

# ***Statement of Direction***

# ORACLE ENTERPRISE PLANNING & BUDGETING

## **NEW PRODUCT**

Oracle® Enterprise Planning & Budgeting (EPB) delivers a scalable planning and analysis application, offering sophisticated data modeling and multi-dimensional analysis in a web environment, tailored for each customer's own business processes. EPB supports Oracle's strategy to provide a comprehensive Corporate Performance Management solution. EPB leverages the analytic power of the OLAP Option to the Oracle 9i Database and the Java OLAP API, the presentation of Oracle Business Intelligence Beans, and the storage and scalability of the Oracle9i Database.

This new product builds on the functionality of Oracle Financial Analyzer (OFA) and Oracle Sales Analyzer (OSA), but extends the functionality to include allocations, statistical forecasting, business process flows, exception alerts, enhanced reporting, and many out of the box calculations. EPB will be the migration path for existing customers of Oracle Financial Analyzer and Oracle Sales Analyzer.

EPB is a part of Oracle Applications, an integrated suite of e-business solutions for the enterprise, which is designed to transform your business to an e-business.

## **Business Process Flow**

By incorporating your own business process flow, EPB becomes a tailored application that fits your unique planning and analysis procedures. You specify this in the Planning Framework, which then builds the application flow. Integral to this are the notions of a calendar and a responsibility hierarchy.

The centralized calendar controls deadlines around the tasks in the planning cycles and period end cycles. Events, such as a date in the calendar or the submission of a headcount budget, trigger notifications and actions, such as the automatic consolidation of the budget.

The responsibility hierarchy determines who is responsible for what data. The application uses this to assign data to users, as well as actions they are required to perform. Examples of actions are approvals and explanations. For instance, budgets need to be approved and variances need to be explained where they are out of tolerance.

## **Structure Maintenance**

Core structures, such as dimensions, hierarchies and attributes, are sourced from the underlying systems and are stored in the Oracle9i Database. These structures can also be loaded from other sources in those situations where Oracle Applications are not used.

The e-Business Suite includes a set of common dimensions, which will greatly simplify the mapping to these source systems. Common dimensions also eliminate duplication and redundancy among applications by enabling them to share common structures. For example, General Ledger and Human Resources now use the same Organization hierarchy. EPB will take advantage of this initiative.

You can also maintain planned structures. For example, if you plan to acquire a new company next year, you need to include its Organization hierarchy in EPB in order to budget its effect on revenues and expenses, but you will not have added it yet to General Ledger as you are only at the planning stage of the acquisition. When the acquisition proceeds next year, then you will pull the Organization hierarchy back from EPB into the General Ledger.

Individual users can also create their own personal hierarchies and models. This is useful, for example, when users want to experiment with their own budgeting model. They can test this model in a personal version of their plan and store it for reuse in future planning cycles.

### **Data Processing**

EPB supports traditional financial statement budgeting as well as planning driven from key performance indicators. A key performance indicator library is included in the sample Planning Frameworks. These indicators allow planning, budgeting, and analysis from the top down and the bottom up, and they can be linked to other information such as that found in income statements and balance sheets.

Sophisticated data modeling is achieved in the Analytic Workspace of the OLAP Option, supporting multi-dimensional calculation, aggregation, allocation, and statistical forecasting. In addition, many other calculations are possible, such as currency translation, time-series analysis, share calculations, analysis of profit variance, underlying volume growth, and support for rolling forecasts. These calculations and others are available out of the box and require no programming.

EPB can handle both batch solve processing and interactive what-if calculations. It determines the most efficient way to optimize performance: what data to calculate on the fly and what data to solve and store; whether to process using relational structures or in the Analytic Workspace; and which data structures are required. For example, EPB can monitor the usage of reports and data, and therefore determine which levels to pre-aggregate and which to calculate dynamically.

### **Reporting And Analysis**

A large part of any planning and analysis system is the generation of reports, including heavily formatted presentation-quality reports, exception queries, color coded data, ranking, inserted calculations, annotations, and combinations of tabular and graphic display. All of these features and more are supported. EPB comes with a business-based report library that can be used out of the box or configured to your own specifications. This includes pre-packaged income statements, balance sheets, and cash flow statements tied to the key performance indicator library and the industry templates. Individual users can create their own reports and publish them for other users. The reports can also be saved in a static form in various formats such as HTML, XLS, or PDF.

The same documents used for reporting can be switched on for data entry. To enter data, you can type directly into a cell, copy and paste from existing data, upload from a Microsoft Excel spreadsheet or text file, or apply 'Grow' and 'Spread' tools to the data.

