Oracle In-Memory Cost Management Cloud Service

UNPRECEDENTED BUSINESS VALUE AND PERFORMANCE

REAL-TIME INSIGHT INTO ALL ASPECTS OF COST MANAGEMENT

KEY FEATURES
- Cost Impact Simulator
- Gross Profit Analyzer
- Cost Comparison
- Cost Planning
- Cost Analyzer

Businesses have struggled to achieve tight control on costs and assess cost information even at a moderately granular level. Deriving and setting up a correct cost involves processing data from finance, operations, supply chain, logistics, manufacturing, maintenance and, order management. Challenges in management of cost-to-serve, margin and profit arise due to a lack of tools that can quickly process large amounts of ERP data and provide information to take actionable decisions in time to make a difference. Further challenges arise from the need to achieve strategic and competitive advantage. To grow profitability over the long term, businesses must adapt quickly to continuously changing supply chains and markets and efficiently manage their operations to optimally address those changes. A critical component of change strategies for improved profits and margins is a tight control of corporate costs. While most businesses want to centrally manage their costs - this activity continues to be highly manual, decentralized and fragmented.

Faster, Better, In-Time Decision-Making

Existing cost management solutions are failing to keep up with the exploding volumes of cost related data across global manufacturing operations and their various supply chains. Oracle In-Memory Cost Management Cloud Service (IMCMCS) has been specifically optimized for Oracle's In-Memory technologies, to help businesses make decisions in time to capture the highest possible profits and margins, and to discover hidden opportunities to shrink operational costs. Cost accountants, operations, finance, and procurement managers can use Oracle In-Memory Cost Management Cloud Service to quickly perform what-if simulations on complex cost data and instantly visualize the impact of changes to their business.

Reduce Wait Times, Increase Productivity

While existing cost management solutions require long wait times for completion of huge data set batch processes, Oracle In-Memory Cost Management Cloud Service runs efficiently in real-time against ERP data and comes with analytical features like Cost Planning, Cost Impact Simulator,

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Gross Profit Analyzer, and Cost Comparison.

- **Oracle's Cost Impact Simulator and Gross Profit Analyzer** helps organizations maximize revenue and increase profits. Cost Impact Simulator and Gross Profit Analyzer combine to help businesses obtain the most profitable product mix, view the impact of cost changes, identity optimal pricing for finished goods, and accurately simulate future costs.

With these features customers can:

- Undertake multidimensional cost analyses leveraging complex multi-level bills of material, formulae, recipes, by-products, co-products and routing data.
- Perform detailed what-if cost simulations and timely analyses of costs and related valuations; inventory, manufacturing and in-transit.
- Easily assess the impact on future margins including any potential downstream impact of unshipped orders and forecasted demand.
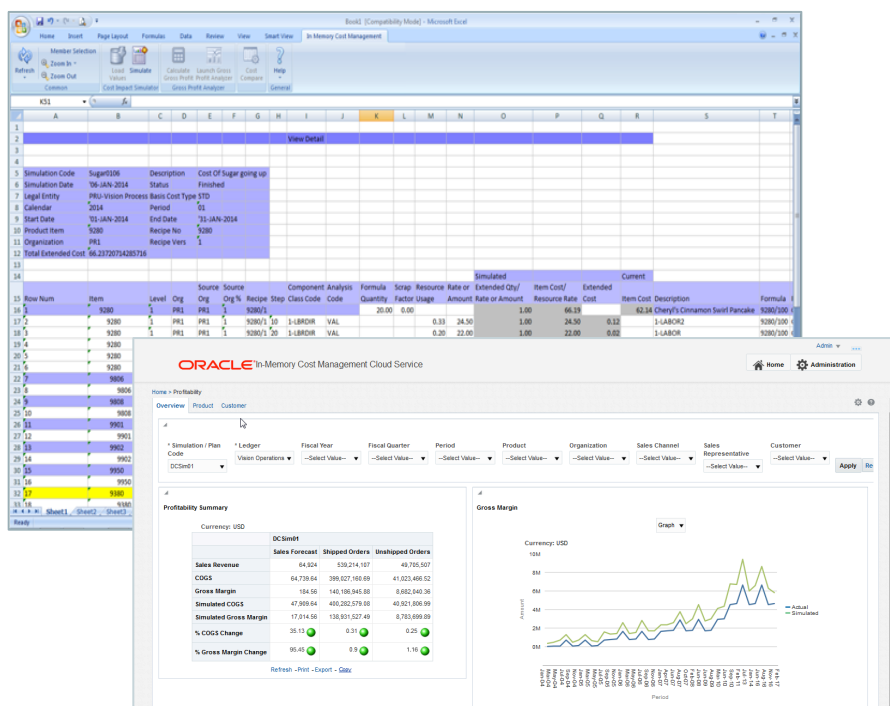
Figure 1. Cost Impact Simulator and Gross Profit Analyzer

