

ORACLE

A Quick Bite with Oracle

Season 1 – Finance Agility

Today's session will be shortly

Sit back, grab a snack and engage with
us around Business Agility



Safe harbor statement

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, timing, and pricing of any features or functionality described for Oracle's products may change and remains at the sole discretion of Oracle Corporation.

Our mission is to help
people see data in new ways,
discover insights, unlock
endless possibilities.



ORACLE

Strategic Modeling in Changing Times

Digitally Ahead, in Digital Times

Sunaina Syed

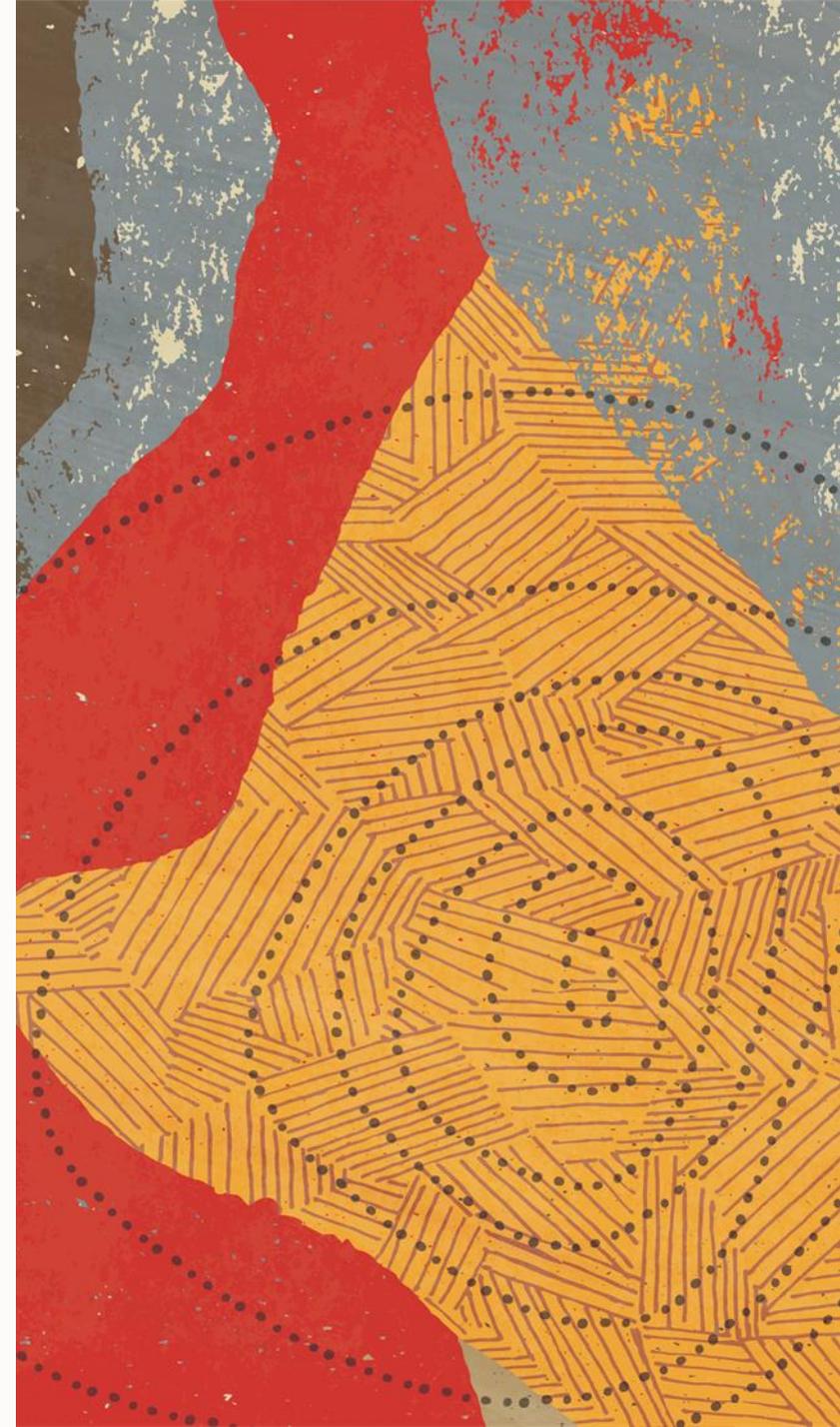
Solutions Engineer (EPM)



