

# Reinvent Narrative Reporting

with Oracle Enterprise  
Performance Reporting Cloud

## Summary

**Corporate and management reporting is experiencing significant change in today's digital age. As reported earnings become more volatile, corporate guidance—and the ability of management to clearly explain the quality and sustainability of corporate performance—is more important than ever.**

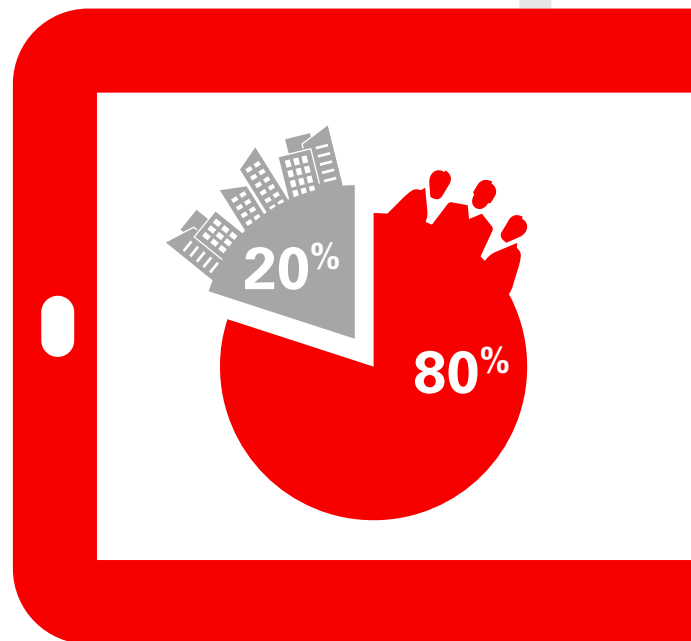
The current integration of narrative into performance-reporting processes is manual, ad hoc, and highly prone to error. New cloud-based solutions, such as Oracle Enterprise Performance Reporting Cloud, enable organizations to streamline internal and external reporting processes, combining data plus narrative in a single, secure, collaborative environment.

## Value Creation has Changed in the Digital Age

Today, the ability of management to clearly explain the quality and sustainability of corporate performance is vital—and, increasingly, the ability to value and explain the significance of intangible assets is becoming a competitive differentiator.

Research by OpenMatters and Deloitte examined the way that value is being created in today's digital age, and the role that the CFO can play in creating value using digital technologies.

The findings are striking: in 1975, tangible assets such as plant, property, and equipment constituted 80 percent of total corporate value on the S&P 500. Today, those tangible assets constitute just **20 percent** of corporate value, compared to **80 percent** of the value now created by intangible assets such as customers, talent, and intellectual property.





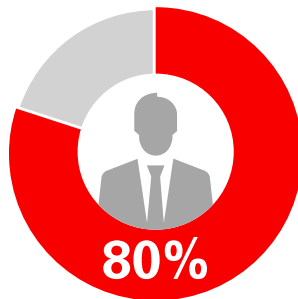
The shift to digitally-enabled business models is clearly influencing shareholder valuation strategies. Investors are paying more for companies with business models that embrace and emphasize “intangible assets”, leveraging the wisdom of crowds to co-create products and services.

In addition to corporate valuation considerations, we are witnessing an increase in global and regulatory mandates around narrative reporting. On April 15, 2014, the plenary of the European Parliament adopted the EU Directive on disclosure of non-financial and diversity information by certain large companies and groups. Then, in June 2014, the Financial Reporting Council published **Guidance on the Strategic Report**, which “encourages companies to facilitate communication and engagement with investors by publishing more relevant narrative reports.”<sup>2</sup>

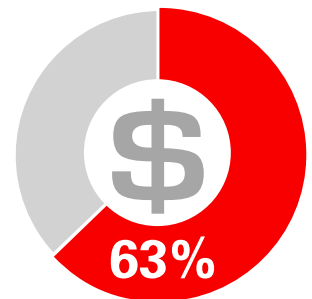


These trends are not limited to the European region. In fact, the SEC in the United States is beginning to take significant interest in this area as well. According to Neri Bukspan, a partner in Ernst & Young’s Financial Accounting Advisory Services practice, the SEC is aiming to make financial disclosure more effective, particularly in the Management’s Discussion and Analysis. SEC staff recommend, among other things, that the MD&A evolve over time, shun boilerplate, summarize the most important aspects of the business, disclose key performance indicators, and avoid repeating discussion from other sections of the filing.<sup>3</sup>

