Jump-starting Your Cost Allocations with Profitability and Cost Management Cloud Service (PCMCS)

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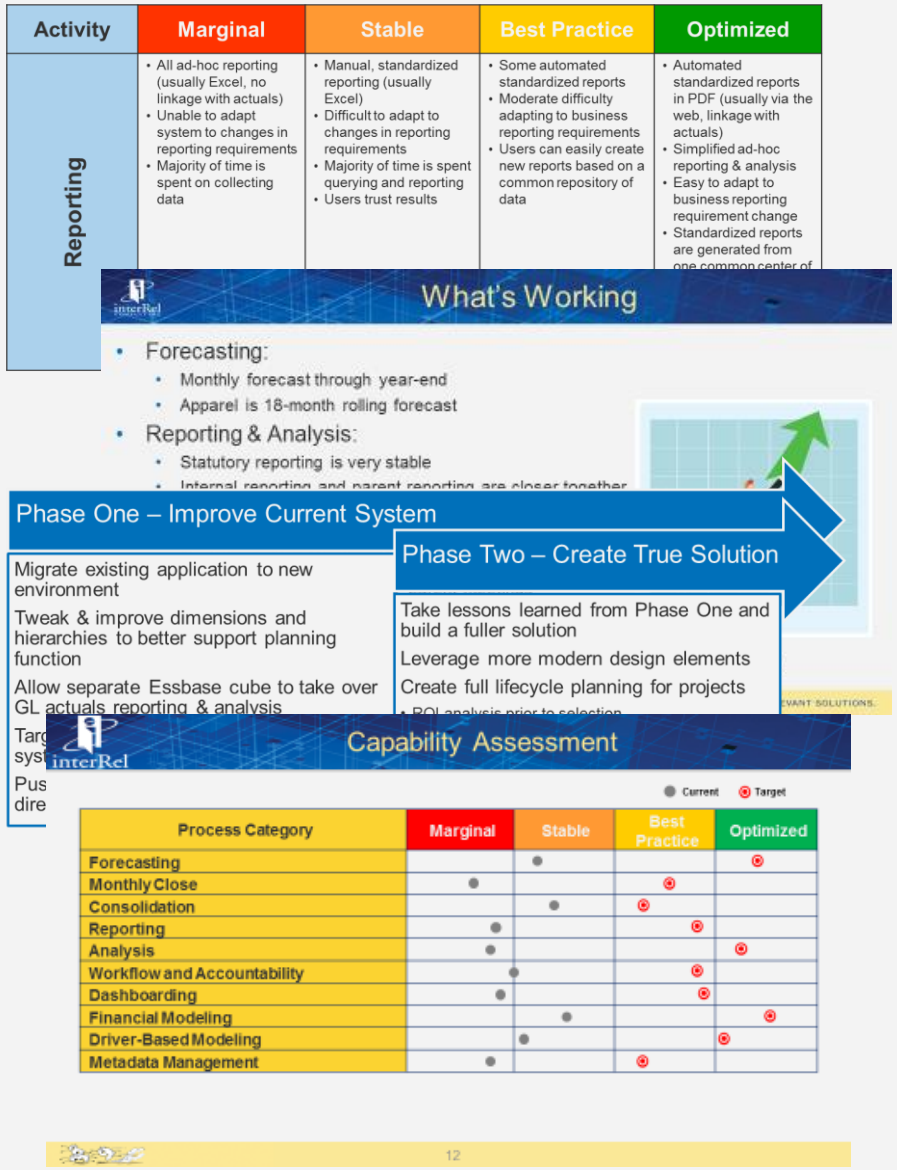
Strategic Assessment with interRel

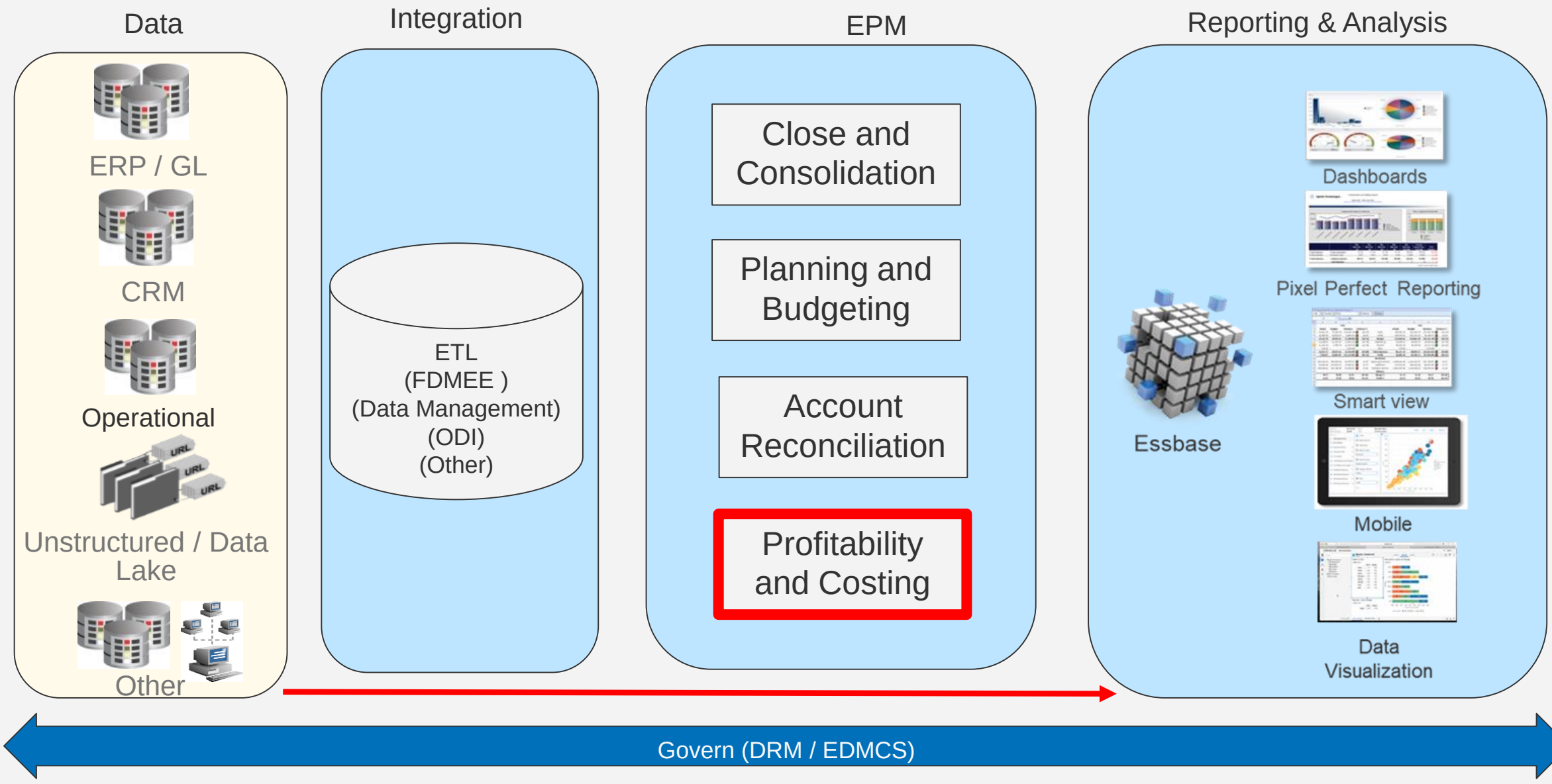
Strategic Assessment Benefits

The Strategic Assessment is designed to analyze immediate and long term EPM/BI needs including close solutions, planning and modeling as well as reporting and analysis across the organization. We'll discuss and recommend how to deliver a solution that delivers both management and operational excellence with smart, agile and aligned solutions.

- *Dedicated team*
- *Complete Assessment across your EPM / BI environment(s)*
- *Evaluate current and future investments*
- *Short, Mid, and long term roadmap / recommendations*
- *<u>Why</u> you need to do these recommendations vs. <u>How</u> and <u>What</u>*
- *Can be used to evaluate current projects or scope future RFPs*
- *Cloud Strategy Roadmap*



Full BI and EPM Data Flow



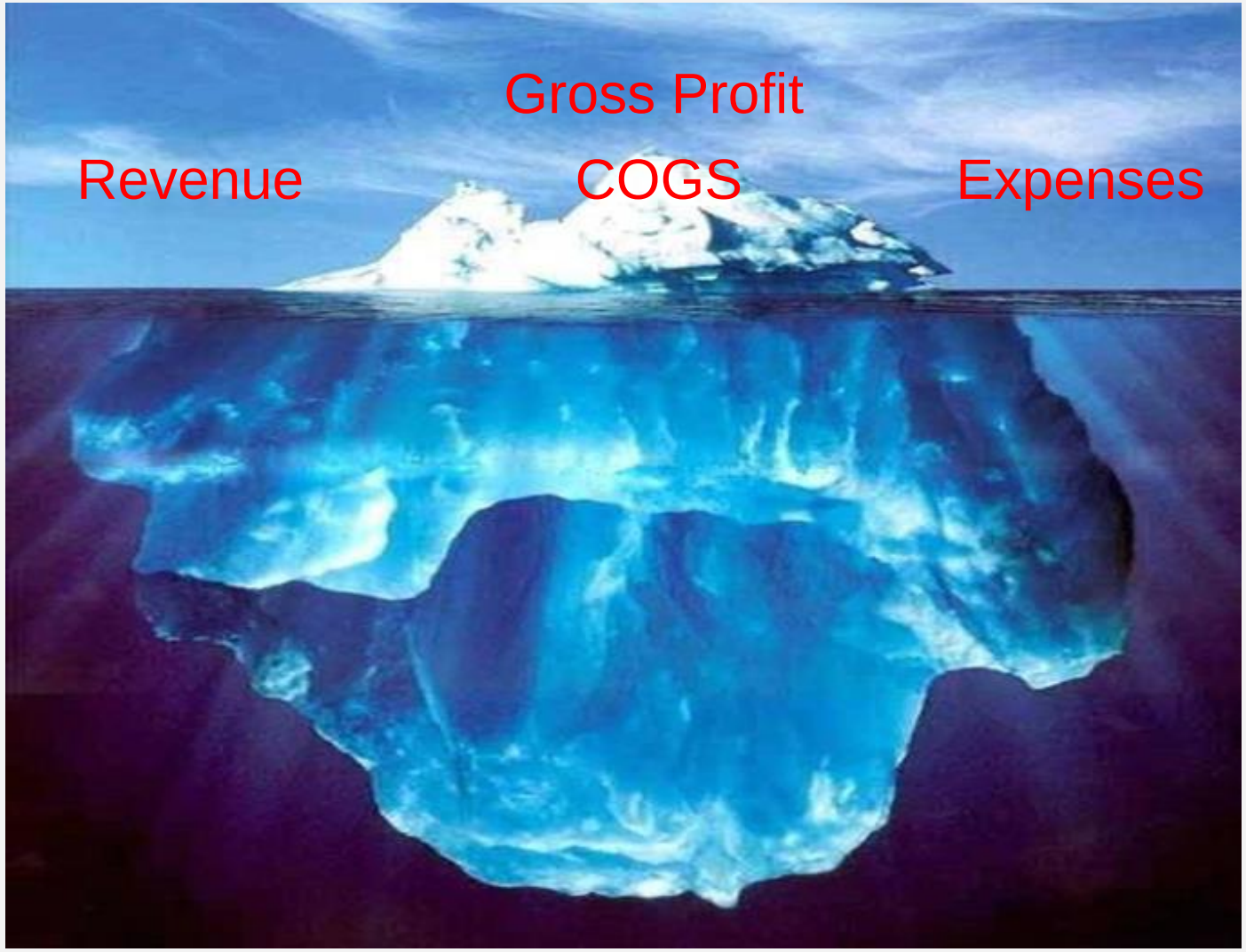
- How many of you were profitable this year?
- Who or what was your MOST profitable Customer / Product / Offering?
- Who or what was your LEAST profitable Customer / Product / Offering?

Big Picture

Profit = Good

Can it be better?
How do we get there?

The Problem with Profitability



- Gross Profit = Revenue – cost of goods sold
- Three profitability components on income statement:
  - Revenue
  - COGS
  - Operating Expenses

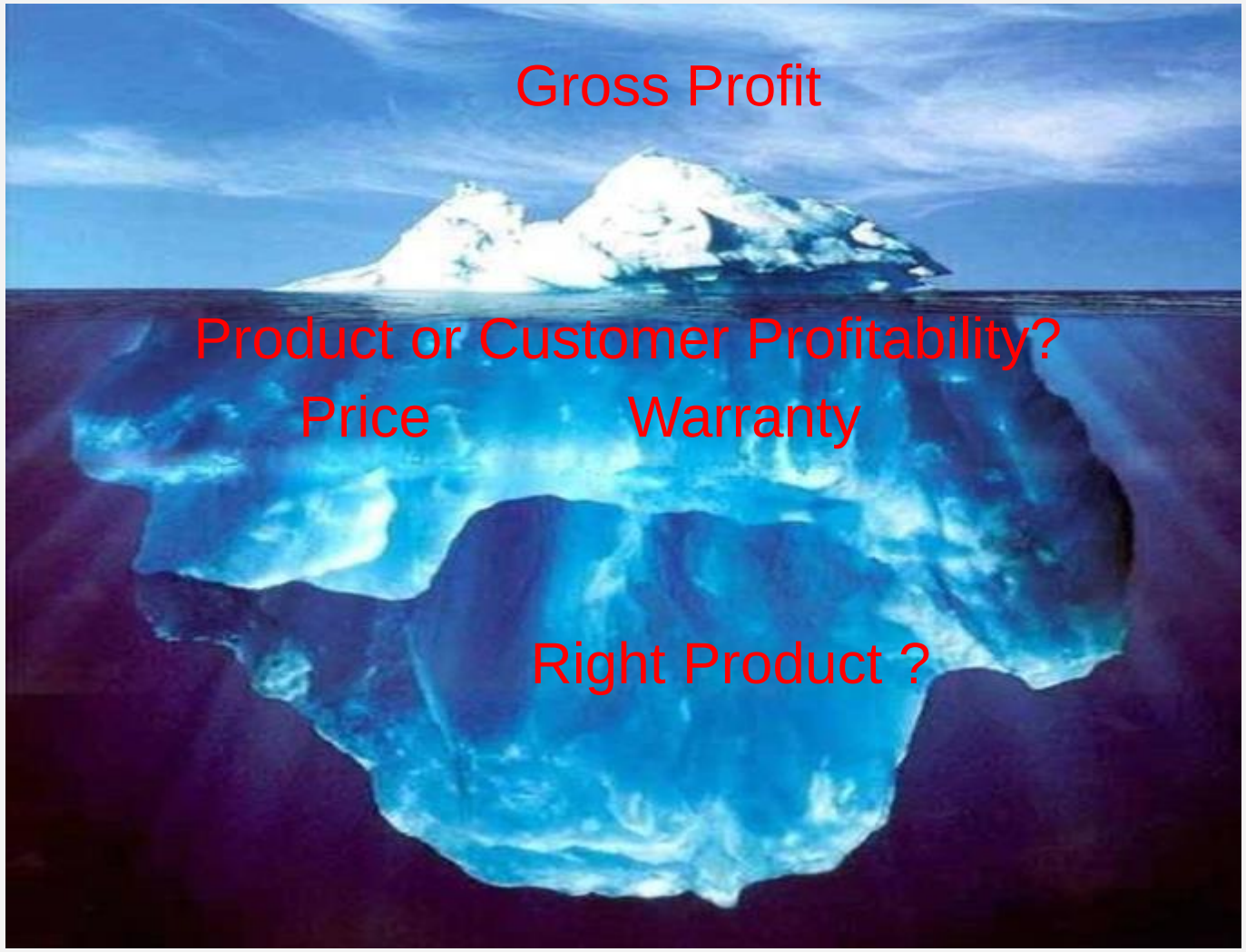
Deeper Insight

Gross Profit = Revenue – COGS

INDIRECT COSTS

Production Overhead
Product Management
Administration support
Utilities
Shipping
Storage
Sales / Marketing
Service / Warranty

Customer and Product Profitability



- What about Customer or Product Profitability?
- What Products are profitable?
- Are we selling the right products?
- Are they Priced correctly?
- How efficient is our Call Center?
- Which customers make up most of our profit?
- What is working and what isn't?

Product & Customer Profitability

- Product/Customer Profitability is:
  - Complex
  - Unique for each organization
  - Indirect costs are difficult to track measure
  - No standard process
- Strategic P&Ls
  - Everybody wants a different view:
  - Sales
  - Marketing
  - Operations
  - Executives
- This can all lead to…

Big Picture

Bad Profit

Money you’re leaving on the table

Life Savers Christmas Book. Retail price, $2.99.

Are you as profitable as you could be?

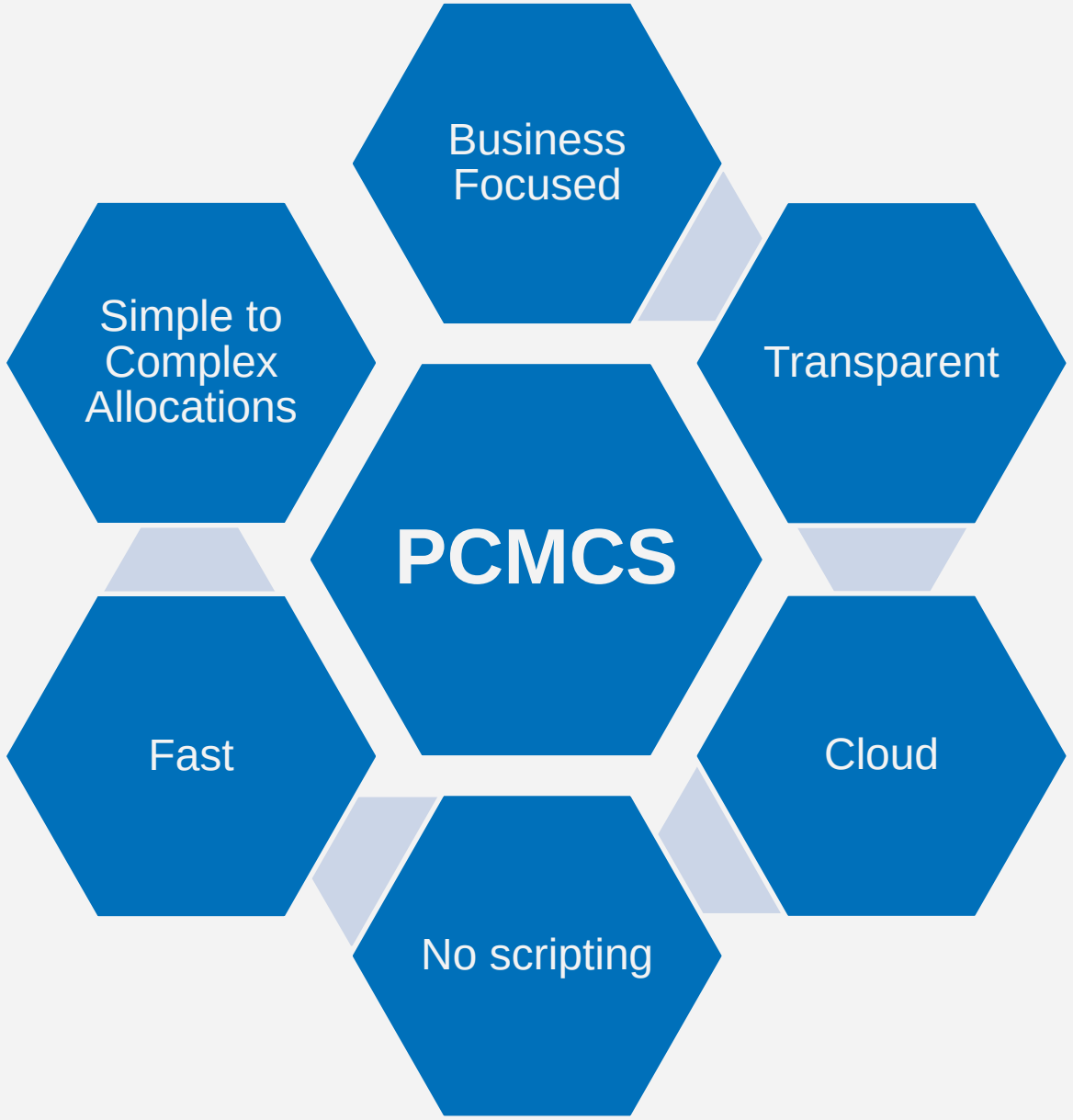
- What percentage of my *customers, products, channels, etc.* are driving most of my profitability? Which ones are unprofitable?
- What proportion of resources to my *customers, products, channels, etc.* consume?
- What are my true costs to provide *services or complete a business process*?

