (52% advantage)	0.174%
FTEs involved in process	7.2 (63% fewer)	19.6

¹ Source: Hackett Group 2014



Overregulation tops the list of potential threats to their organizations' growth prospects, with 72% expressing concern about this.

PwC 17th Annual Global CEO Survey 2014

Oracle Hyperion Financial Close Suite

The Oracle Hyperion Financial Close Suite provides an integrated solution for the extended financial close and reporting process. It enables organizations to report to stakeholders in a timely and accurate manner and provides a level of governance, visibility, and transparency into the financial close and reporting cycle that enables management to be confident in the numbers they report to stakeholders. In Oracle's Customer Value Index Study, customers using the Oracle Hyperion Financial Close solution, on average, reported that they spent 26% less time creating external financial reporting after implementing the solution. Also, customers stated they made 36% fewer monthly, manual adjustments after implementing the solution.

SIGNIFICANT BENEFITS DELIVERED

Oracle Hyperion Financial Close Suite Customers Spent

45% less time spent in creating internal reporting

29% less time spent creating external reporting

36% fewer manual adjustments

¹ Source: Oracle Customer Value Index Study

CUSTOMER QUOTE:

Grasim Industries Cuts Statutory Reporting Time by 50%

"As a long-time Oracle Hyperion user, we didn't consider any other vendors since our experience has been excellent. This was the perfect fit for our diverse global business needs, enabling us to reduce financial consolidation and statutory reporting time by 50%, simplify our intercompany transactions and currency translation, and gain in-depth insight into our business performance across different industries."

[Read the full customer story here.](#)



—Sharad Agarwal, Assistant Vice President

Additional Resources:

Solution Brief:

[Oracle Financial Close Suite](#)

OVUM Report:

[Making the Business Case for Oracle Enterprise Performance Management](#)

Video:

[Integrating Sustainability and Financial Reporting](#)

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