Sunaina Syed



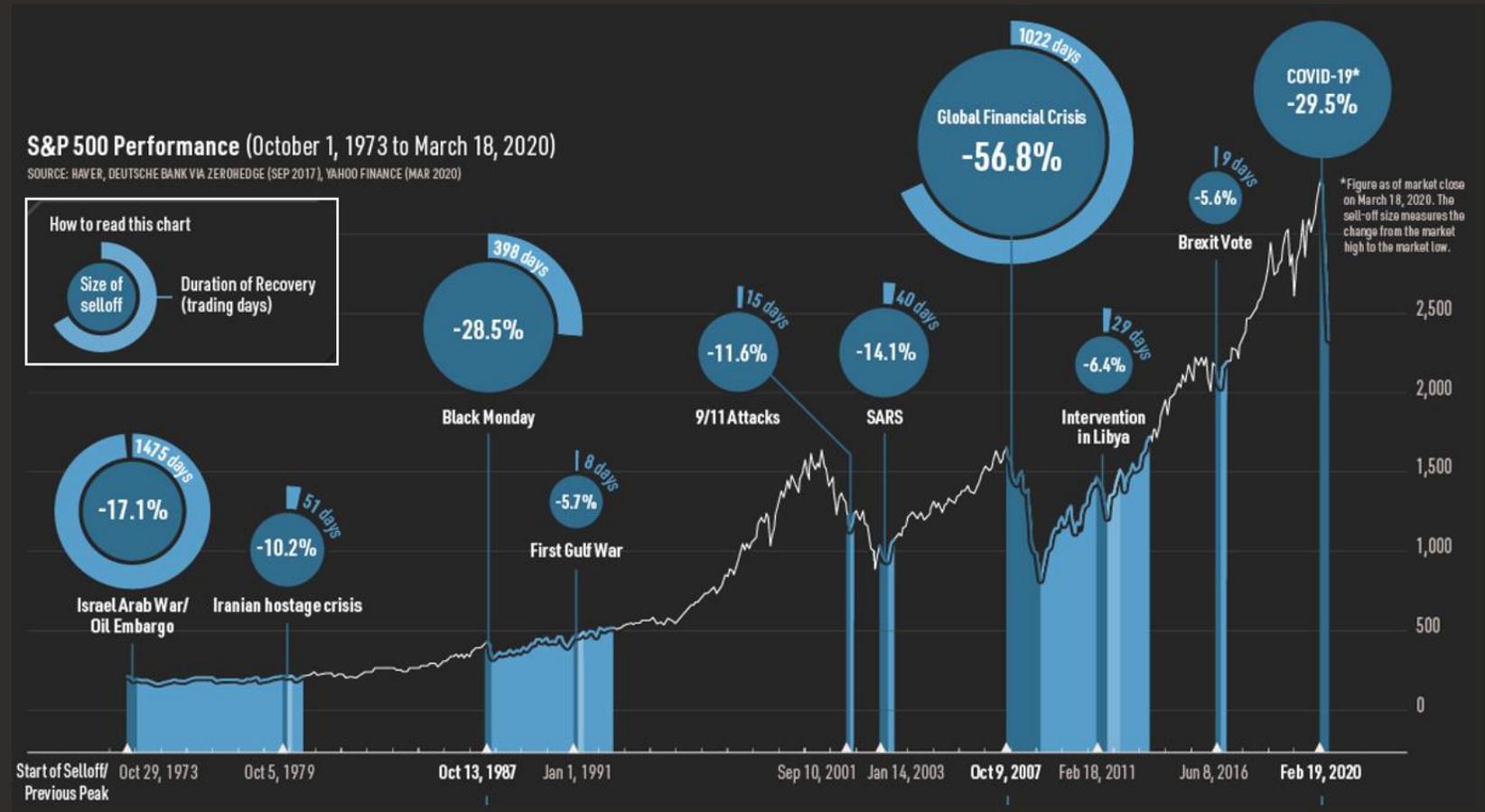
Solutions
Engineer (EPM), Oracle



Why is Crisis Planning crucial?