- Can you answer these questions? How long will it take you to find the answers?

What tools are you using today?

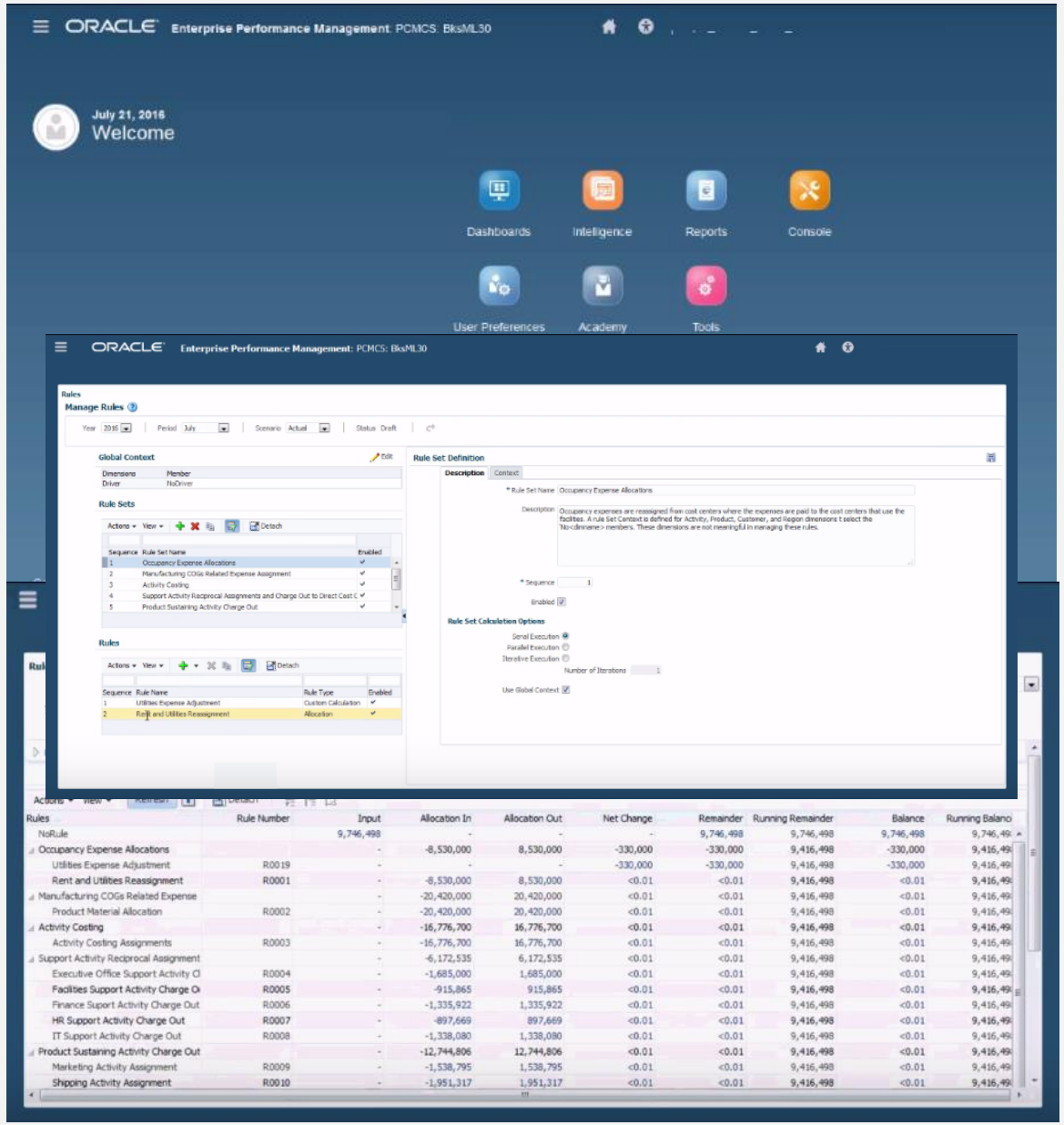
- Excel
  - Manual, errors
  - Slow, manually intensive, time consuming
  - No controls, governance
- ERP
  - Blackbox; lacks transparency
  - Can’t be owned by the business
  - Can’t extend the ERP data
  - Overburdened GL (slows the close process)
- Custom Built
  - Essbase, Planning
  - Technical knowledge to build rules; not business user controlled
  - Visibility depending on the design

The Solution! Oracle Profitability & Cost Management Cloud Service



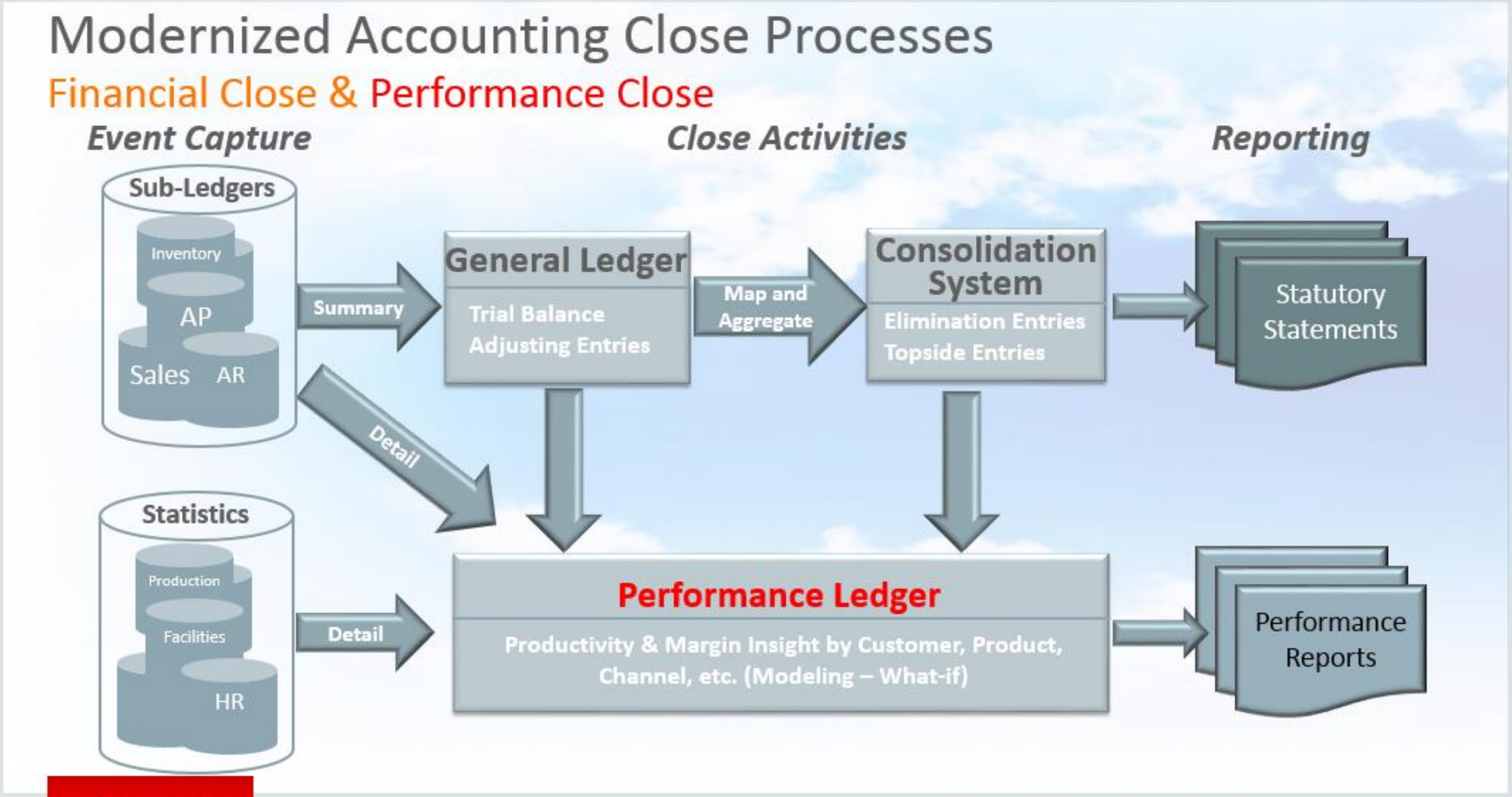
Profitability & Cost Management Cloud Service (PCMCS)

- A user-driven profitability and cost management application
  - Business users create, update and maintain cost allocation logic (unburden the GL and perform cost allocations here) and profitability models
- Supports new Management Ledger Type
  - Which is almost like a HPCM 2.0 – MUCH easier build of applications, drivers and logic
- Out of the box dashboards and reports**
- Built-in rank and order, drill to details
- Full transparency of allocation logic and rules
- Comprehensive audit trail
- Important actionable intelligence is possible
  - Who is my most profitable customer? What is my least profitable product?



** We recommend OAC for true BI

Think of PCMCS as your Performance Ledger

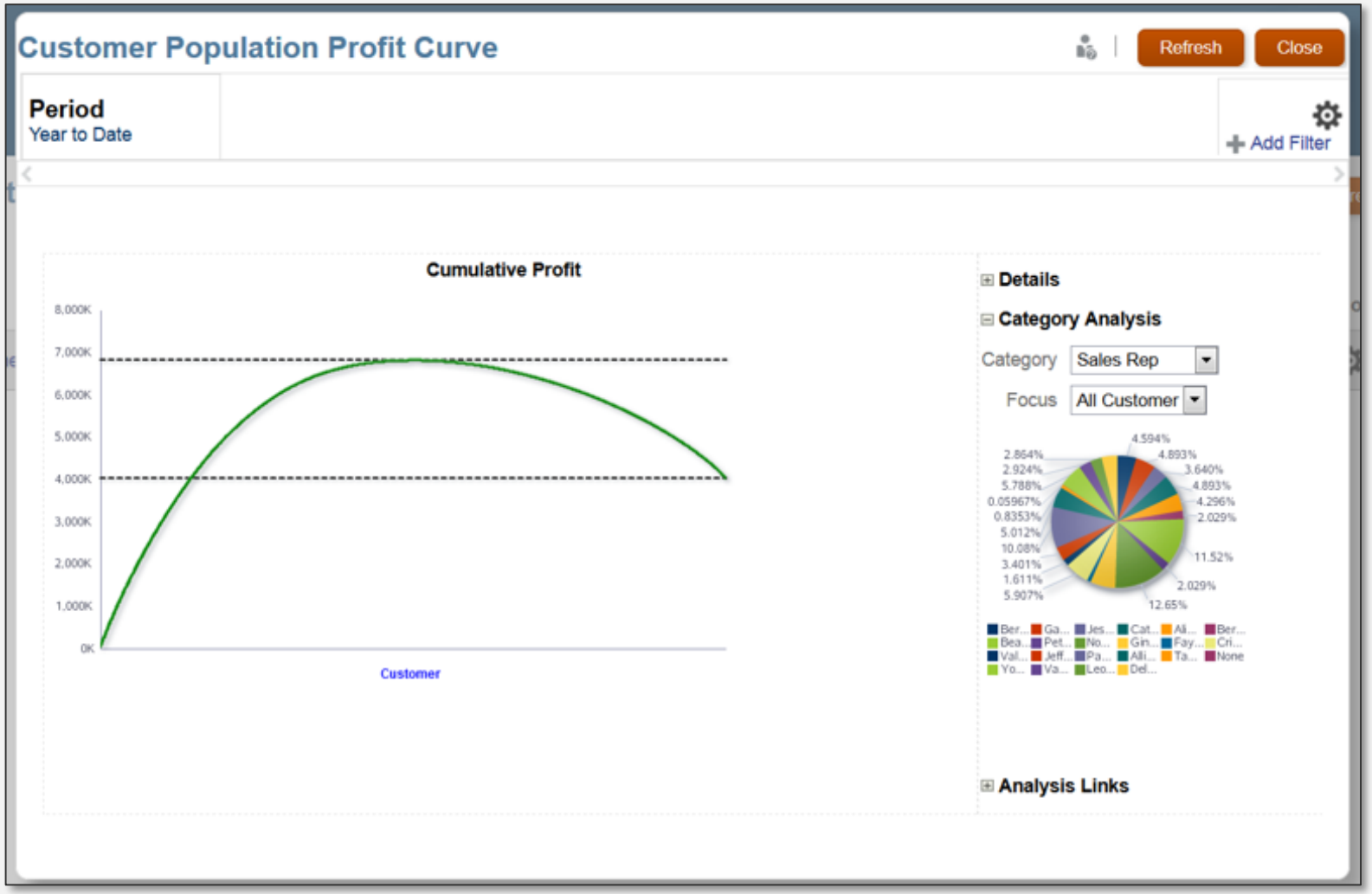


What PCMCS Does Well

Visibility	• Prebuilt analytics • Culture of accountability
Access to the right data	• Operational data outside of G/L • Integration with the cloud
Business Ownership	• Purpose built rule engine • What if & scenario analysis
Transparency	• Traceability & rule balancing • Step by step insight

Visibility with Analytics

- Profit curves, charts, and analyses
- Ad hoc in Excel with Smart View



Profit Curve

- Easy to understand visualization of a population of Profit objects
  - See the whole population at once
  - See the distribution of winners and losers
  - Enable a lay person to analyze profitability

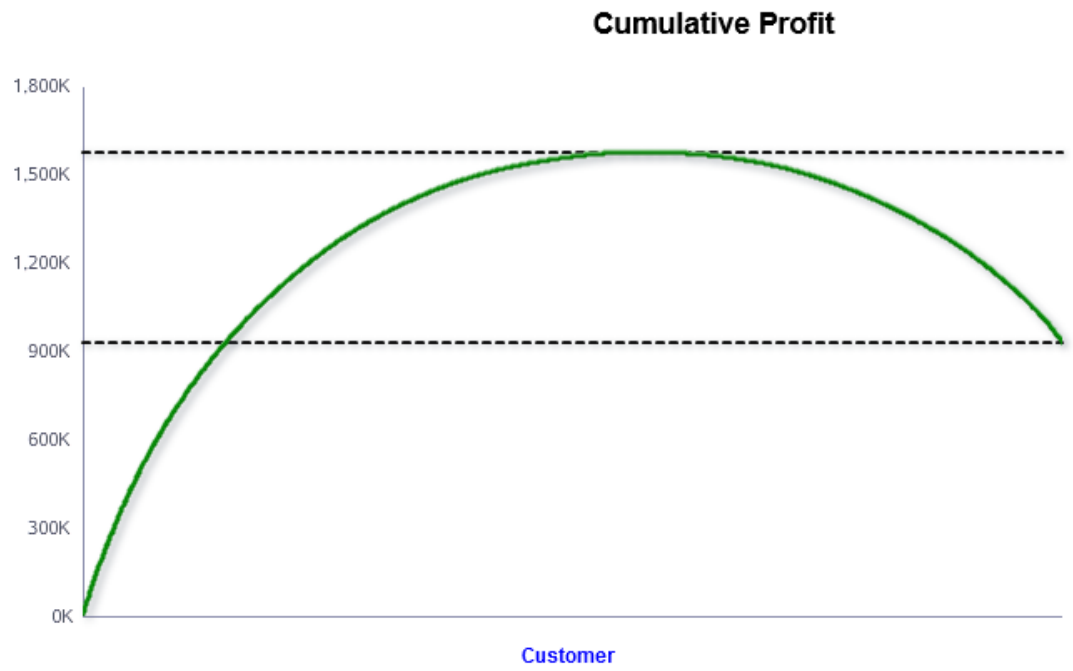
What are my worst customers / who owns them?