The architecture of the application, by which all data is stored in the Oracle9i Database, means that any SQL-based reporting tool can query the EPB data. Oracle Discoverer and Oracle Reports are both excellent for this purpose.

By tying the business models from the Planning Framework to the responsibility hierarchy, exceptions to established business rules can be automatically notified to the individual who is accountable for that data. This dramatically improves analytic efficiency in the organization.

### **User Interface**

Fast and good-looking are the key features of the user interface. By using HTML, web performance issues of the existing Java-based products have been avoided. Oracle's Usability

Group and the Customer Advisory Board for Oracle Financial Analyzer and Oracle Sales Analyzer are involved with the design, resulting in a much more intuitive user interface.

### **Implementation And Migration Of Existing Customers**

EPB will be the migration path for existing customers of Oracle Financial Analyzer and Oracle Sales Analyzer.

#### **Why Move To Oracle9i Database From Express Server?**

You will benefit from the administrative and new features of the Oracle9i Database: Oracle DBAs tuning the database, Real Application Cluster support, logging of changes to the database, security, and backup and recovery processes. The new application will be much more scalable and integrate better with other systems. The data will be accessible by SQL as well as by the Java OLAP API. The Java OLAP API will extend the JOLAP model, which is the Java specification for a Java API for OLAP being developed within Sun's Java Community Process.

#### **Why Move To EPB From Oracle Financial Analyzer Or Oracle Sales Analyzer?**

As well as including the functionality of the existing products, your business process flows can be tied into the application, providing a more task-driven approach. You will have much more functionality out of the box: built-in business calculations such as currency conversion, allocation and statistical forecasting engines, complete web deployment, process flows, exception alerts, report and key performance indicator libraries, and an Excel Viewer.

#### **Migration Impact Of Architectural Changes**

There is a fundamental change in the architecture between the current applications based on Express Server, and the new application based on the Oracle9i Database. There is a standard schema for EPB which includes the following dimensions: Activity Time, Channel, Organization, Currency, Inter-Company, Set of Books, Line Items, Natural Account, Product, Projects. Other planning dimensions can be added to the schema by the implementer.

For OFA and OSA dataloader customers, the data is currently stored in an Express database, and must be migrated to the EPB standard schema in an Oracle9i Database. Tools to assist this data migration will be provided by Oracle with EPB.

For new data being loaded into the system, customers generally employ Express-based data loaders either provided by the application or developed by themselves. These data loaders must be rewritten to use SQL loaders that store the data in the new schema. However, the advantages of switching to SQL loaders are that they are an industry standard, highly featured, and perform extremely well. In EPB, data is loaded directly into an Oracle 9i Database schema, either using the automatic links to the other Oracle ERP applications or using an ETL tool such as Oracle Warehouse Builder or a generic SQL loader.

For OSA customers using the RAA/RAM option, the first version of EPB will not provide equivalent functionality to access data from external relational warehouse schemas. Subsequent versions of EPB will add support for such functionality. OSA customers using RAA/RAM can benefit immediately from using the latest versions OSA 6.4.0 and Express 6.3.4 with Oracle 9i Database's support for Materialized Views and general performance improvements, and upgrade to EPB in a later release.

Oracle Financial Analyzer and Oracle Sales Analyzer reports, models, selections, measures or financial data items, and solves can be migrated to the new EPB application metadata. In addition to migration tools for the data, Oracle will provide migration tools to assist the conversion of these application structures to the new EPB metadata. These tools are being developed in conjunction with the OFA and OSA Customer Advisory Board.

**For how long will Oracle Financial Analyzer and Oracle Sales Analyzer be supported?**

The current versions of these products (Release 6.4.0) will be supported at least until the end of 2006.

**License Information for current OFA and OSA customers with an active Support contract**

Existing licenses of Oracle Financial Analyzer and Oracle Sales Analyzer will convert to licenses for the EPB application. Existing licenses of Express Server will convert to licenses for the OLAP Option to the Oracle 9i Database, the platform database server for EPB. Thus current customer investments in OFA and OSA licenses will be preserved with EPB.

**Availability of EPB**

There is a hosted beta release of EPB planned for the first calendar quarter of 2003. It will primarily include the Reporting, Analysis and Process Flow functionality described in this document

The general release of EPB is expected in the third calendar quarter of 2003 and will include substantially the functionality described in this document. Migration tools, which will be developed in conjunction with existing OFA and OSA customers, are expected to be available with or shortly after this release. Please note that the name of the application may be changed from Enterprise Planning & Budgeting (EPB) at the time of general release.