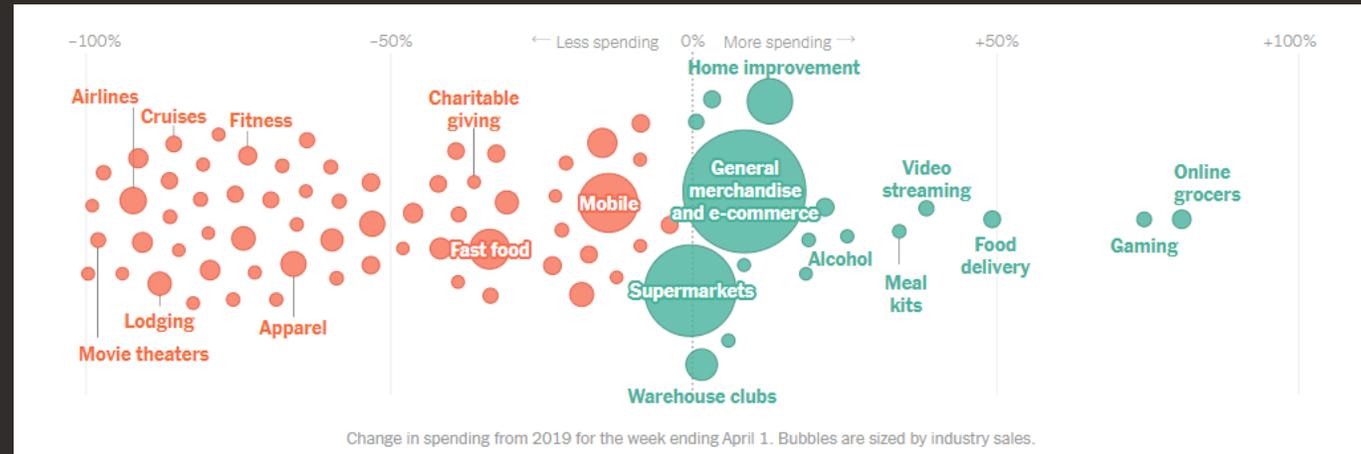
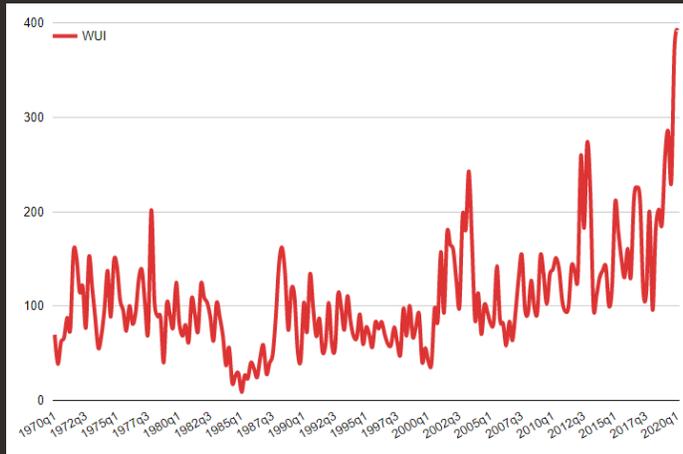
Pandemics are a part of our history

Disruptive events are not uncommon

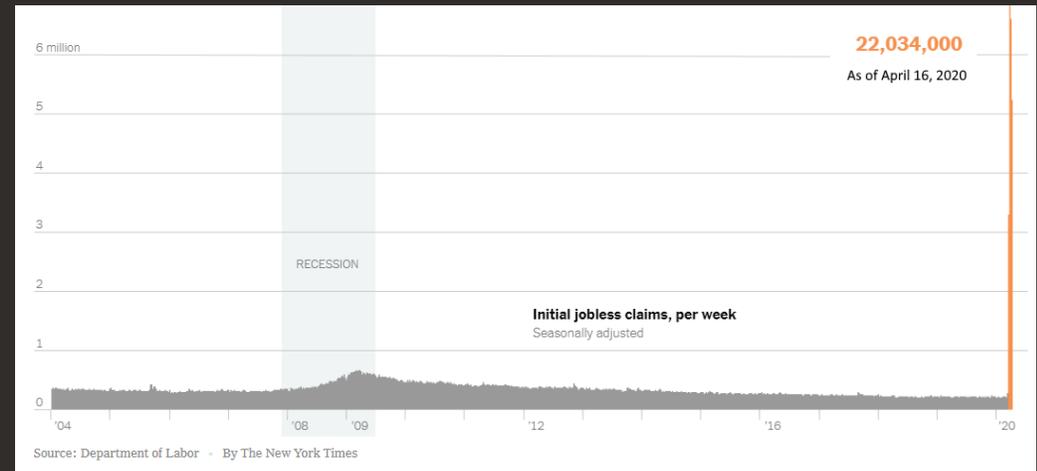


This time, it's different...