Customer Population Profit Curve

Refresh | Close

Period
June

Add Filter



Details

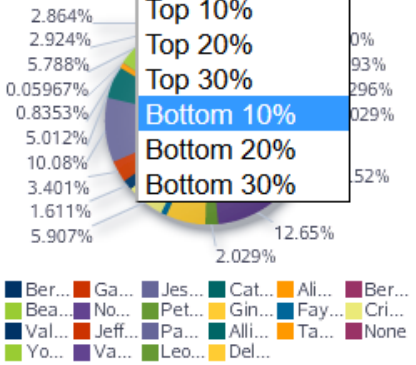
Category Analysis

Category: Sales Rep

Focus: All Customer

Focus

All Customer
Top 10%
Top 20%
Top 30%
Bottom 10%
Bottom 20%
Bottom 30%



Analysis Links

Need to go talk to Noella

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Period
June

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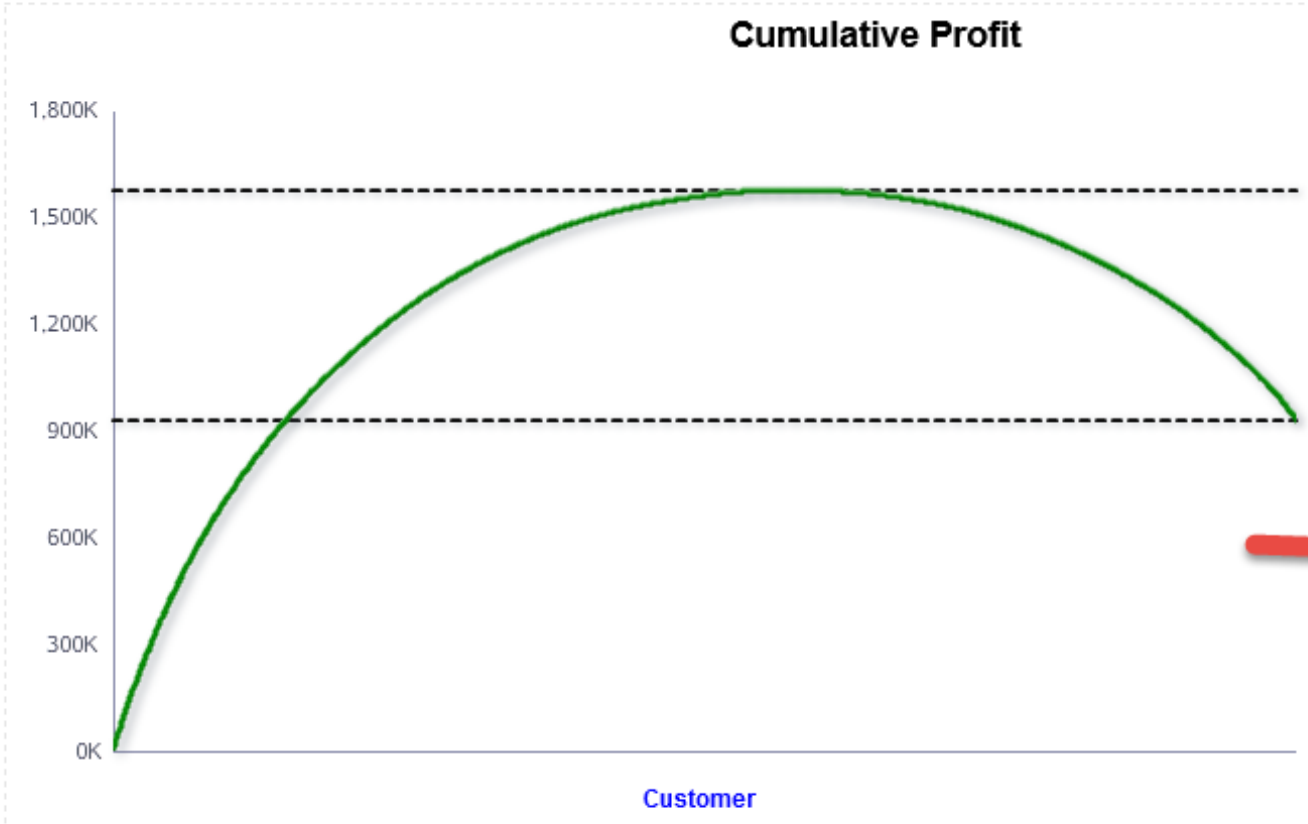

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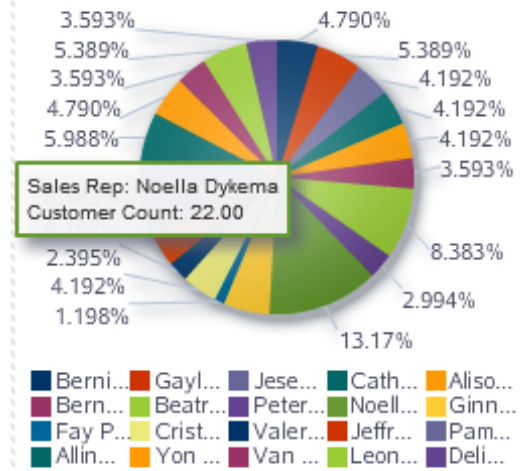
Category Analysis

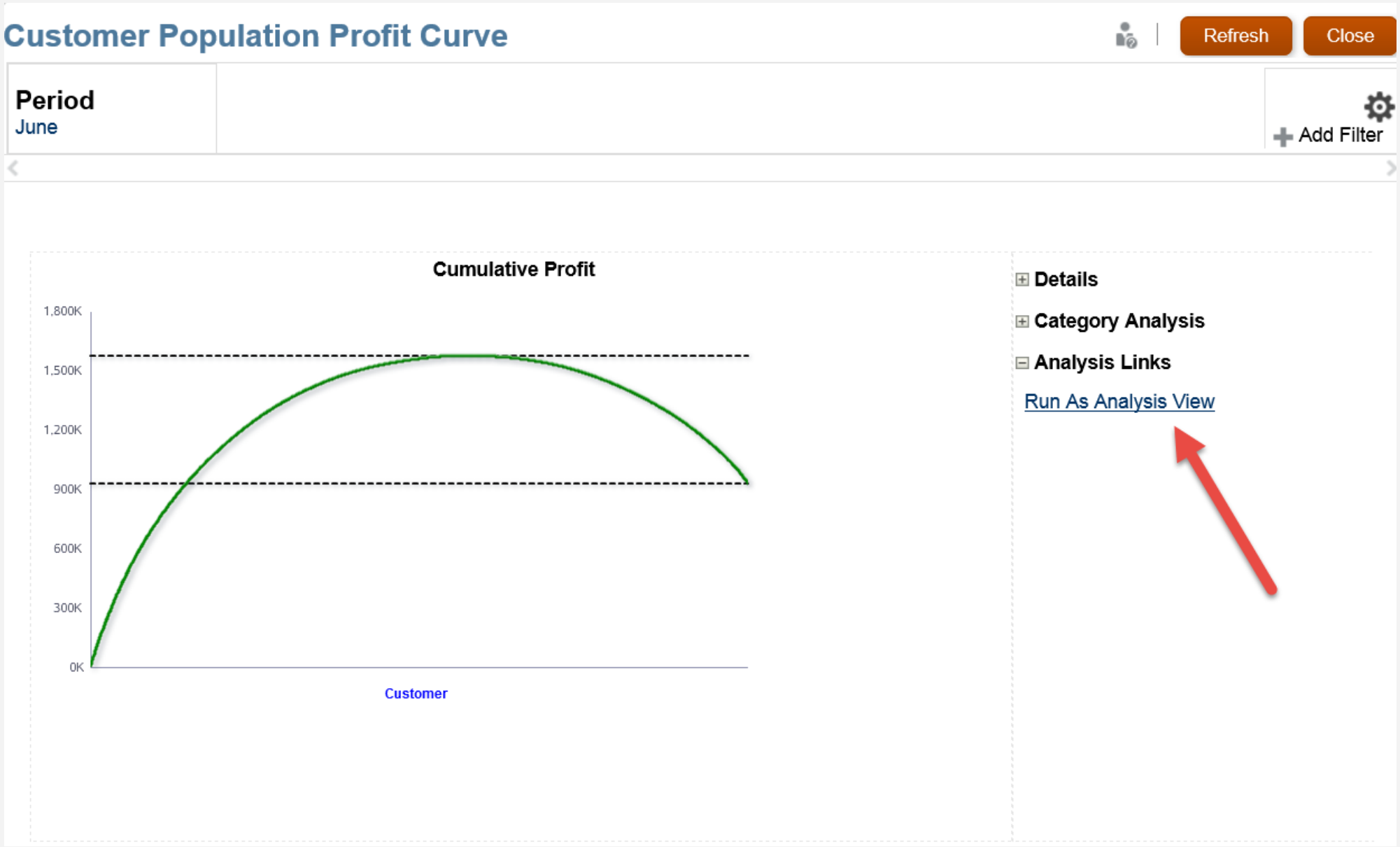
Category: Sales Rep

Focus: Bottom 10%

Focus



Drill to Detail



View the Numbers behind the Curve

Store Level Financials YTD

Close | Refresh

Period
Year to Date

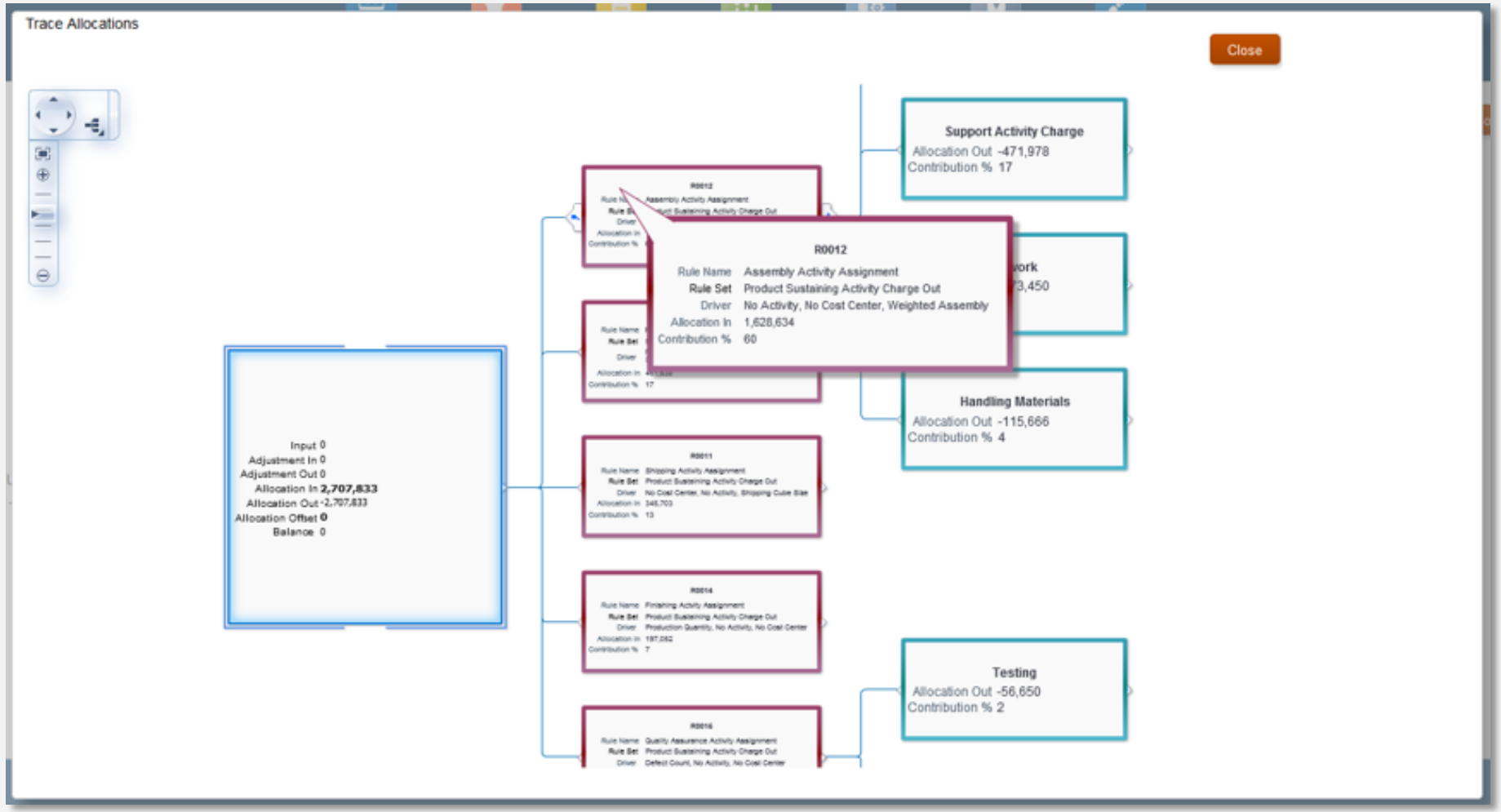
Add Filter

Actions | View | Export To Excel | Detach

Customer	Generation3	Generation4	Region	Sales Rep	Delivery Zone	Store Setting	Net Income	Gross Profit	Net Revenue	Operating Expenses
BB100-502	Department Stores	Qmart	USA E NE	Berniece Huls	A	Suburban	109,838.00	121,579.00	132,899.00	11,740.00
BB100-501	Department Stores	Qmart	USA E SE	Alison Bergeson	C	Suburban	84,174.00	94,843.00	103,523.00	10,669.00
BB100-500	Department Stores	Qmart	USA C GL	Leone Odaniel	A	Suburban	79,891.00	92,702.00	105,917.00	12,812.00
BB100-506	Department Stores	Qmart	USA W NW	Pamella Fallon	C	Suburban	80,141.00	90,161.00	97,944.00	10,020.00
BB100-505	Department Stores	Qmart	USA W NW	Beatriz Pfaff	A	Urban	87,617.00	97,606.00	107,306.00	9,989.00
BB100-504	Department Stores	Qmart	USA E SE	Alline Saxon	B	Suburban	109,315.00	119,967.00	128,318.00	10,652.00
BB100-503	Department Stores	Qmart	USA E SE	Yon Zarrella	C	Suburban	91,977.00	99,012.00	103,634.00	7,035.00
BB300-130	Department Stores	Moutain Adventures	USA E NE	Van Pitre	A	Rural	105,814.00	114,405.00	122,488.00	8,591.00
BB100-511	Department Stores	Qmart	USA W FW	Noella Dykema	X	Rural	99,112.00	110,941.00	121,931.00	11,829.00
BB100-510	Department Stores	Qmart	USA W FW	Noella Dykema	A	Suburban	101,435.00	112,866.00	123,327.00	11,431.00
BB100-513	Department Stores	Qmart	CAN P	Beatriz Pfaff	B	Suburban	102,387.00	115,661.00	128,602.00	13,274.00
BB100-512	Department Stores	Qmart	USA W FW	Noella Dykema	A	Urban	88,881.00	100,329.00	112,177.00	11,448.00
BB100-515	Department Stores	Qmart	USA C GL	Leone Odaniel	C	Suburban	89,747.00	99,042.00	107,364.00	9,295.00
BB100-514	Department Stores	Qmart	USA W FW	Noella Dykema	C	Suburban	94,191.00	106,161.00	114,153.00	11,970.00
BB100-517	Department Stores	Qmart	USA W CA	Valery Hossain	D	Rural	85,335.00	92,797.00	96,997.00	7,462.00
BB100-516	Department Stores	Qmart	USA W CA	Tania Vallecillo	A	Urban	86,363.00	94,493.00	100,795.00	8,130.00
BB300-127	Department Stores	Moutain Adventures	USA E MA	Ginny Shipley	A	Urban	94,490.00	105,492.00	113,948.00	11,003.00
BB300-128	Department Stores	Moutain Adventures	USA E NE	Bernardina Normand	A	Suburban	117,159.00	127,373.00	138,621.00	10,215.00
BB300-129	Department Stores	Moutain Adventures	USA E SE	Yon Zarrella	B	Suburban	119,862.00	127,845.00	133,713.00	7,984.00

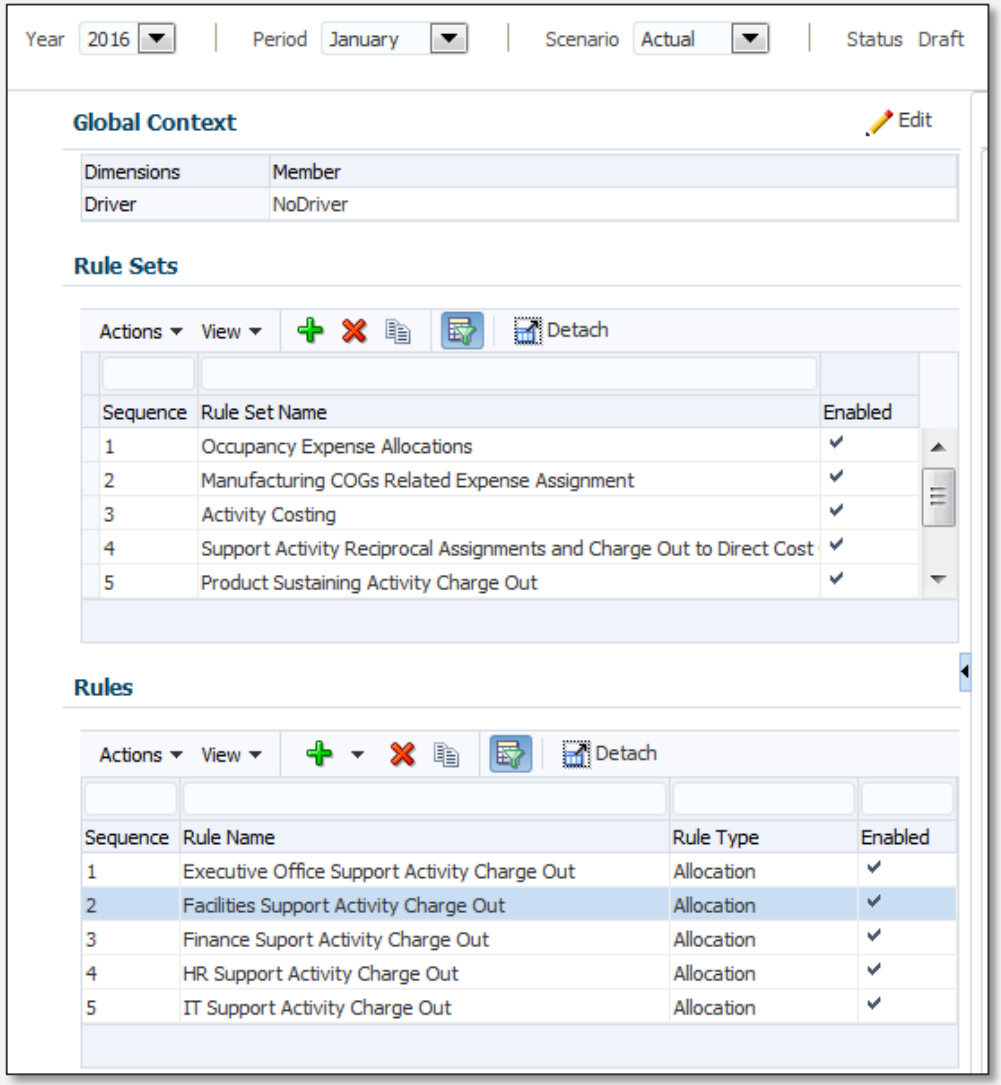
Transparency

- No more black box allocations
- Traceability UI
- Drill from rules balancing into Smart View



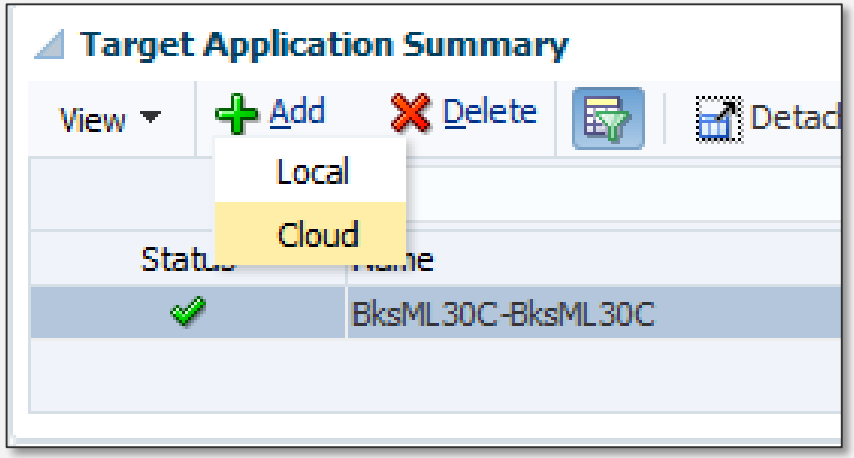
Business Owned Allocation Rules

- Model by POV
- Point and click UI
- No scripting required!