In October 2014, PwC carried out a survey with 85 investment professionals from around the world to get their view on integrated reporting. The survey indicated that investors see a clear link between the quality of reporting and management. Even more significantly, the quality of disclosures can even impact a company’s cost of capital.<sup>1</sup>



of surveyed investment professionals agreed that **quality reporting impacted how management was perceived**



agreed **reporting can impact a company’s cost of capital**





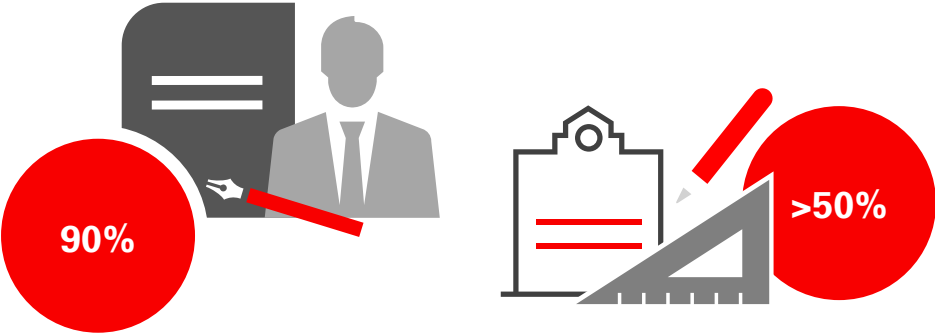
Today's Performance Reporting Challenges:

# Manual <sup>and</sup> Ad Hoc Processes

While there is a clear need for increased commentary and narrative in reporting, most performance reporting processes remain manual and ad hoc. It is a monthly or quarterly fire drill to get report packages destined for internal and/or external stakeholders completed and delivered. The time-consuming process is completed manually - often lacking process rigor and collaboration.

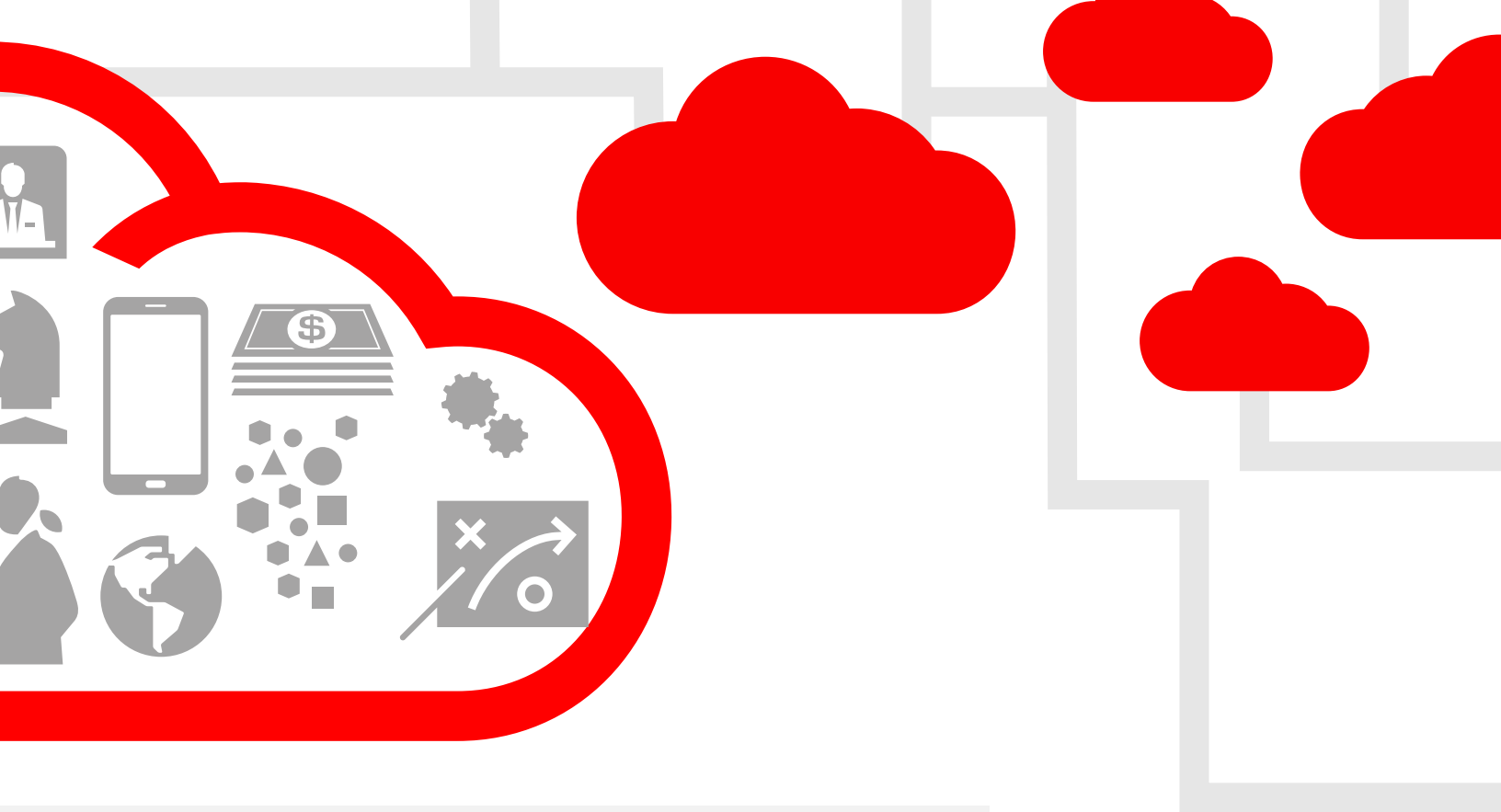
Errors are made in combining **data** (what) with **narrative** (who, when, why), especially with rekeying data into the report. In addition, organizations lack the ability to analyze the data to validate the narrative. The disconnected nature of the process means it is difficult to bring subject-matter experts into the process for centralized commentary on content. This also makes it harder to track progress and to see who is currently responsible for individual areas of content. Finally, there are auditability concerns and weak security around supporting "need to know" access to content.