- **Oracle's Cost Comparison** enables users to quickly view and analyze the details of complex cost structures across multiple manufacturing locations so that businesses can reach timely decisions that allow them to identify the most profitable cost structures, simulate the enterprise-wide impact of cost

changes, and then propagate those savings across their enterprise. Oracle's Cost Comparison helps businesses discover hidden opportunities to further shrink operational costs by processing and visualizing large volumes of cost element data quickly.
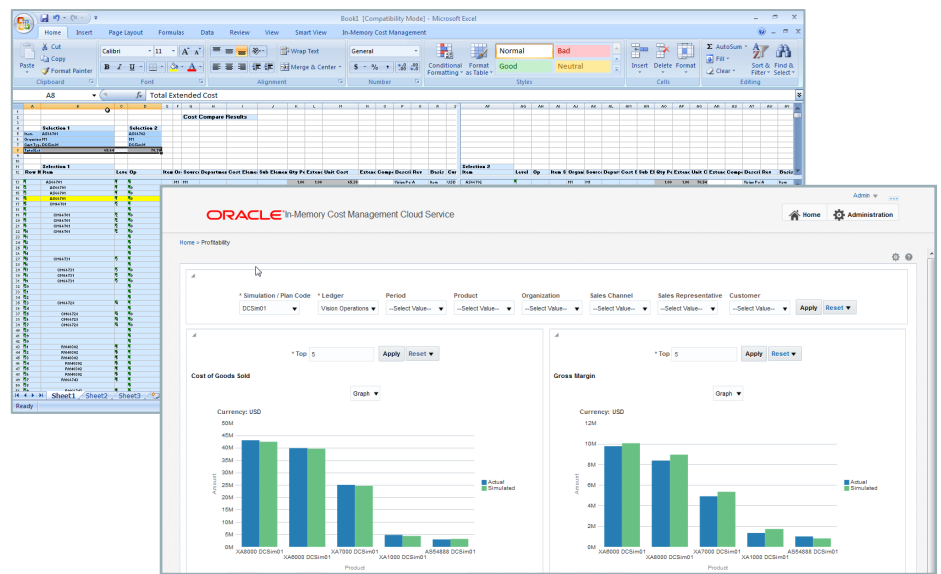

Figure 2. Oracle's Cost Comparison

Increased Cost Competency

There is limited collaboration among Manufacturing, Sourcing and Cost Engineering teams, which results in inaccurate products costs. Low accuracy in estimating costs impacts product pricing, inventory valuations, capacity decisions and strategic decision-making.

• **Oracle's Cost Planning** provides a simple and comprehensive cost planning application that enables customers to better plan product costs and define their organization's cost derivation strategy. Cost Planning allows customers to plan and execute their allocations, accurately and transparently, using industry standard methodologies. With Cost Planning users get:

  • Clear Line of Sight of Costs - a single consistent view of product costs data which is typically scattered across the entire organization
  • Flexible Allocation Models - standards and business specific based cost drivers greatly expands your ability to model and address complex business scenarios e.g. allocation based on Contribution Margins.
  • Planning engine powered by In-Memory database option - pulls up-to-minute data from disparate sources, evaluates options to achieve

financial, operational, and strategic goals and enables planning of current and future period costs

- Iterative Cost Modeling - you can run unlimited cost plans to evaluate various business scenarios and alternatives to respond to supply chain disruptions
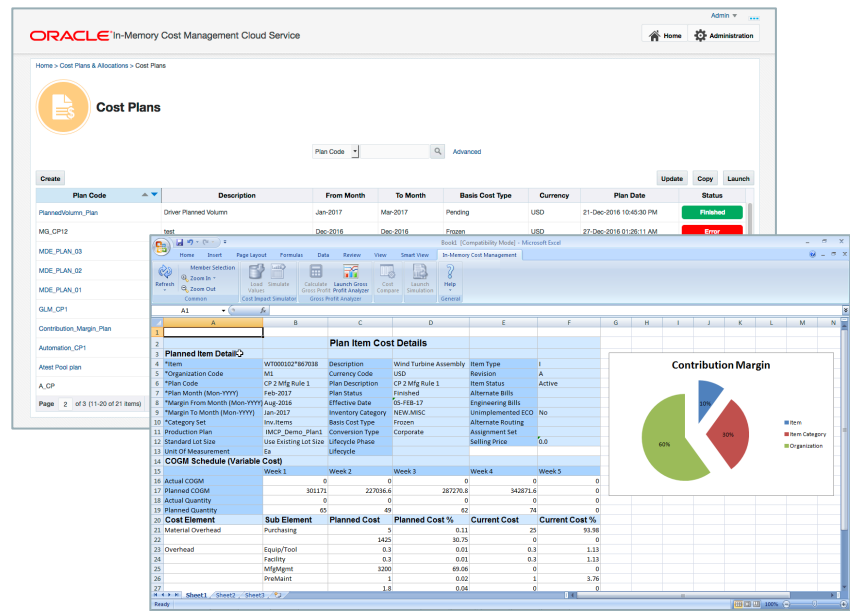

Figure 3. Oracle's Cost Planning and Cost Analyzer

- **Oracle's Cost Analyzer** provides embedded analytics with in-built reports that enable business users to easily analyze product cost analysis across organizations, products, overhead and resources with granular information about all the sub elements. Users can drill down from aggregate organization level cost data to granular Item cost details.