Data Integration via Data Management

- Pre-Built Integration:
  - Financials Cloud
  - E-PBCS
  - FCCS
- Cloud-to-cloud integration (no flat file required)
- Robust mapping for 3rd party data
- Support for hybrid deployment
  - EPMAutomate
  - FDMEE (EBS,PSFT,JDE, & SAP)



All the Benefits of the Cloud

- Ease of expansion
  - New geographies, products, or departments
- Lower software fees with SaaS model
- Reduced IT costs – personnel and equipment
- Accelerate EPM adoption
- Intuitive UI means reduction in training costs
- Focus on analytics vs. software support
- Automatic upgrades and patches
- Direct integration to other Oracle EPM Cloud solutions like PBCS and FCCS

Who Needs this? Everyone

- Product, customer, channel, profitability
- Management allocations
- IT Service costing & chargeback
- Shared services allocations
- Cost transparency
- Operational transfer pricing
  - Moving around revenues for tax advantage

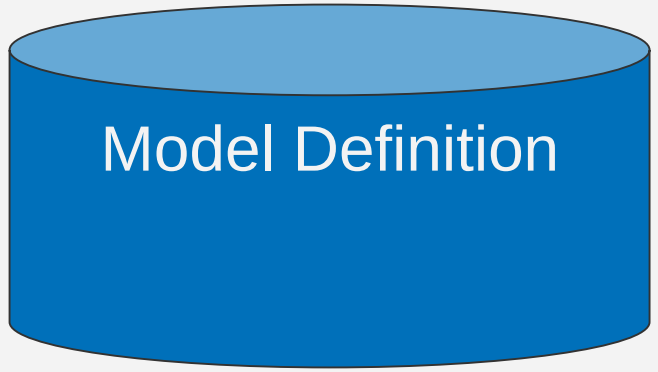
PCMCS Under the Covers

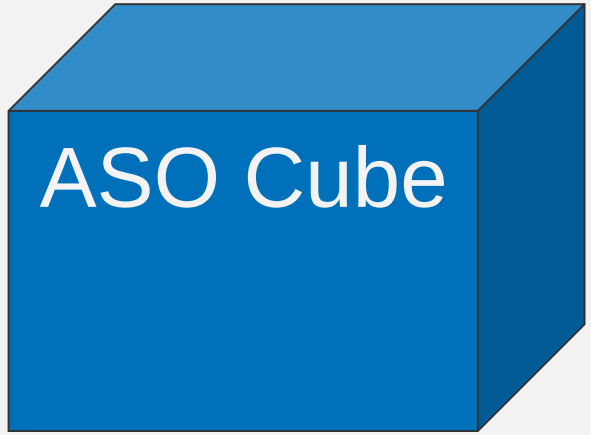
PCMCS Under the Covers

- HPCM plus…
  - New application console
  - New embedded reporting
    - FR engine with web client (Desktop client is being deprecated)
  - New dashboards
  - New Intelligence screens
    - Trace, Profit curve, SV Queries
  - EPM Cloud Platform
    - Smart View
    - Data Management
    - EPM Automate

Under the Covers - Architecture

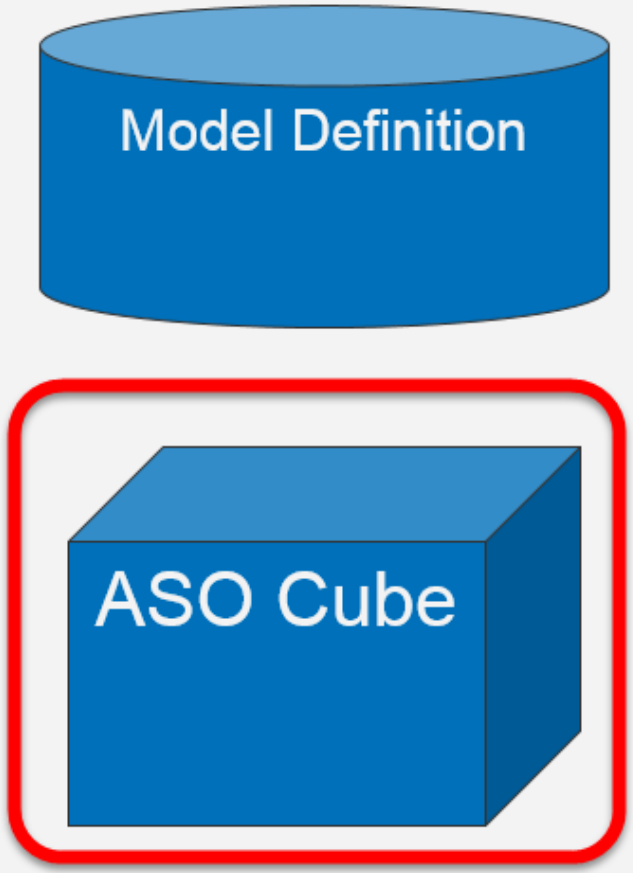
- Relational repository to store rule definitions, POV
  - Generates calculation and allocation scripts
- ASO Essbase database
  - ASO = aggregate storage option
  - Where calculation and allocation scripts are executed
  - Stores all data (the numbers)





Dimensions

- PCMCS will create an ASO database in Essbase
- Each database has an outline
- Database outline provides the data structure for the model via dimensions
- Dimensions in the Essbase outline are hierarchical
- Data is stored at dimension intersections
- Members can include calculations via member formulas



Types of Management Ledger Dimensions

System dimensions

- Balance
- Rule

POV dimensions

- Year
- Period
- Scenario
- Version

Business dimensions

- Product
- Entity
- Customer
- Geography
- Account

Attribute dimensions

- Product type
- Customer type
- *Any attribute about another stored dimension*

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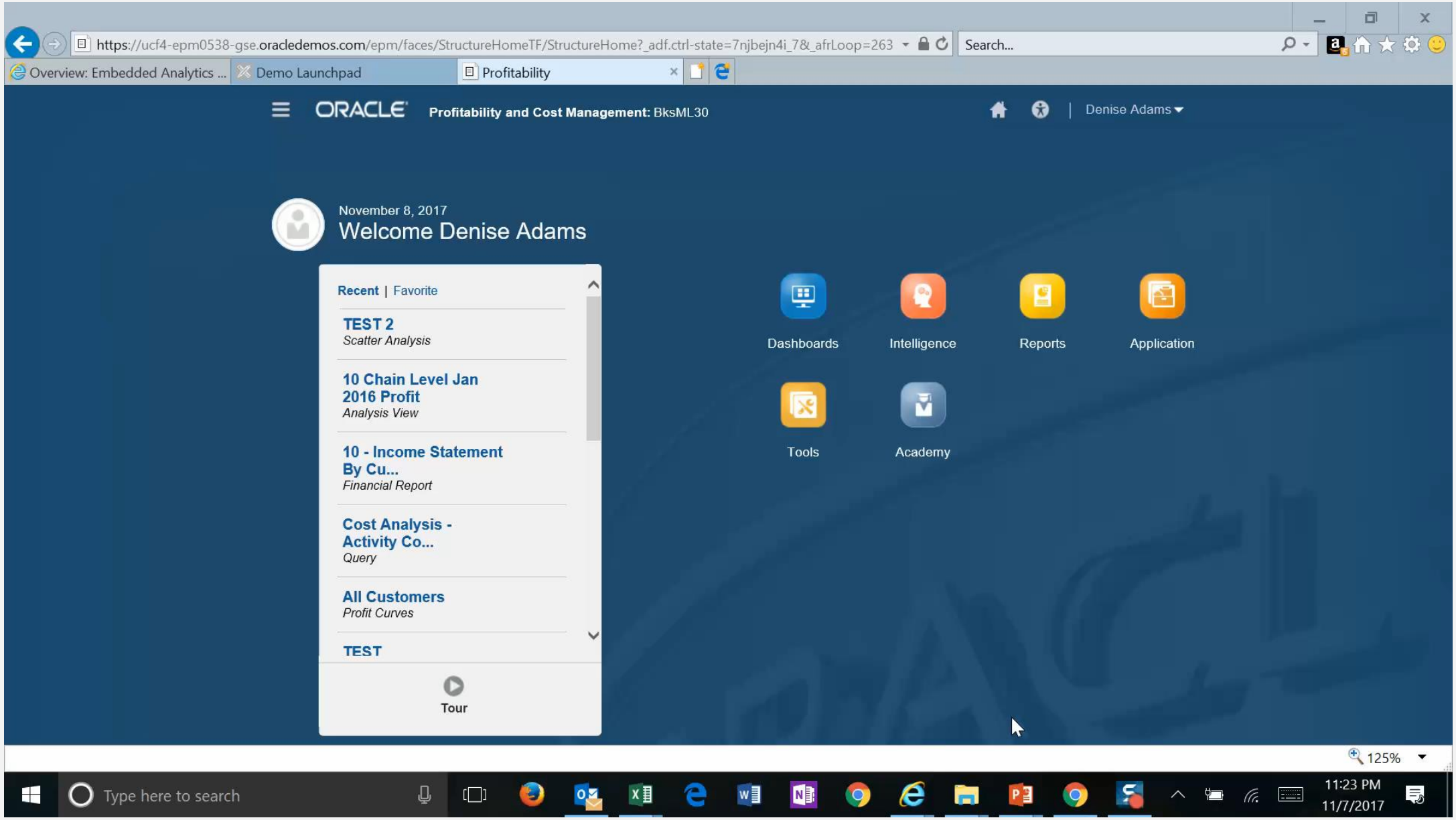
Demo


https://ucf4-epm0538-gse.oracledemos.com/epm/faces/StructureHomeTF/StructureHome?_adf.ctrl-state=7njbejn4i_7&_afrLoop=263
Search...
Overview: Embedded Analytics ...
Demo Launchpad
Profitability
ORACLE
Profitability and Cost Management: BksML30
Denise Adams
November 8, 2017
Welcome Denise Adams
Recent | Favorite
TEST 2
Scatter Analysis
10 Chain Level Jan 2016 Profit
Analysis View
10 - Income Statement By Cu...
Financial Report
Cost Analysis - Activity Co...
Query
All Customers
Profit Curves
TEST
Tour
Dashboards
Intelligence
Reports
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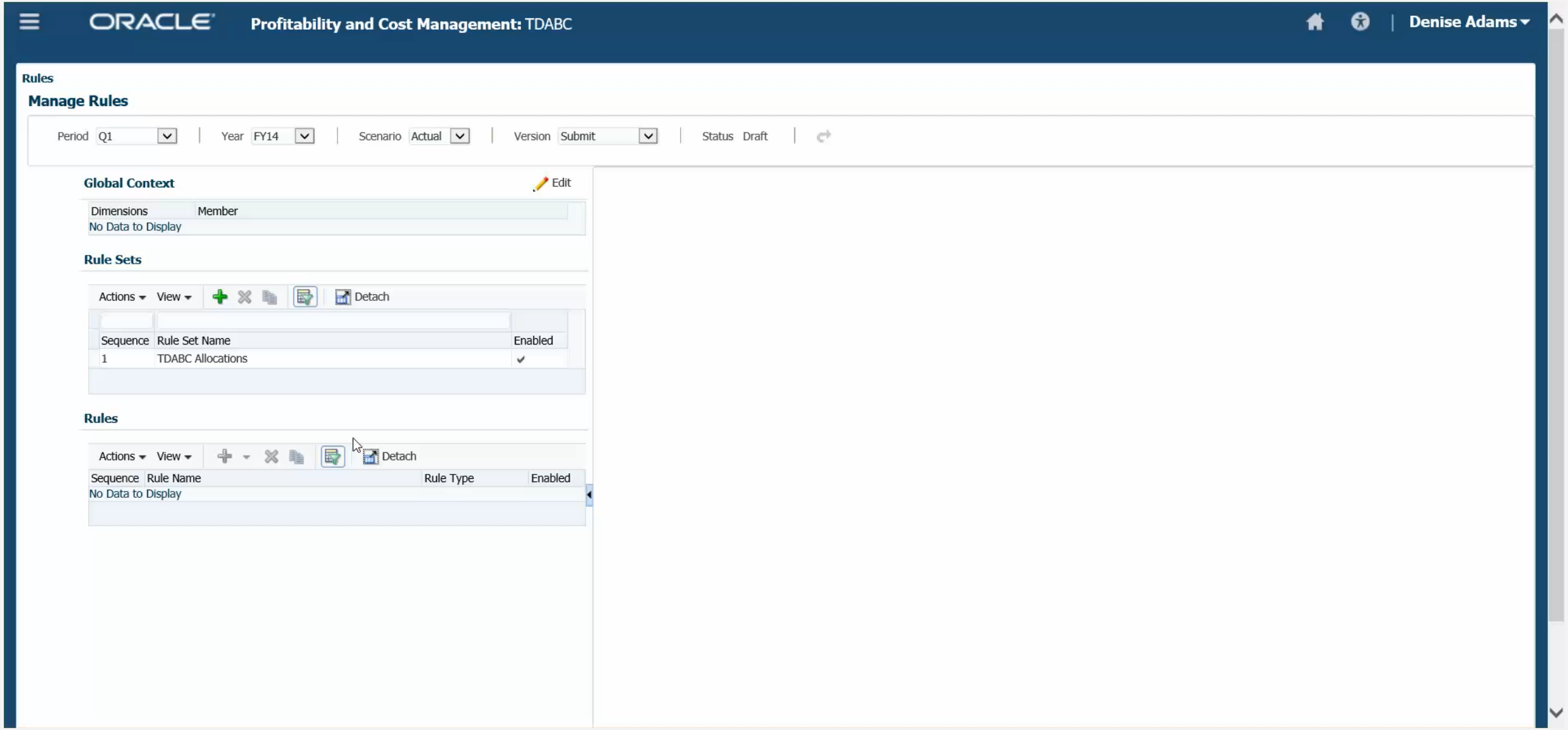
Tools
Academy
125%
Type here to search
11:23 PM
11/7/2017


ORACLE
Profitability and Cost Management: TDABC
Denise Adams
Rules
Manage Rules
Period Q1
Year FY14
Scenario Actual
Version Submit
Status Draft
Global Context
Edit
Dimensions
Member
No Data to Display
Rule Sets
Actions
View
Detach
Sequence
Rule Set Name
Enabled
1
TDABC Allocations
Rules
Actions
View
Detach
Sequence
Rule Name
Rule Type
Enabled
No Data to Display

RACE – PCMCS Jumpstart in 8-12 Weeks

- 8-12 week implementation to scoped PCMCS solution
- Deliverables
  - 1 Application
  - 5 dimensions + POV dims - Account, entity, 2 Custom dimensions, Staging dimension
  - 3 attribute dimensions
  - 25 allocation rules
  - 10 drivers
  - Driver data is entered/loaded at level 0
  - 5 analyses
  - 2 profitability curves
  - 1 dashboard
  - Security for 5-10 users
  - PCMCS Power User Guide
  - 1 EPMAutomate batch script script to execute Allocation rules nightly
  - 2 Data integrations using Data Management

RACE – PCMCS Migration in 1-3 Weeks

- Migrate your HPCM ML application in 1-3 weeks
- Deliverables
  - Migrate 1 Application
  - 5 analyses
  - 2 profitability curves
  - 1 dashboard
  - Security for 5-10 users
  - PCMCS Power User Guide
  - 1 EPMAutomate batch script script to execute Allocation rules nightly
  - 2 Data integrations using Data Management
  - File based dimension updates for 2-3 dimensions

In Closing…

Are you as profitable as you could be?

- What percentage of my *customers, products, channels, etc.* are driving most of my profitability? Which ones are unprofitable?
- What proportion of resources to my *customers, products, channels, etc.* consume?
- What are my true costs to provide *services or complete a business process*?

- You can answer these questions with PCMCS! And in just a few short weeks, you can make this a reality

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Into the Details of PCMCS

Profit Curve

- Easy to understand visualization of a population of Profit objects
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  - Enable a lay person to analyze profitability

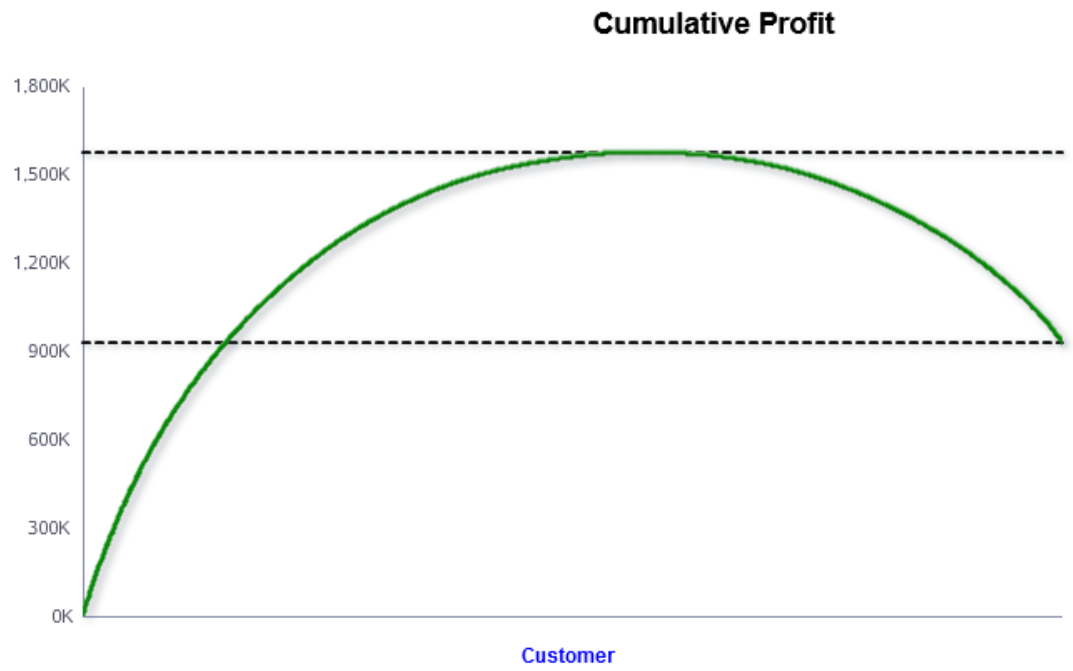
What are my worst customers / who owns them?