In fact, in a recent survey, **90 percent of respondents** agreed that expanding qualitative commentary in management-reporting processes was critical to their organization.



Yet, **more than half of respondents** were not confident that their tools would provide sufficient collaboration to produce that qualitative commentary.<sup>4</sup>





A cloud-based solution can help overcome many of these challenges. With cloud, you can **easily and securely reach more people across the organization**. What's more, it seems that Finance is realizing the value of **cloud** in this area. Analyst and other surveys indicate an **increased movement** towards putting **management reporting** and **board books processes in the cloud**.



## Reinvent Your Narrative Reporting Process **with Oracle Enterprise Performance Reporting Cloud**

As a result of Oracle's domain knowledge of performance management reporting, we can provide a solution that uniquely meets customers' challenges and is purpose-built for management and narrative reporting. This offering is part of Oracle Cloud and is called Oracle Enterprise Performance Reporting Cloud Service (EPRCS). It provides a secure, collaborative, and process-driven approach for defining, authoring, reviewing, and publishing financial and management report packages for internal and external stakeholders.

# Combine Data and Narrative



Oracle Enterprise Performance Reporting Cloud uniquely combines management, narrative, and statutory reporting needs in a single solution. Whether you are using your existing documents, a previous report package, or letting the system automatically create “doclets” (individual areas of a report package that are assigned to authors, who provide the report content), you can quickly and easily create a report package in mere minutes, with minimal information.

The system walks you through the setup to enable the phases you need for your report package. You set the due dates, add doclets, and assign users to their roles (Owner, Author, Approver, Reviewer, and Viewer). A Report Center provides a single web interface for report package contributors. Report package owners define, manage, monitor, and interact with content through this interface, while assigned users see only the content applicable to the role they have been assigned.

In addition, users can easily take a deeper dive into the data without leaving the application. Oracle Enterprise Performance Reporting Cloud includes the ability to perform multidimensional and other analyses on financial data. Variance analysis is a click away for business users. Models can be secured for a personal yet powerfully intuitive view of the data.

When the data is combined with narrative, you gain actionable insight. Moreover, data access plus data integration provides “one version of the truth” on a single reporting platform.