With Cost Planning and Cost Analyzer customers can:

- Derive accurate costs from business expenses, budget and manual adjustments
- Allocate expenses and budgets using rules; contribution margins, production plans, historical cost trends, and statistical functions
- Leverage demand forecast and production plans to plan future costs
- Evaluate the downstream impacts on supply chain and, cost of dependent product
- Perform detailed cost analyses with drill down starting at business units down to individual cost components for both direct and indirect costs
- Review impacts of derived costs to margins and profits with multi-dimensional analysis
- Perform cost-volume-profit analysis like break-even-points in spreadsheet based UI to ensure all costs are covered and margins are secure
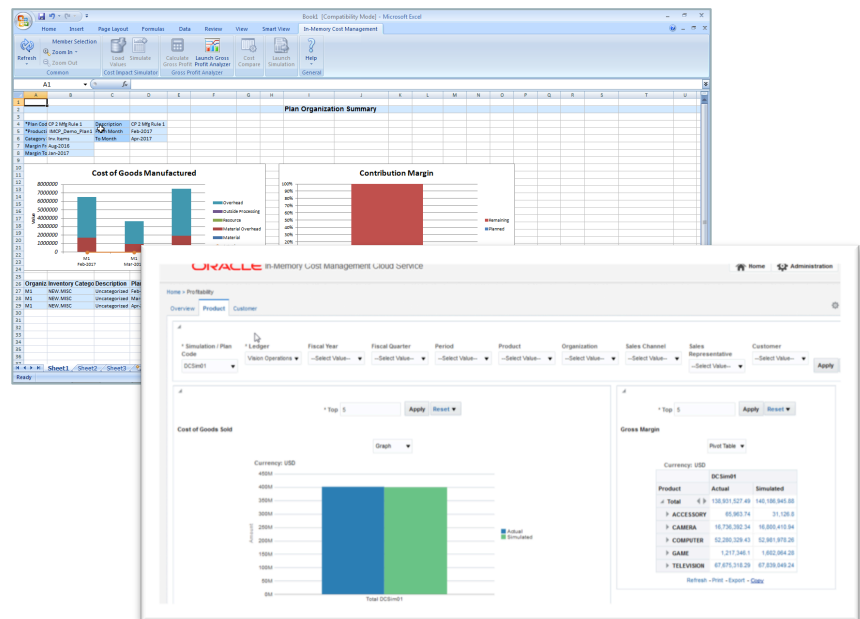
Figure 4. Oracle's Cost Planning and Cost Analyzer

Customers can now rapidly develop multiple cost plan scenarios to arrive at the most accurate cost models to estimate their future costs. Use the new cost plan and make use of powerful multi-dimension analysis capabilities to evaluate actual and planned margins and profitability of your business. On completing the analysis the finalized cost structures can be published to customer's production system.

Oracle's Leadership in Cost Management

Oracle has steadily broadened and deepened cost management-related functionality across the all lines of business in ERP covering Plan-to-Produce, Procure-to-Pay, Order-to-Cash and Innovate-to-Commercialize. Oracle In-Memory Cost Management Cloud Service a new SaaS, subscription based, offering expands that extensive footprint of Cost Management functionality. This provides a new set of in-memory applications helping operations managers, cost accountants, finance, and procurement managers to make critical cost, margins and profits related decisions.

Oracle In-Memory Cost Management Cloud Service

Oracle In-Memory Cost Management Cloud Service is a new SaaS application, a subscription based offering that provides a bottom-up approach to maximizing profit and margins by enabling real-time insight into all aspects

of cost management. Its extreme performance is possible because of the game-changing technical innovations of the Oracle's In-Memory technologies.

Oracle In-Memory Cost Management Cloud Service's transformational suite of applications enables businesses to drive strategic cost management objectives. This is achieved by deriving accurate cost structures, maximizing gross margins and profits, optimizing product cost structures through minimizing component costs, creating profitable product mixes across their global operations, and finding the right products to both increase penetration in existing markets and enter new markets.

CONTACT US

For more information about Oracle In-Memory Cost Management Cloud Service, visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.

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Integrated Cloud Applications & Platform Services

Oracle is committed to developing practices and products that help protect the environment