Customer Population Profit Curve

Refresh | Close

Period
June

Add Filter



Details

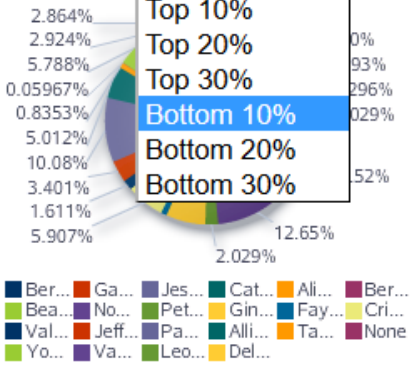
Category Analysis

Category: Sales Rep

Focus: All Customer

Focus

All Customer
Top 10%
Top 20%
Top 30%
Bottom 10%
Bottom 20%
Bottom 30%



Analysis Links

Need to go talk to Noella

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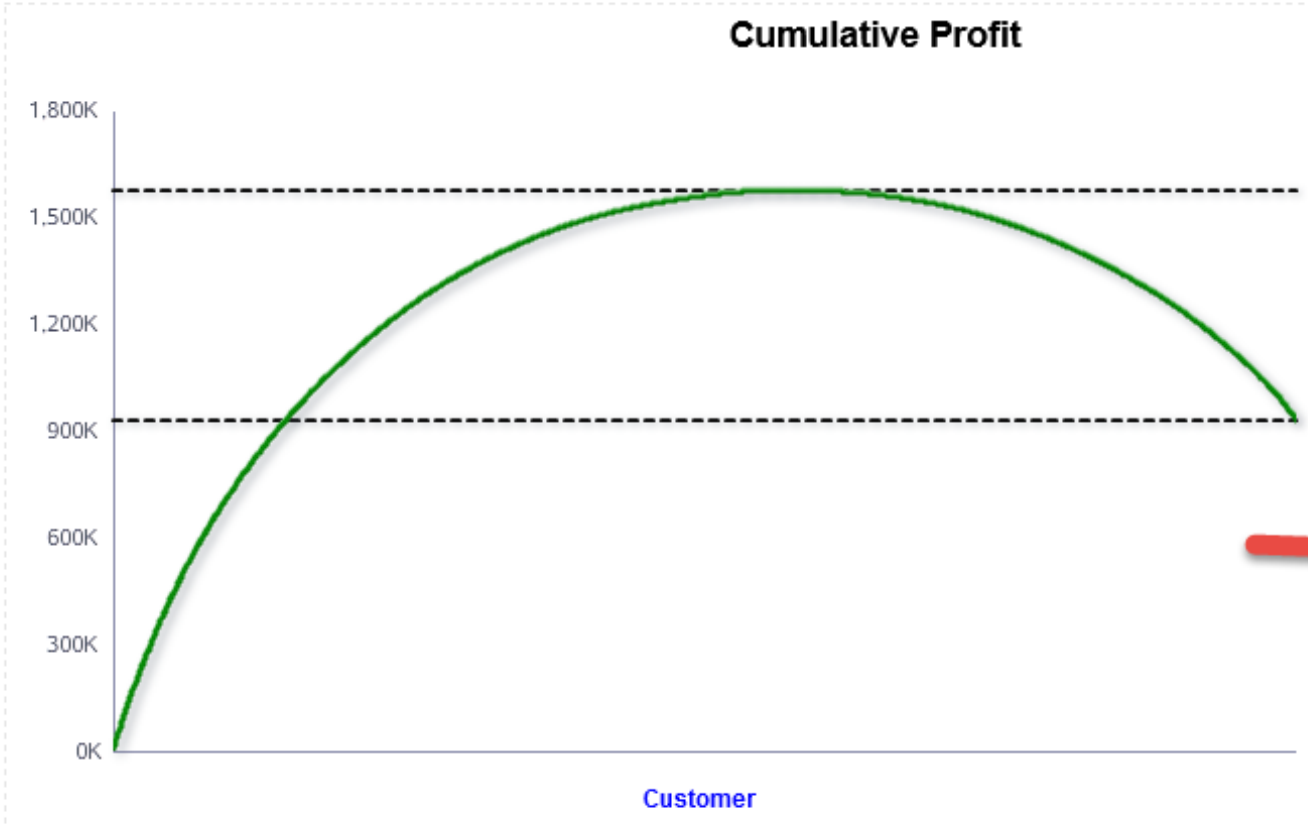

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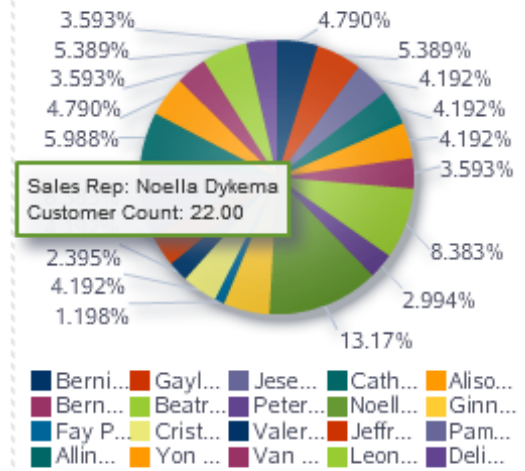
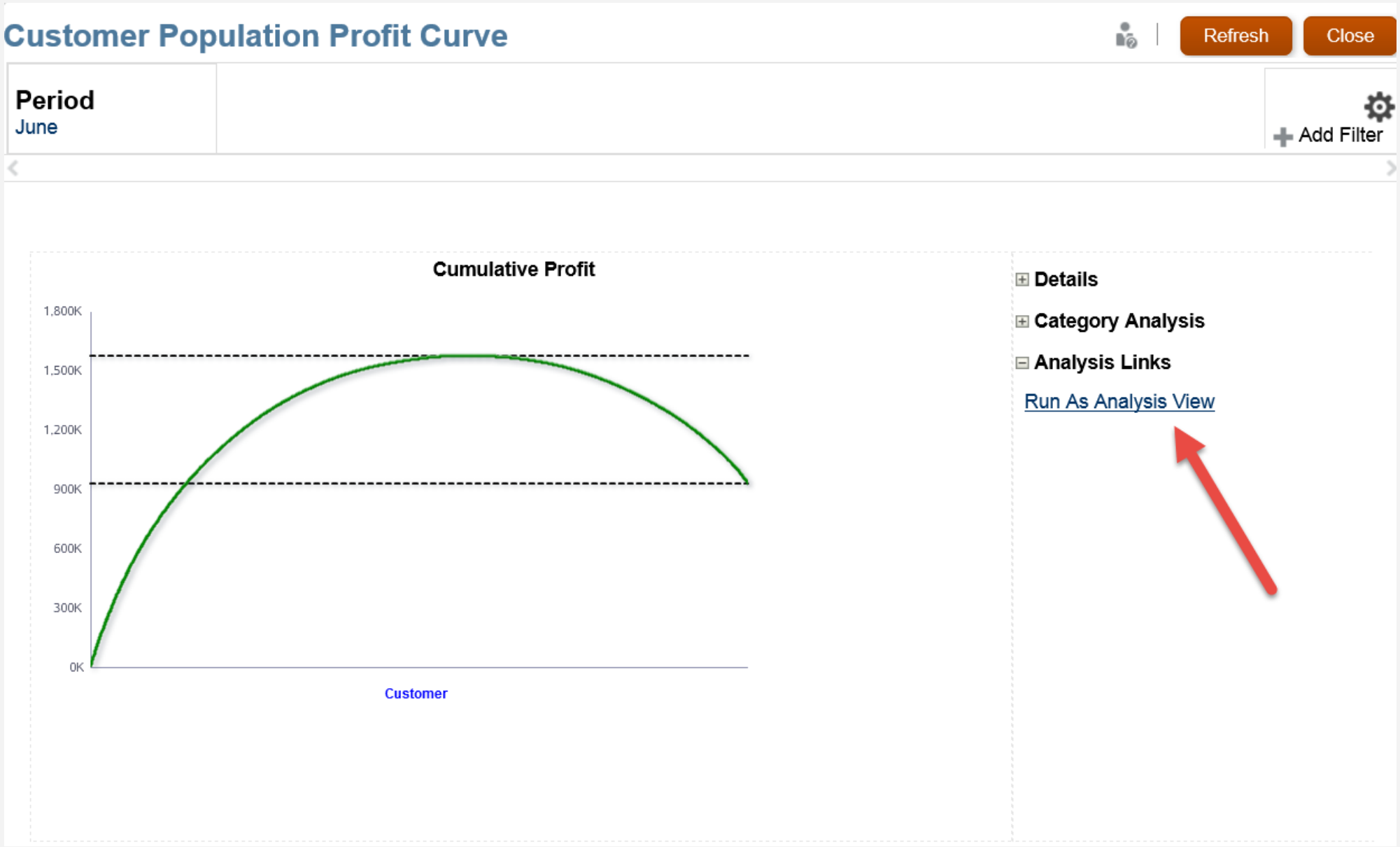
Focus: Bottom 10%

Focus



Drill to Detail



View the Numbers behind the Curve

Store Level Financials YTD

Close | Refresh

Period
Year to Date

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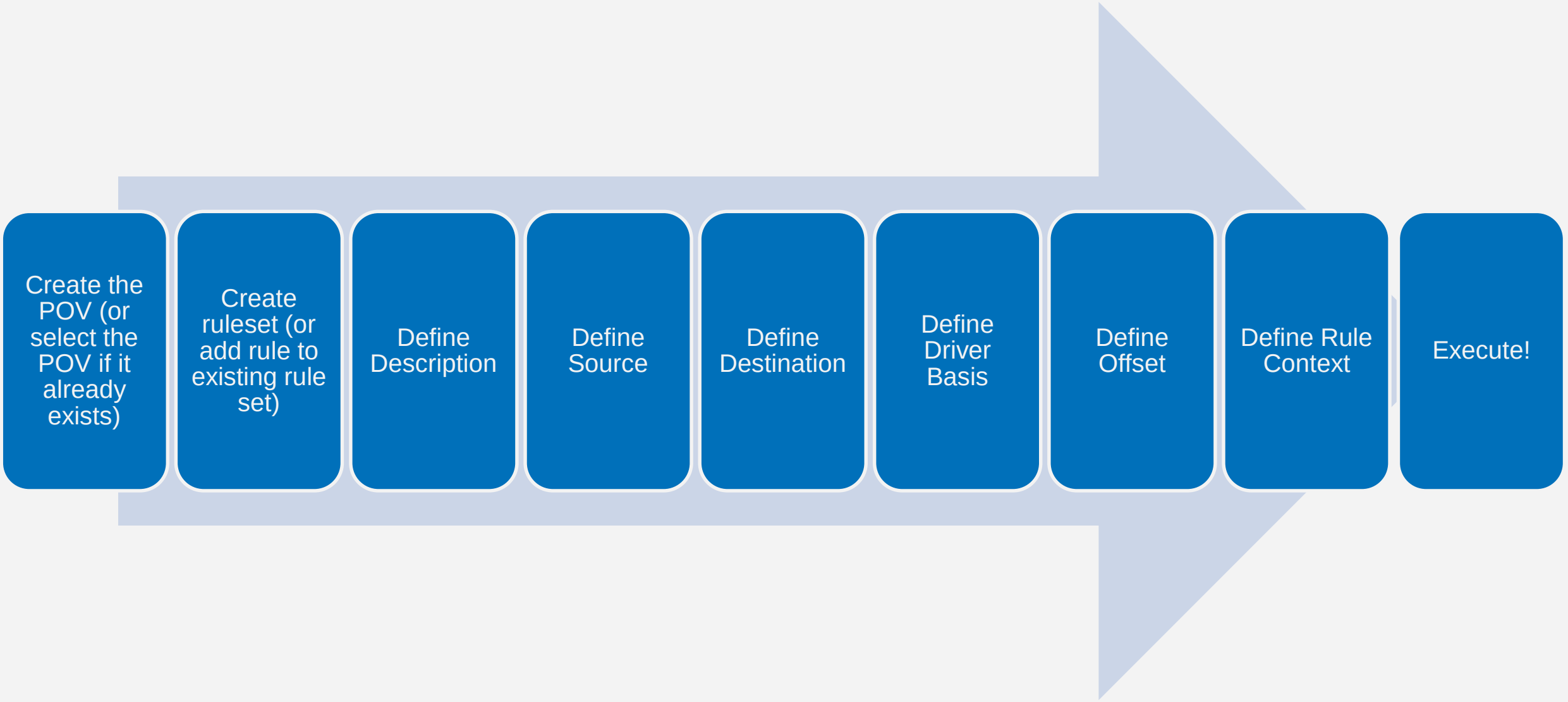
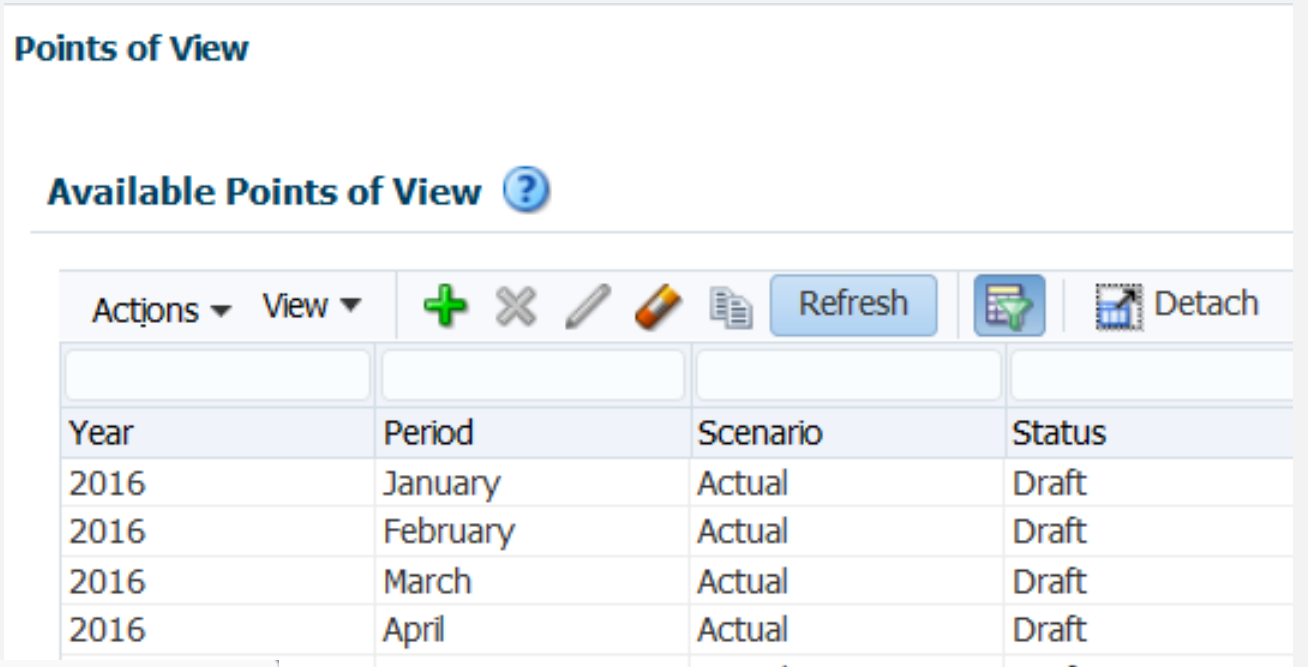
BB100-504	Department Stores	Qmart	USA E SE	Alline Saxon	B	Suburban	109,315.00	119,967.00	128,318.00	10,652.00
BB100-503	Department Stores	Qmart	USA E SE	Yon Zarrella	C	Suburban	91,977.00	99,012.00	103,634.00	7,035.00
BB300-130	Department Stores	Moutain Adventures	USA E NE	Van Pitre	A	Rural	105,814.00	114,405.00	122,488.00	8,591.00
BB100-511	Department Stores	Qmart	USA W FW	Noella Dykema	X	Rural	99,112.00	110,941.00	121,931.00	11,829.00
BB100-510	Department Stores	Qmart	USA W FW	Noella Dykema	A	Suburban	101,435.00	112,866.00	123,327.00	11,431.00
BB100-513	Department Stores	Qmart	CAN P	Beatriz Pfaff	B	Suburban	102,387.00	115,661.00	128,602.00	13,274.00
BB100-512	Department Stores	Qmart	USA W FW	Noella Dykema	A	Urban	88,881.00	100,329.00	112,177.00	11,448.00
BB100-515	Department Stores	Qmart	USA C GL	Leone Odaniel	C	Suburban	89,747.00	99,042.00	107,364.00	9,295.00
BB100-514	Department Stores	Qmart	USA W FW	Noella Dykema	C	Suburban	94,191.00	106,161.00	114,153.00	11,970.00
BB100-517	Department Stores	Qmart	USA W CA	Valery Hossain	D	Rural	85,335.00	92,797.00	96,997.00	7,462.00
BB100-516	Department Stores	Qmart	USA W CA	Tania Vallecillo	A	Urban	86,363.00	94,493.00	100,795.00	8,130.00
BB300-127	Department Stores	Moutain Adventures	USA E MA	Ginny Shipley	A	Urban	94,490.00	105,492.00	113,948.00	11,003.00
BB300-128	Department Stores	Moutain Adventures	USA E NE	Bernardina Normand	A	Suburban	117,159.00	127,373.00	138,621.00	10,215.00
BB300-129	Department Stores	Moutain Adventures	USA E SE	Yon Zarrella	B	Suburban	119,862.00	127,845.00	133,713.00	7,984.00