# Collaborate Securely

**According to the Corporate Executive Board, the average employee today typically collaborates with 10 or more people just to accomplish their day-to-day work.<sup>6</sup>**

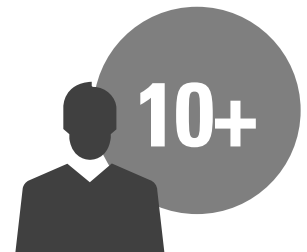
With performance and management reporting processes, these numbers are even higher, as multiple people across various departments provide input to multiple reports. Modern tools that provide secure collaboration capabilities can have a significant impact on the speed and effectiveness of your process.

Oracle Enterprise Performance Reporting Cloud Service enables business users to participate in the narrative reporting process through the web interface on a variety of devices, including desktops and tablets. Whether you are a report-package owner, an approver, or a reviewer, you are not bound to a bulky device or complex document system to monitor, manage, review, approve, or sign off on content.

When the system notifies you of a task, connect, sign in, complete your task, and be on your way.

If they prefer the Microsoft Office environment, participants can author, approve, and review tasks through Oracle Hyperion Smart View for Office. Collaboration throughout the process is key to getting the most accurate picture possible, and helps shrink the time it takes to define, produce and deliver reports.

Security is critical throughout this process. Users have instant visibility of the progress and status of the reporting lifecycle, and the system efficiently brings knowledge workers in and out of the process based on their role. With security to handle sensitive content at all levels, from network to storage, you have the peace of mind that your most important and confidential data is only visible to authorized users.



# Report Confidently

Increased demand, both internally and externally, for information—from multiple data sources—can make it challenging to have confidence in reported results. Oracle Enterprise Performance Reporting Cloud enables you to easily combine system-of-record data into your narrative reporting. Authors can integrate both on-premises and cloud-based EPM and BI data sources directly, as well as combine data from Oracle and other ERP systems, thereby leveraging existing IT investments. This helps provide trust and reliability that the numbers and information are accurate.

Oracle Enterprise Performance Reporting Cloud Service is part of Oracle Cloud—which is personalized, connected and secure for your business. As such, EPRCS benefits from the same security and reliability as all other Oracle Cloud deployments. Because the solution is cloud-based, you can deliver faster, more accurate insights to all stakeholders, anytime, anywhere.



"We find Oracle Enterprise Performance Reporting Cloud Service extremely intuitive and easy to use.

The cloud-based nature of this solution makes it a perfect fit to meet the collaboration and security needs of our clients' narrative reporting processes."

—Qubix

## Summary of Oracle Enterprise Performance Reporting Cloud Service



**Comprehensive:** Address internal and statutory financial reporting needs



**Fully managed:** Patched, backed up, upgraded by Oracle



**Secure:** Role-based, auditable access on desktop and mobile devices



**Consolidated:** narrative-based management reporting and external disclosures in one solution



**Complete:** Authoring, collaboration, commentary and delivery



**Enterprise-grade:** Security, high availability, scalability

"Our current reporting processes are very manual, and we need to source data from Hyperion Financial Management and other sources. With the validations built into the system, Oracle Enterprise Performance Reporting Cloud Service can help minimize errors in reporting"  
—A Northern European financial services group



# Enterprise Performance Management (EPM) in the Cloud

Oracle has the broadest cloud portfolio in the industry, delivering a complete range of production-level, cross-functional business applications for each area of your organization. Oracle applications support **23 languages** and multiple industries and geographies. Business users have the latest innovations at their fingertips across finance, sales and marketing, customer service, supply-chain management, human capital and talent management—all enriched with social engagement and collaboration tools, and an intuitive user interface that works on any mobile device. These applications have been architected on a modern and open service-oriented platform to simplify integration needs and lower your total cost of ownership.

Oracle's EPM Cloud applications provide market-leading functionality with fast time to value, simplicity of configuration, and prebuilt content for deeper integration and easy extensibility.



**For more information on Oracle Enterprise Performance Reporting Cloud Service, go to <https://cloud.oracle.com/enterprise-performance-reporting>**

[1] PwC Investor Survey, "Innovate your way to clearer financial reporting," October, 2014  
[2] EU Directive on Non-Financial Reporting  
[3] CFO Magazine Outlook 2015  
[4] <https://go.oracle.com/LP=10312?elqCampaignId=19576>  
[5] Source: "The CFO's Technology Imperatives for 2014," FERF Issue Alert, 2014.  
[6] Source: CEB Corporate Leadership Council High Performance Survey, 2012