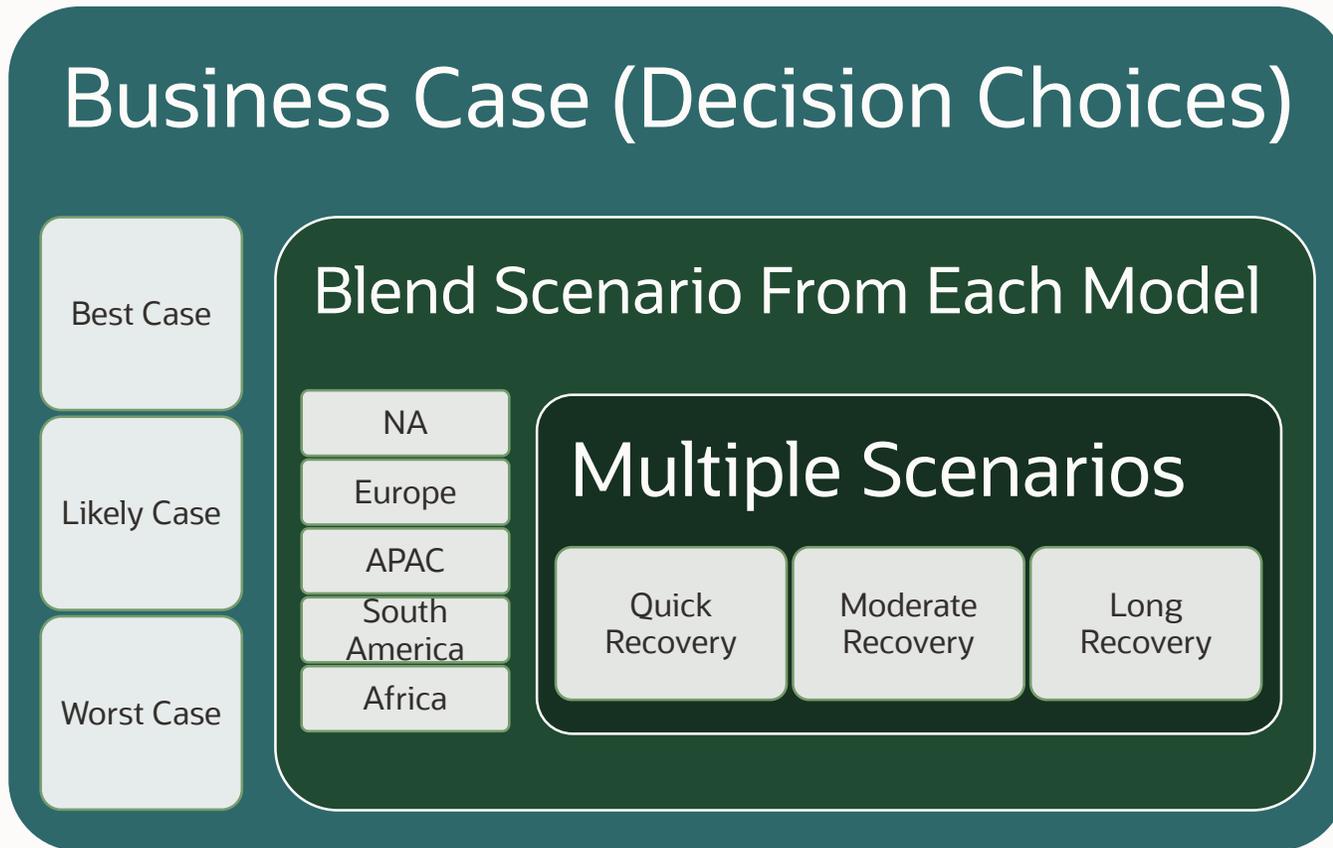
High unemployment High uncertainty Largest Stimulus provided



\$2 Trillion COVID-19 (March 2020) Stimulus Bill		
Category	Total Amount (billions)	Share of the Package
Individuals / Families	\$603.7	30%
Big Business	\$500.0	25%
Small Business	\$377.0	19%
State and Local Government	\$340.0	17%
Public Services	\$179.5	9%