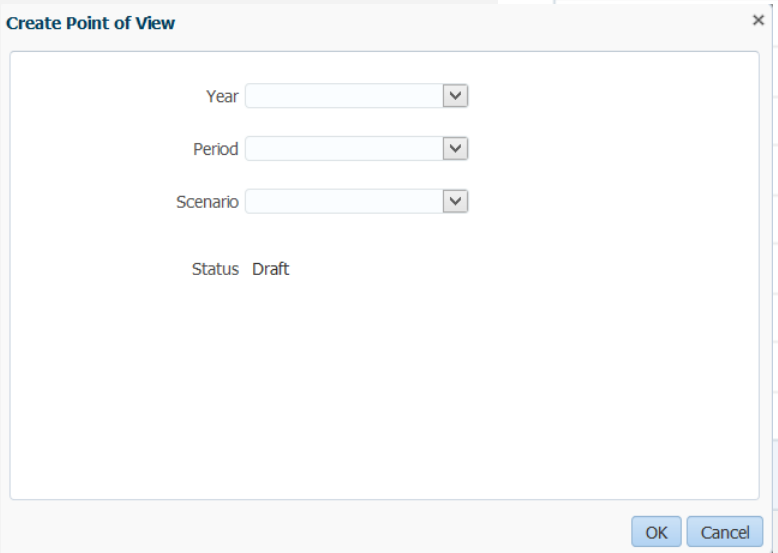
Steps to Create a Rule



Create the POV

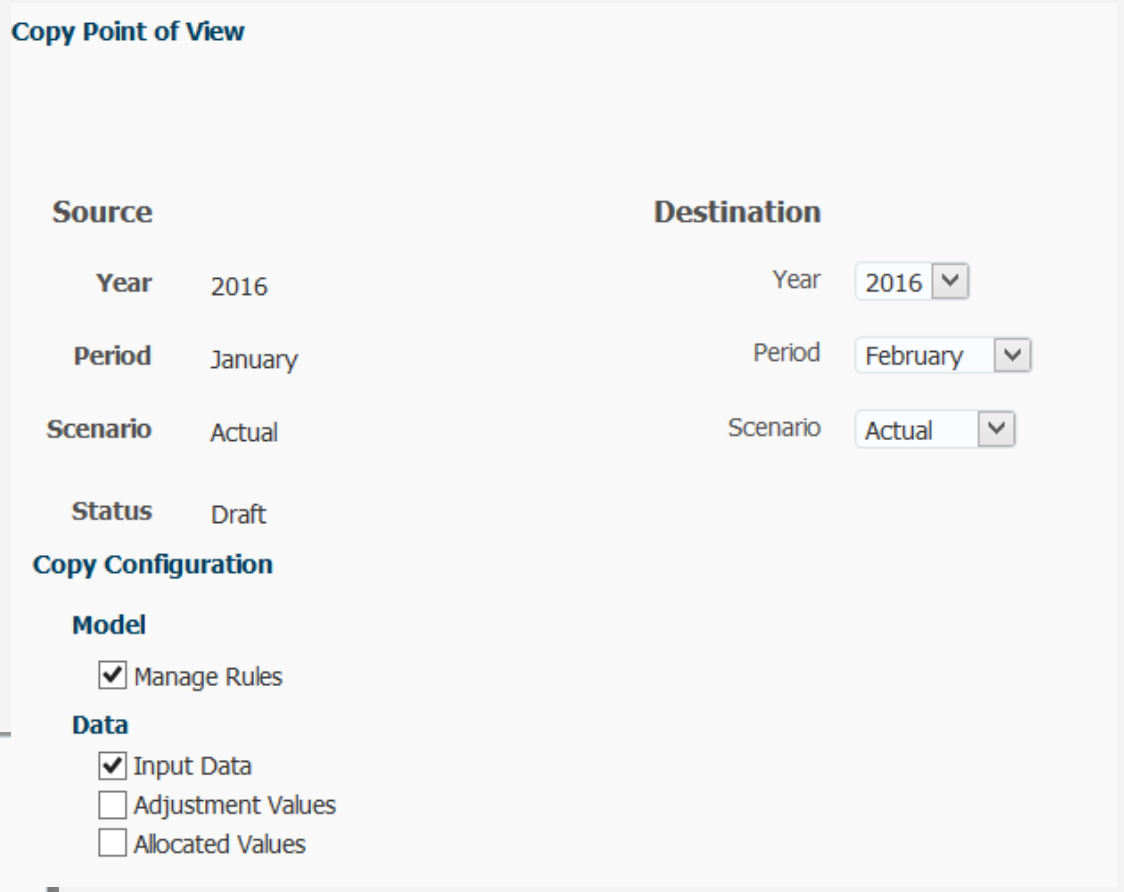
- Navigate to the Points of View
  - Navigate >> Administrator >> Point of View
- Select Actions >> Create
- Select the members for the desired POV

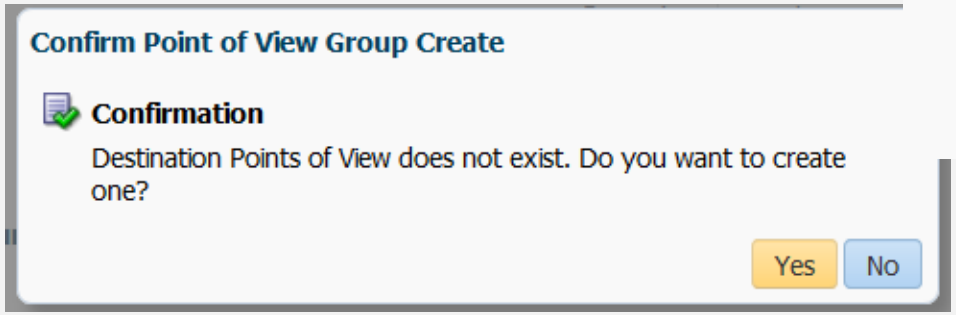




Copy POV

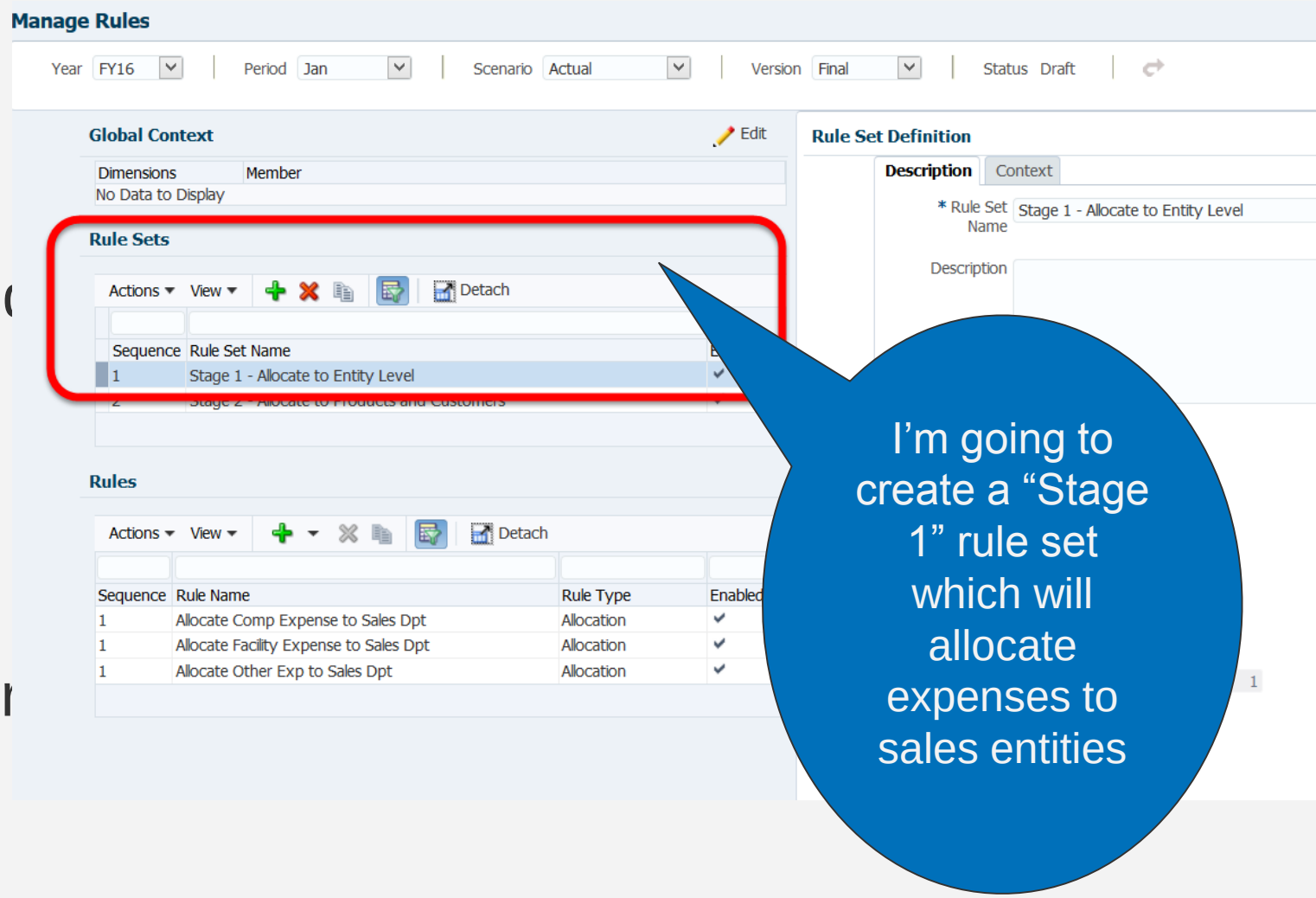
- You can also copy the POV
- Choose the Source and Destination POV
- Choose to copy over rules (all rules are copied)
- Choose to copy over data
  - Input data, adjustment values and or allocated values





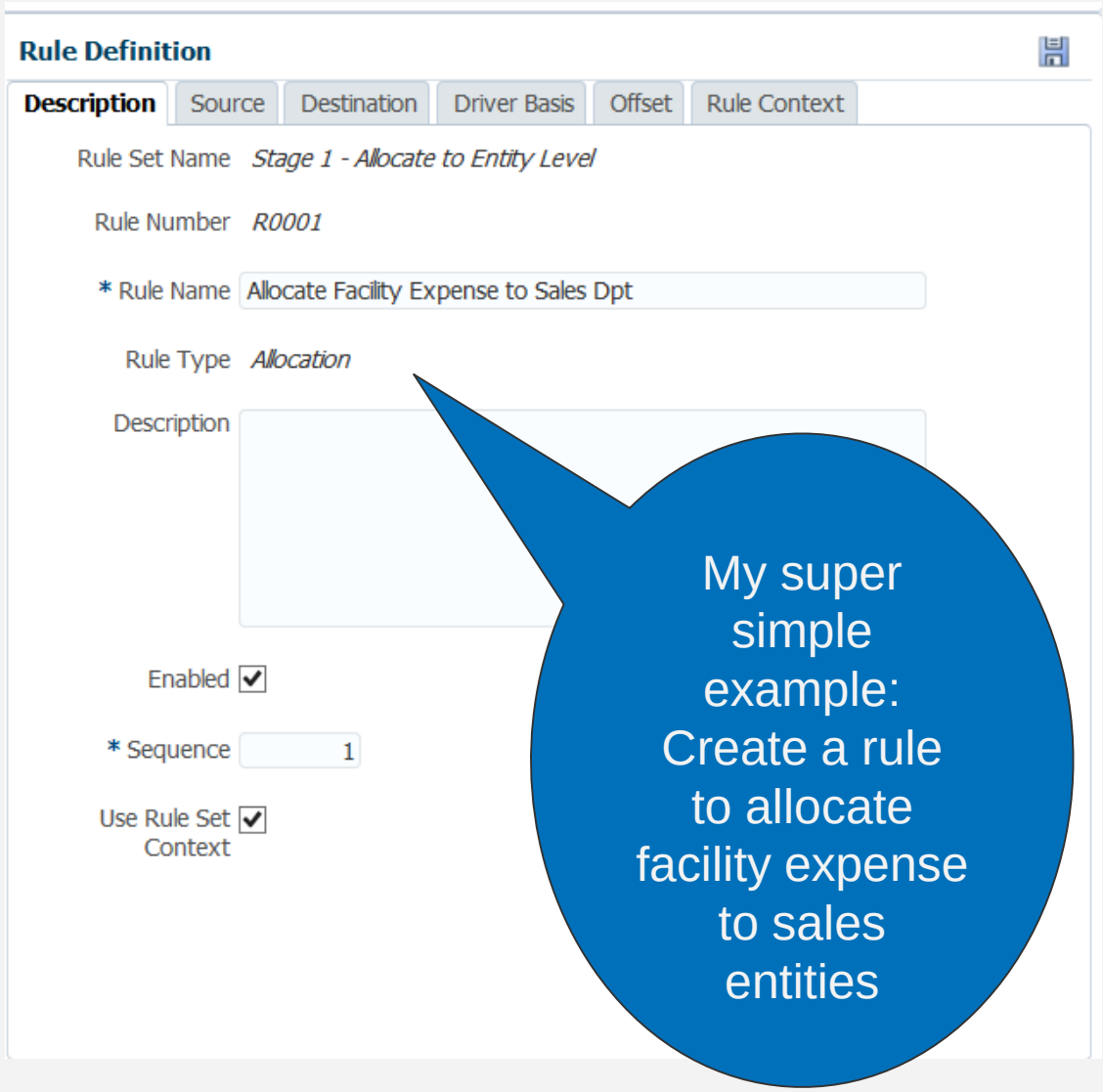
Create a Rule Set

- Navigate to the Manage Rules section
- Define rule set name
- Description
- Sequence – what order should the rule set run
- Enabled – you can “turn off” and “turn on” rule sets
- Execution option: Serial, parallel, iterative (with number of iterations
- Use Global Context



Rule Definition – Description

- Rule Name
- Rule Type
- Description
- Enabled – you can “turn off” and “turn on” rules
- Sequence – what order should the rule run? Is it dependent upon another rule?
- Use Rule Set Context (saves some clicks)
  - For Essbase admins, this is sort of like the “fix” statement
  - Fixed members for the executed rule



Good rule description is important!

- For running system reports and audit reports

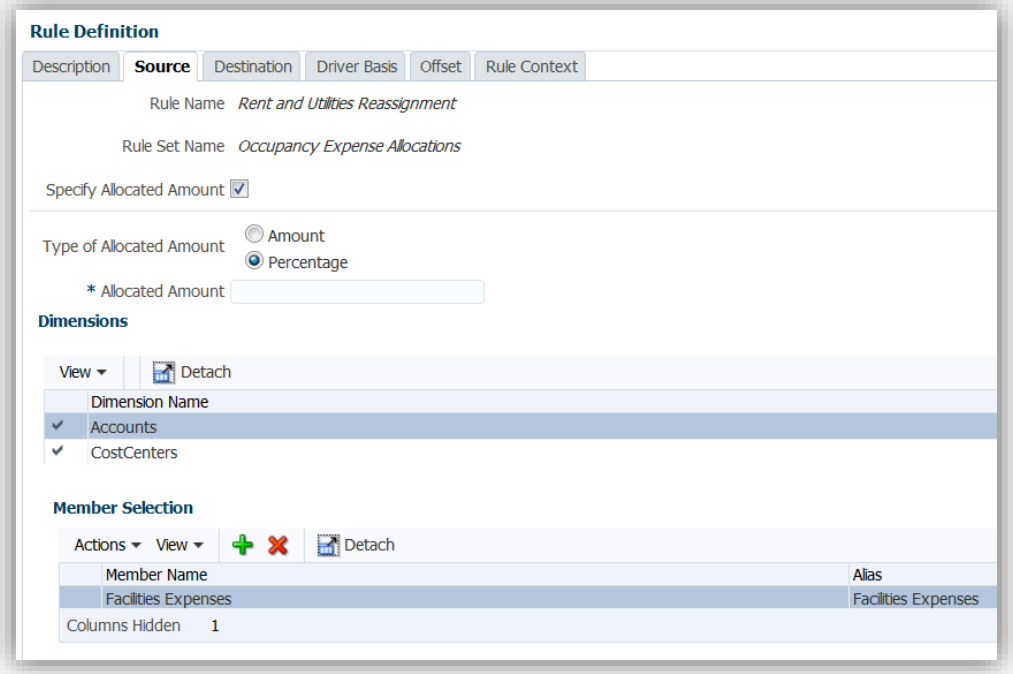
Program Documentation Report

ORACLE | Hyperion

Rule Set Name	Rule Name	Rule Type	Rule Number	Enabled	Use Context	Sequence	Execution Mode	Iterations	Description
									context is required as all dimensions except those covered by Global Context are now included in all rules. The result of this rule set produces a fully dimensionalized P$L capability.
Customer / Product / Region Profitability Calculation	Product Support Costs Assignment to Market Intersections	Allocation	R0016	Yes	Yes	1			Applies fully burdened costs of Products to Market intersections based on sold quantity.
Customer / Product / Region Profitability Calculation	Customer Support Costs Assignment to Market Intersections	Allocation	R0017	Yes	Yes	2			Applies fully burdened costs of Customers to Market intersections based on sold quantity.
Customer / Product / Region Profitability Calculation	Product COGS Assignment to Market Intersections	Allocation	R0018	Yes	Yes	3			Assignment of Product COGS Accounts from all Manufacturing Cost Centers to Market Intersections. These costs did not involve the activity costing rules and are picked up from the 'NoActivity' member.

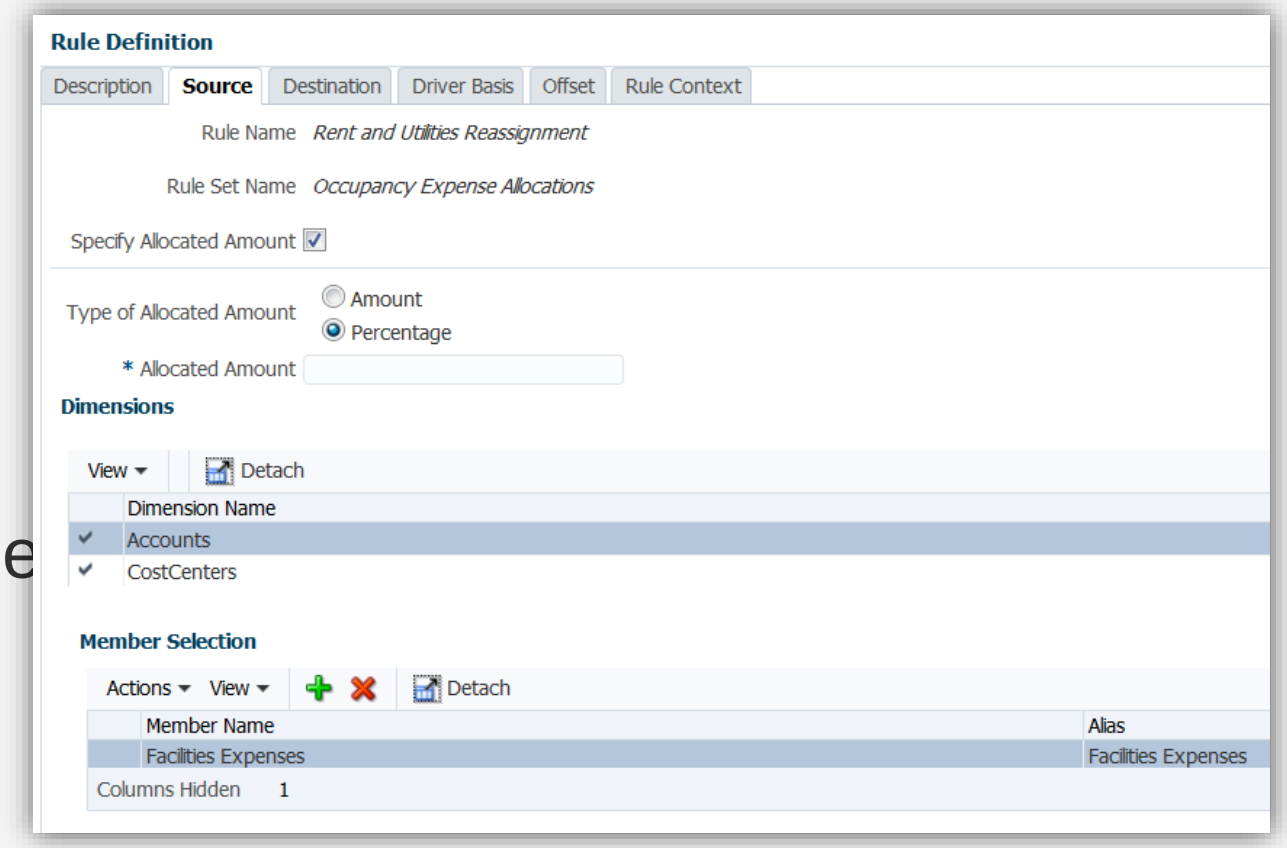
Rule Definition - Source

- Define the intersection of the amount to be allocated
- Member selection to define members in each dimension
- Select all of the source elements to define the source value to allocate
- Could be a number of accounts, number of members to group the value
- ASO cube in the background which dynamically calculates to amount of the identified intersection
- Filter specific members or based on UDA or Attribute
- Options to split the allocation if you run into performance issues for the rule