Scenario Modelling



Models	Blended Scenarios		
Worldwide	Best Case	Likely Case	Worst Case
APAC	Quick Recovery	Quick Recovery	Quick Recovery
Europe	Quick Recovery	Moderate Recovery	Long Recovery
Latin America	Moderate Recovery	Long Recovery	Long Recovery
North America	Moderate Recovery	Moderate Recovery	Long Recovery
Africa	Excluded	Excluded	Excluded

Strategic (Scenario) Modeling is an out of the box module available within EPBCS; and within the new Standard and Enterprise SKUs



The Coca-Cola Company

EuroFinance Award Winner for Treasury Management & Process Transformation

- Replaces an Excel-based process
- Forecasts ending cash (by liquidity type and location), intercompany cash, and working capital
- Forecasted in local currency for FX-adjusted consolidated reporting
- Resulted in an estimated \$10 million in additional net interest earned

<https://www.eurofinance.com/news/eurofinance-awards-optimising-cash-forecasting/>

<https://www.youtube.com/watch?v=rJz56mAAc2g>



“I’ve been looking for ways to get a useful cash flow forecast for years – we have made a significant step forward.... It’s very easy to use.”

Kelly Angelo

Manager International Treasury Services, Corporate Treasury, Coca-Cola

Scenario Modelling Industry Use Cases

Oil and gas

- Alternate funding options
- Volatility in oil market
- Divestitures

Healthcare

- Uptake in COVID19 claims
- Less elective procedures
- Membership decline
- Company contributions decline

Travel and Transport

- Decline in customer travel
- Cut staff costs
- Model funding option

Retail & distribution

- Store closures
- New sale channels
- Shift in customer spend
- Disruption in supply chain

Real estate

- Rental Defaults
- Mortgage deferment
- Cut capital project investment

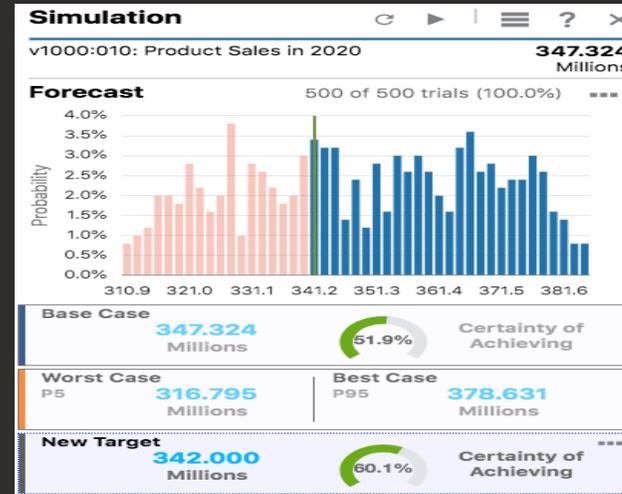
Higher education

- Enrollment mix to online
- Increased infrastructure investment
- Auxiliary event revenue decline

Fighting Fire with Oracle Scenario Modelling

Account Names	2019	2020	2021	2022	2023
Revenue Drivers					
Industry Sales (billions)	301,000	225,750	229,813	337,498	371,248
Forecast: via Growth Rate	201,000	18,000	18,000	30,000	10,000
Market Share	0.105	0.105	0.105	0.105	0.105
Forecast: in Percent	0.105	0.105	0.105	0.105	0.105
Share of Revenue					
315,792	226,812	272,334	354,034	388,437	
215,752	None	None	None	None	
Product Mix					
100,000	100,000	100,000	100,000	100,000	
Product Mix/Software Applications					
None	1,990	1,850	1,710	1,580	
Forecast: in Percent	None	1,990	1,850	1,710	1,580
None	86,260	86,690	87,270	87,710	
Forecast: in Percent	None	86,260	86,690	87,270	87,710
Product Mix/Services					
None	1,640	1,500	1,360	1,270	
Forecast: in Percent	None	1,640	1,500	1,360	1,270
Product Mix/Enterprise Products					
None	0,990	0,790	0,730	0,710	
Forecast: in Percent	None	0,990	0,790	0,730	0,710
Product Mix/Consumer Products					
None	0,320	0,590	0,270	0,290	
Forecast: in Percent	None	0,320	0,590	0,270	0,290
Product Mix/Other Products					
None	8,700	8,620	8,940	8,470	
Forecast: in Percent	None	8,700	8,620	8,940	8,470
Product Sales					
315,792	226,812	272,334	354,034	388,437	
6,700	4,713	5,538	6,054	6,192	
Forecast: Share of Revenue * Product Mix	6,700	None	None	None	None
Forecast: Share of Revenue * Product Mix	271,081	204,811	236,059	309,319	341,976
Forecast: Share of Revenue * Product Mix	271,081	None	None	None	None
Forecast: Share of Revenue * Product Mix	6,632	3,884	4,085	4,888	4,948
Forecast: Share of Revenue * Product Mix	6,632	None	None	None	None
Forecast: Share of Revenue * Product Mix	2,588	2,344	2,070	2,584	2,785