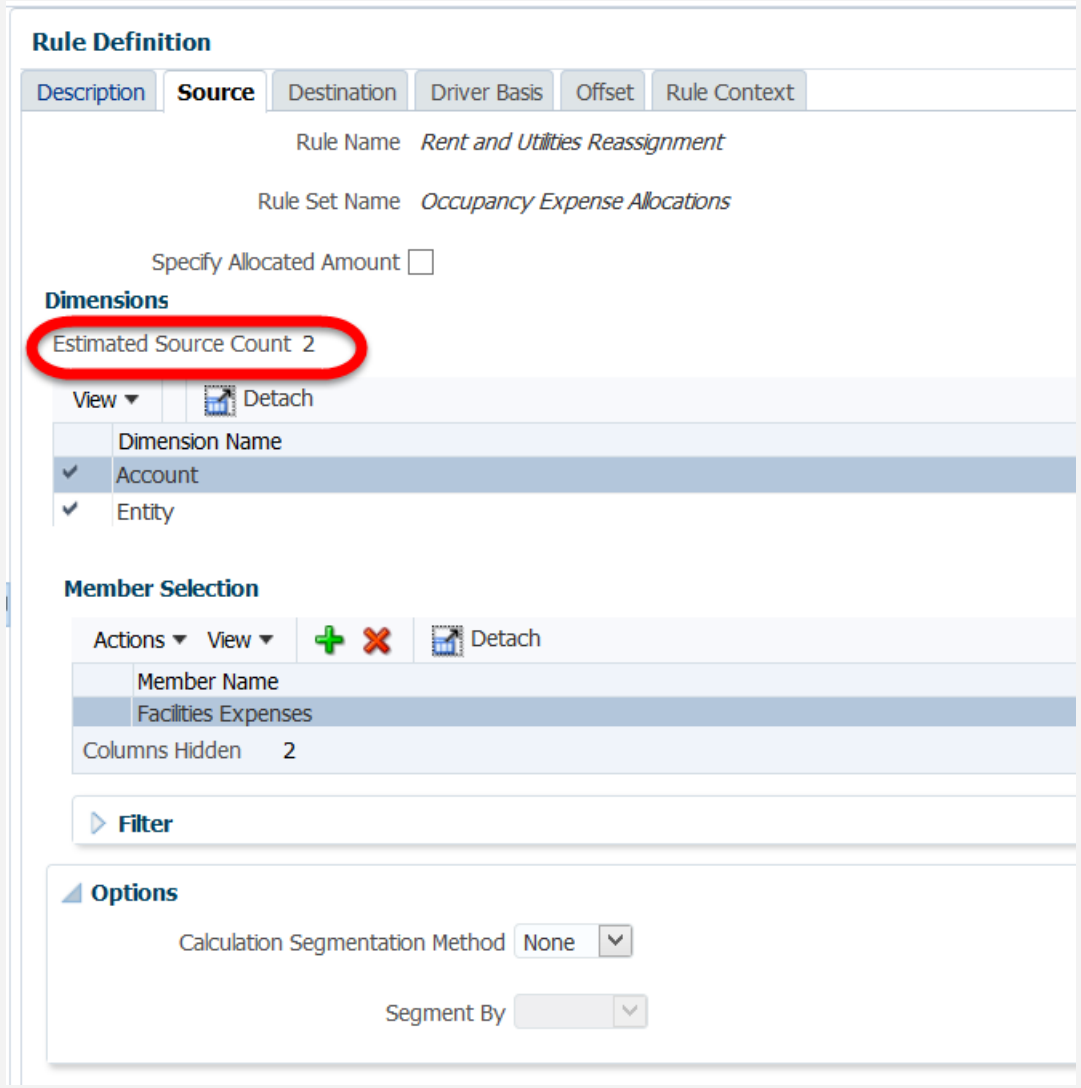
Source

- Source member selection options (and destination)
  - Multi dimension member selections (though this can impact performance
  - Multiple selections (parent or level 0) for each dimension
  - Member selection filter by name UDA, Attribute
- New from HPCM – Partial allocation (% or specified amount)



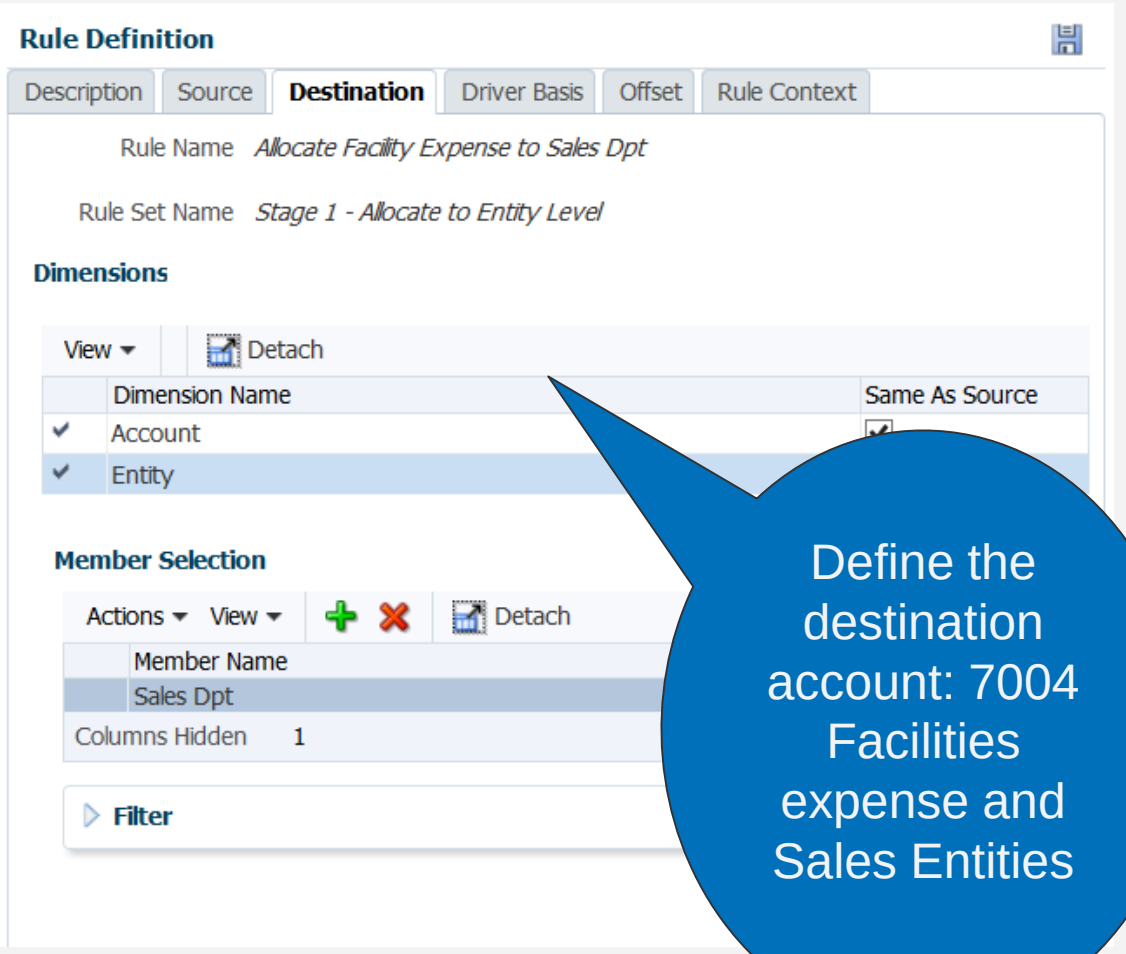
Estimated Source Count – New from HPCM

- Source range will impact performance
- PCMCS gives you a rough count of estimated source cells



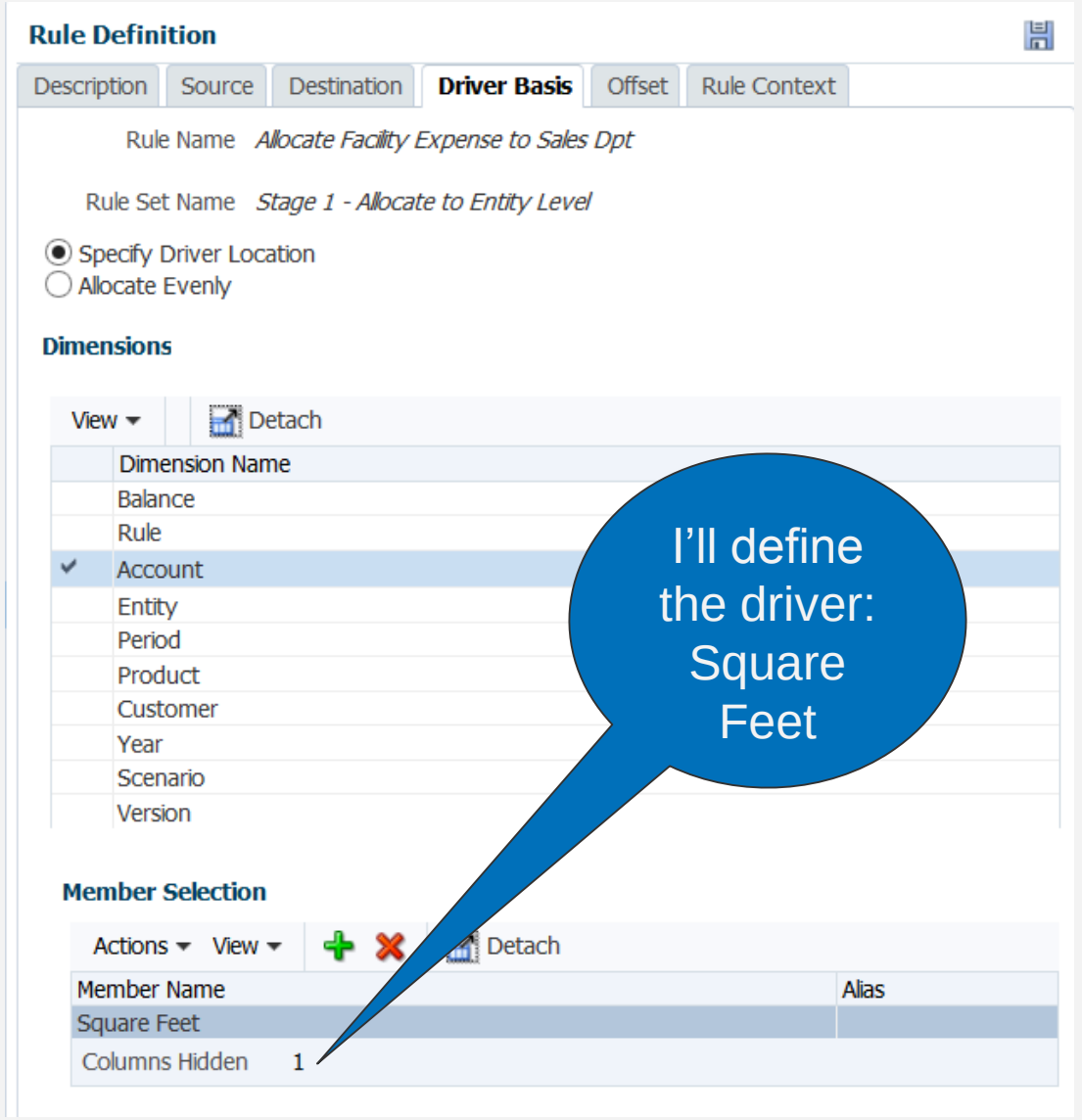
Rule Definition - Destination

- Define the intersections of the amount to be allocated
- Where should the data “land”
- Member selection to define members in each dimension
- Define member to allocate “to” e.g. Total Products
  - Though the final result will be loaded to level 0 products based on the driver basis
- Always allocates to level 0 members of the parents selected in member selection



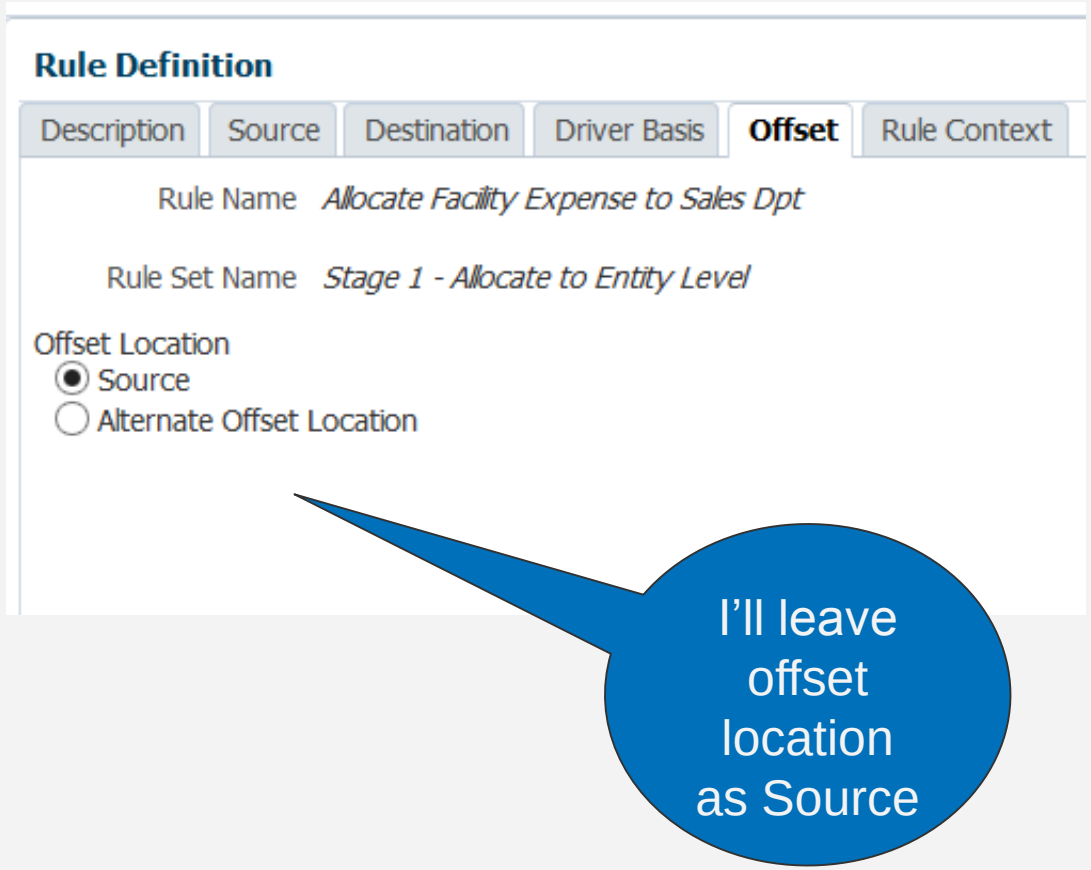
Rule Definition – Driver Basis

- Driver basis
- You can use intersections in the database to define the driver basis
  - “Square Feet” or “Units” or “Revenue”
  - Member formula to calculate a driver though watch out for performance (consider custom calculation so the calculation is calc’d and stored)
- You can also upload allocation percentages and use those



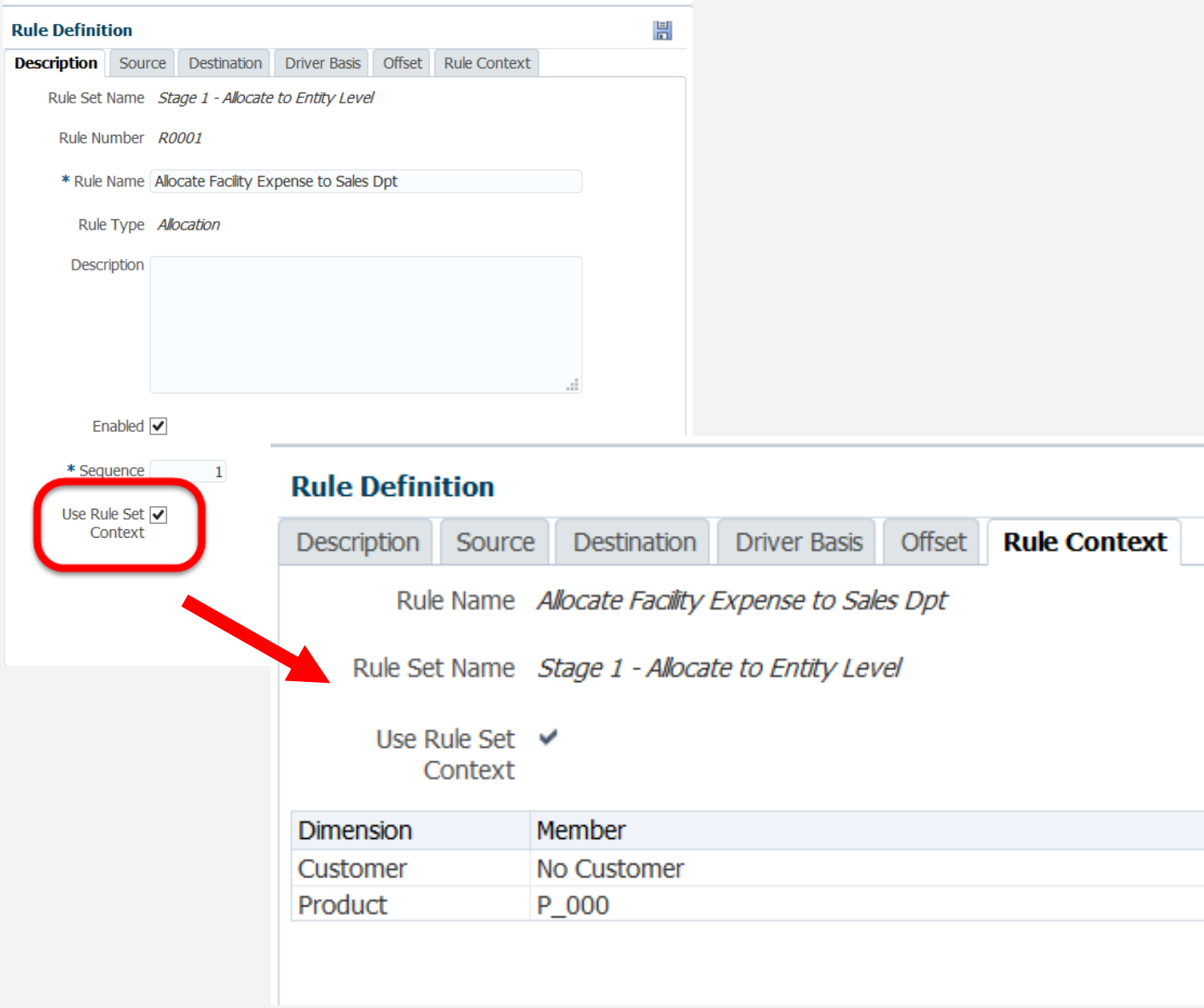
Rule Definition - Offset

- Define the offset intersection
- Put the negative $ into a different location so you aren't able to further allocate out $
- Do you want to take the $ out of the source?
  - Source dollars put into destination (keeps it simpler)
    - Source dollars go to zero
  - Or alternate offset location
    - Negative numbers to create the offset