- Need for agility
- Forecasting a range of scenarios
- Ability to blend different scenarios



- Monte-Carlo Simulations quickly test range-based assumptions
- On-the-fly What If Analysis:
- Ideal for scenario planning 'Black Swan' events

North America Balance Sheet

	2019	2020	2021	2022	2023
ASSETS					
Net Receivables	220	401	423	700	
Net Payables	567	421	441	426	
Inventory	408	257	273	268	
Prepaid Expenses	340	101	107	106	
Other Current Assets	11	11	11	11	
Total Current Assets	1,546	1,191	1,255	1,506	
Net Fixed Assets	1,140	1,298	1,433	1,585	
Accumulated Depreciation	427	321	323	328	
Net Non-Current Assets	713	977	1,110	1,257	
Total Assets	2,259	2,168	2,365	2,763	
Liabilities					
Accounts Payable	100	101	107	102	

- Cash Management
- Focus on operational liquidity
- Apply risk adjusted modelling



How does EPM Cloud help finance manage through the five horizons of crisis?*

- 1** **Collaboration:** Collaborate securely in the cloud to close the books remotely, move quickly with integrated processes and data on a common platform
- 2** **Cash and Financial Stability:** Model multiple range-based scenarios and optimize cash forecasting. Gain balance sheet accuracy with automated account reconciliation
- 3** **Connected Planning:** Align plans across finance and all your lines of business for a return to scale and future growth
- 4** **Cost & Profitability:** Understand costs and profitability to uncover new opportunities and reimagine your business
- 5** **Complete Agility:** Model, analyze and execute on M&A, new services, and innovative products in the new environment with master data management



* Based on McKinsey's 5 Horizon Framework for the CFO's role in helping companies navigate the coronavirus crisis

EPM PROMOTION

- **Free Strategic Modeling Offer**
Provide any Oracle Planning Cloud customer (even those basic Oracle Planning and Budgeting Cloud Service) licensed use of Oracle Financial Statement Planning, including Strategic Modelling for a period of at least 12 months to content with business continuity and contingency planning related to the crisis.
- **Packaged Online Tutorials on Help Centre**
- **Partners:** A list of Oracle EPM Cloud partners who are ready to delivery implementation services in this area will be provided

HERE NOW

Our learnings and recommendations

- 1** Model multiple scenarios quickly and optimize cash forecasting
- 2** Align plans across finance and operations for greater transparency
- 3** Don't just minimize losses but plan for new opportunities and maximize profits





Its now time for a Q&A

Please use the Chat Console to
submit questions

Frequently Asked Questions

Q) How does Monte-carlo simulation actually work?

Monte-carlo is based on advanced algorithms so you set min & max range based on the predicted market trends and it runs hundreds of simulations across the range that has been set up to give you the best, worst and most likely case.

Q) Can you elaborate a bit more on connected planning?

With the help of connected/closed loop planning: you can connect strategy to operations- e.g. if for the goal of achieving \$100m in rev next year- at an operational level, you can determine what business/product line you need to focus on or what expense needs to be decreased etc. The idea is to connect top down and bottom-up budgets so everything is connected across all LOBs and Financial statements.

Q) Will this integrate with our financial solution

A very common concern and the answer is absolutely, with the help of built-in data integration- it can work with any Oracle or 3rd party solution

What are my next steps?

- 1** **CHAT WITH US** - We're on hand to have a more detailed conversation around your specific business processes so we can help to map out what simplified finance can look like for you
- 2** **EXPERIENCE IT** – We can arrange for a quick demo of our process so you can imagine what this can look like in your environment today.



Thanks for tuning in for
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