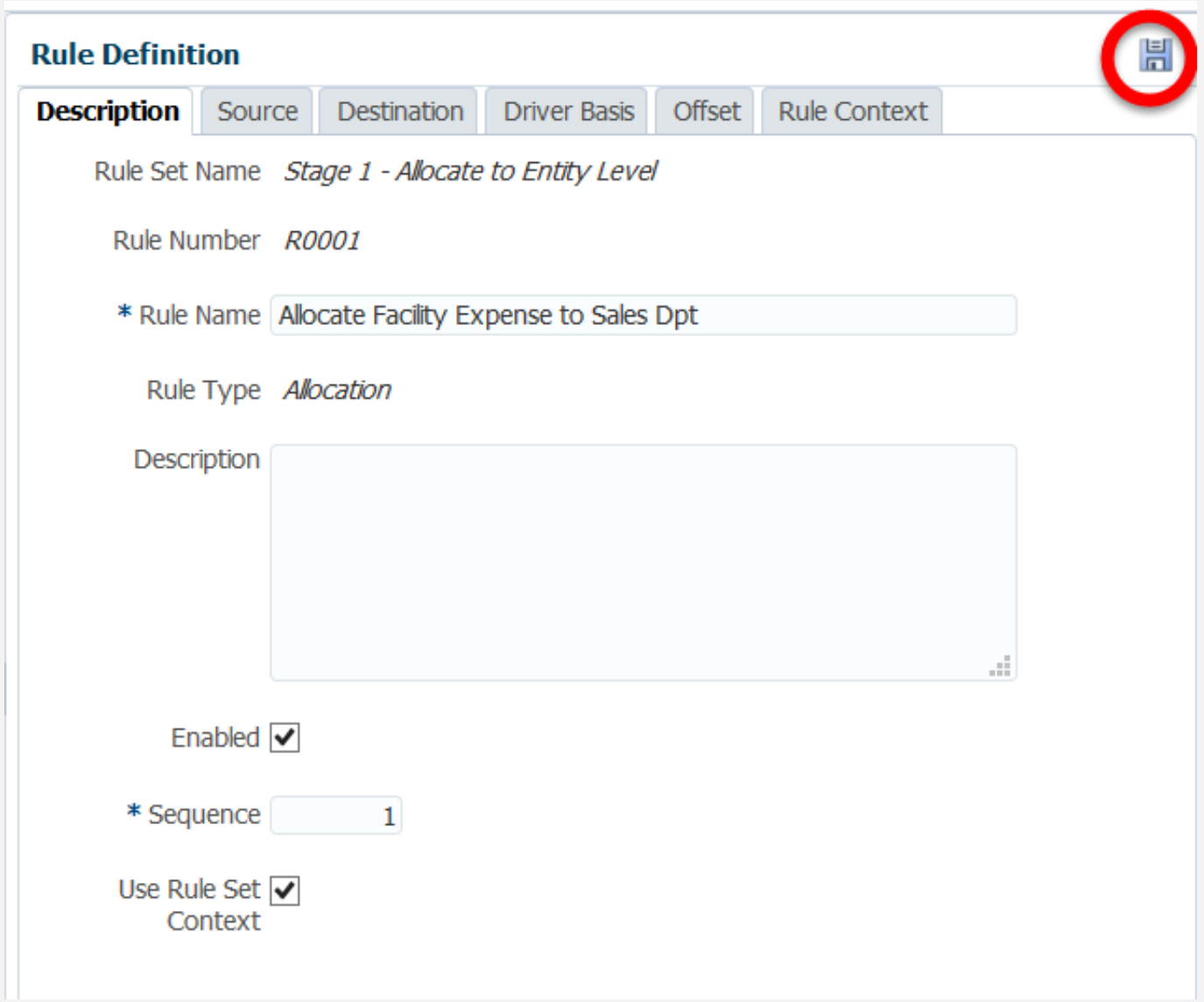
Rule Definition - Context

- Because I checked the “Use Rule Set Context” option, the context is already defined
- You can define a rule context that is different than the rule set if you need to
  - Do not check the option to “Use Rule Set Context” on the Description tab

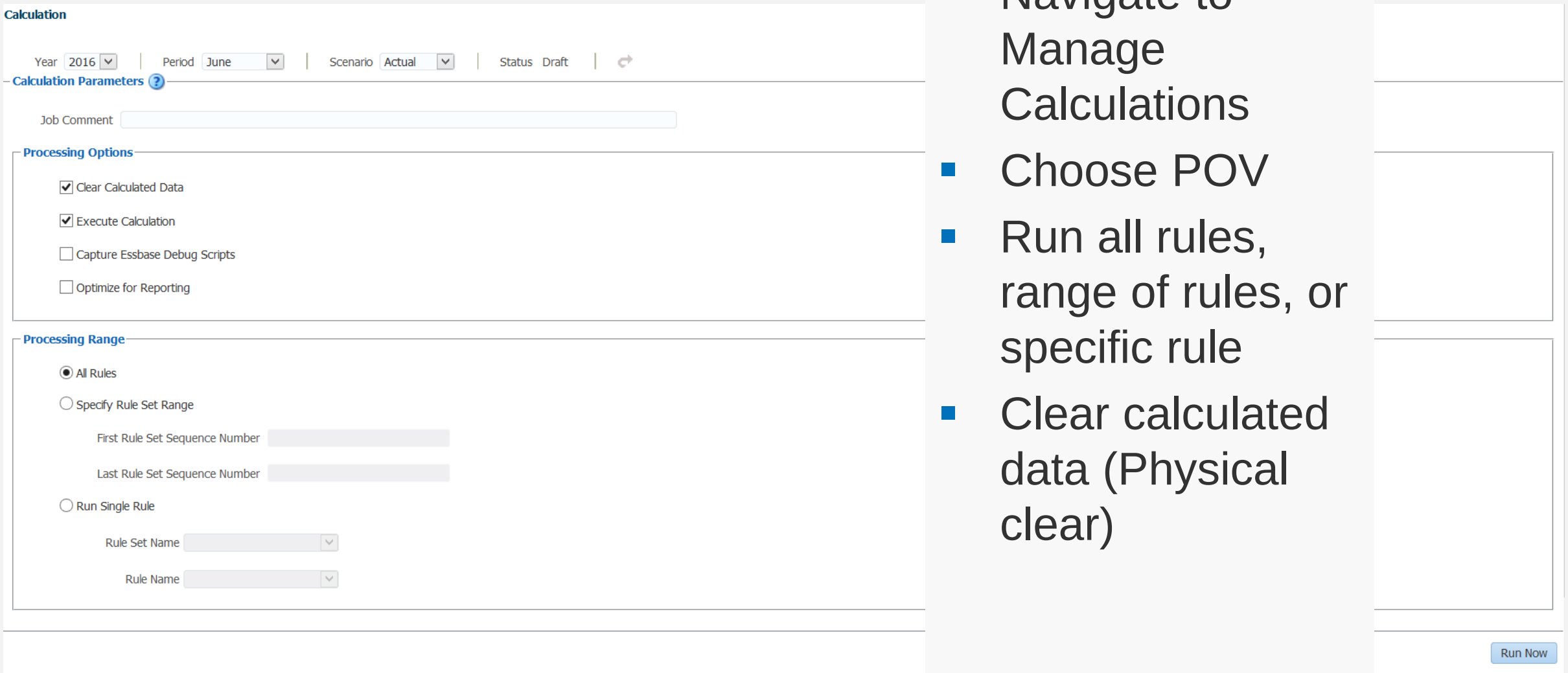


Save!

- Click the Save icon
- The rule number will be assigned when you execute the rule the first time



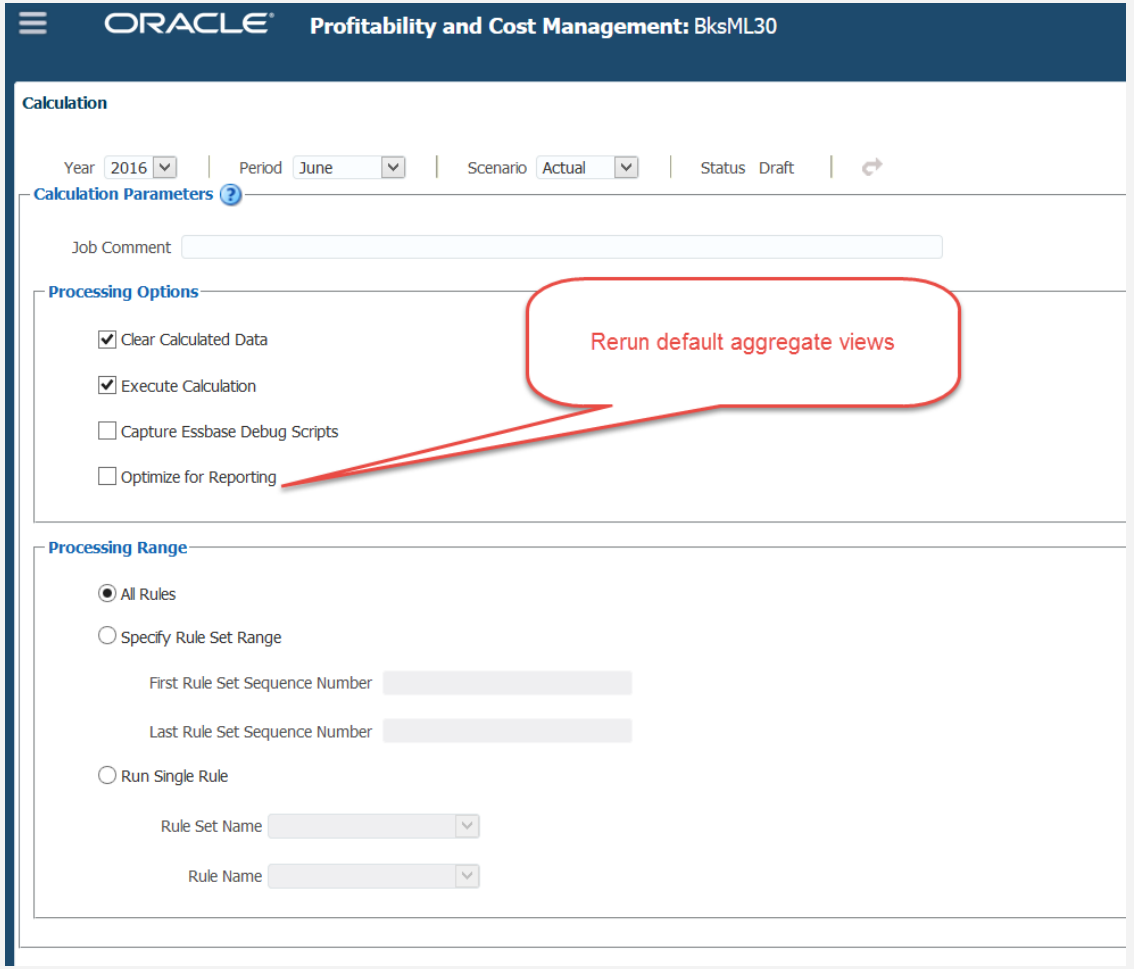
Ready to run the calculation



- Navigate to Manage Calculations
- Choose POV
- Run all rules, range of rules, or specific rule
- Clear calculated data (Physical clear)

New to PCMCS – Optimize for Reporting

- Optimize for Reporting - Aggregate default views
- Must do as part of running a rule



Rule Number / Name Considerations

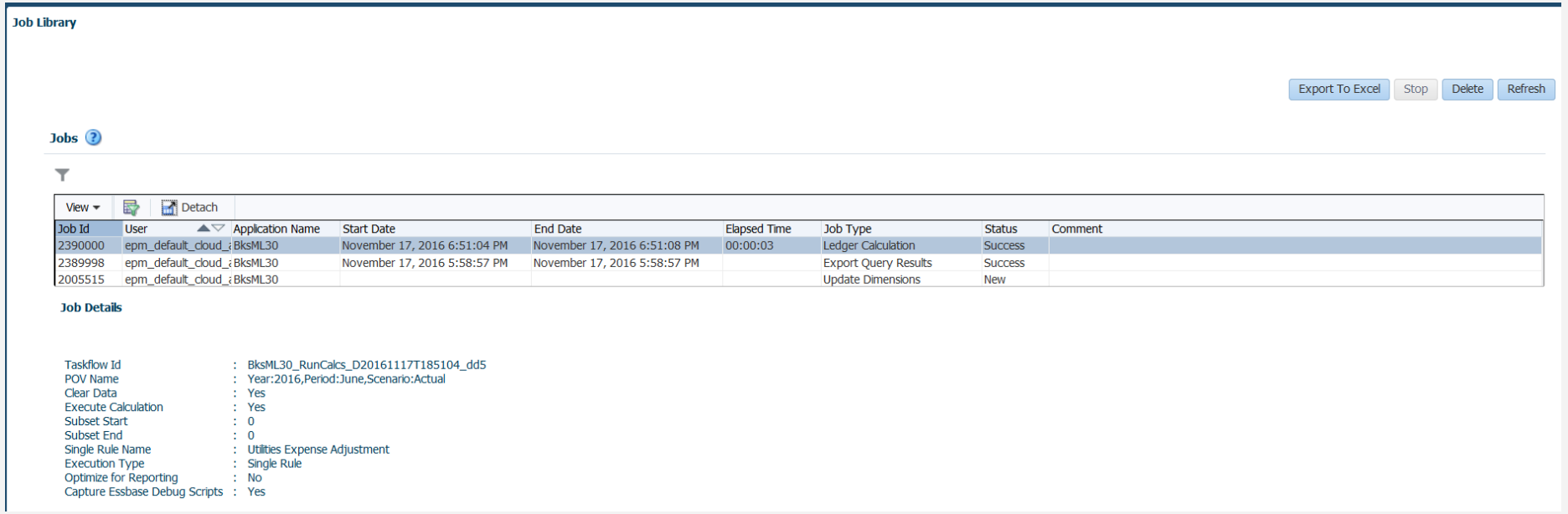
- For a new rule, the rule number is not assigned until the rule is executed
  - PCMCS will get the next “open” rule number
  - If you had rules 0001, 0002, 0003, and then deleted 0001, the next rule you created would be assigned 0001 because it is now available
- **Rule numbers are POV specific**
- If you copy rules to a POV, then the rule numbers persist and are the same in the target POV
- It is possible to then update / change the rule in a POV and it is only updated for that POV
  - Other POVs are not updates
- If you delete rules and then add new rules, it is possible the rule numbers / rule names may be totally different in POVS
  - So it is possible to have “Allocate Facility Expense” be different rule numbers
  - If possible try to use Copy rule functionality, so rule numbers automatically move to the next POV

interRel

Did the Allocation work?

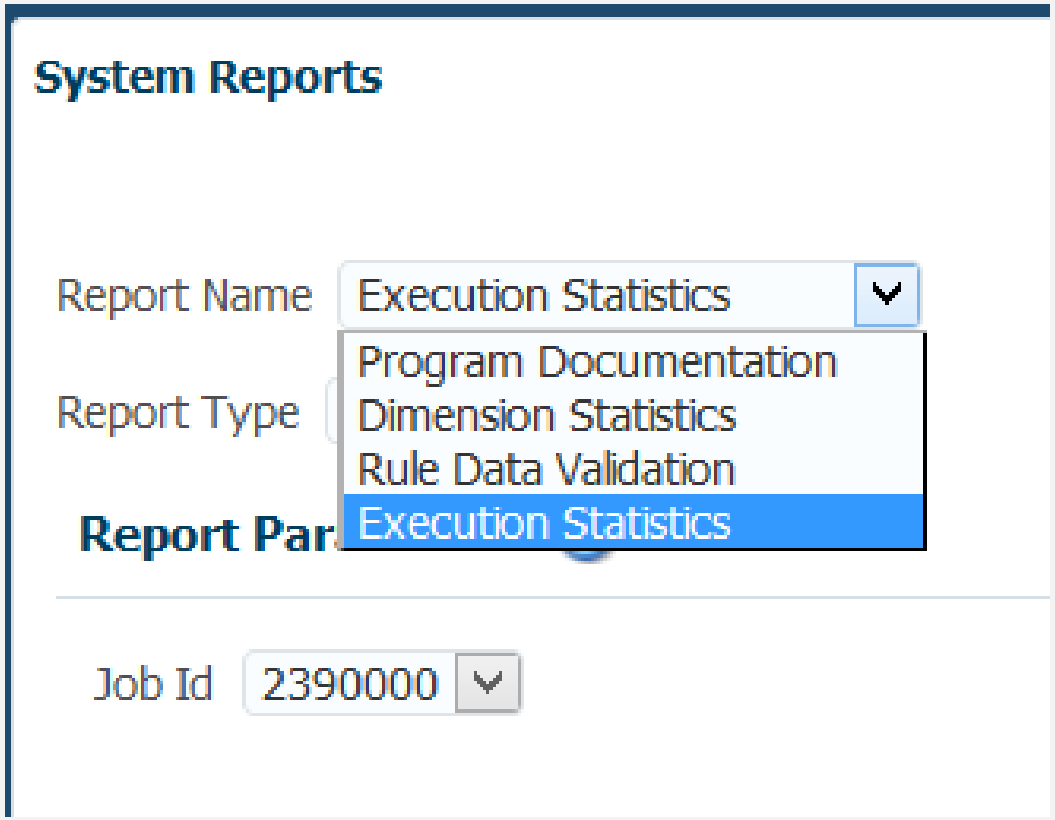
Job Library

- View calculation status
- Succeed is good
- Select any line and view some of the details
- Look for Success with Warnings
  - Usually this means the rule ran but no data was allocated due to missing driver or source data (as defined in the rule)



Execution Statistics Report

- Navigate to System Reports
- Define Execution Statistics report
- Report type
- Optionally job id
- Click run
- Report will generate: For each rule, view start and end time, total elapsed time, number of threads, potential number of destinations, potential number of allocations and number of scripts



Execution Statistics Report

- How long did it take? Start and end time, total elapsed time
- How much work is Essbase doing? Potential number of destinations, potential number of allocations and number of scripts

Execution Statistics Report

Application :	VisPC2
Application Type :	Management Ledger
Point of View :	Year:Period:Scenario:Version
	FY16:Jan:Actual:Final
Job Id :	1036
Job Type :	Ledger Calculation
Job Status :	Success
Number of Threads :	1
Start Time :	4/18/2016 20:55
End Time :	4/18/2016 20:55
User Id :	admin

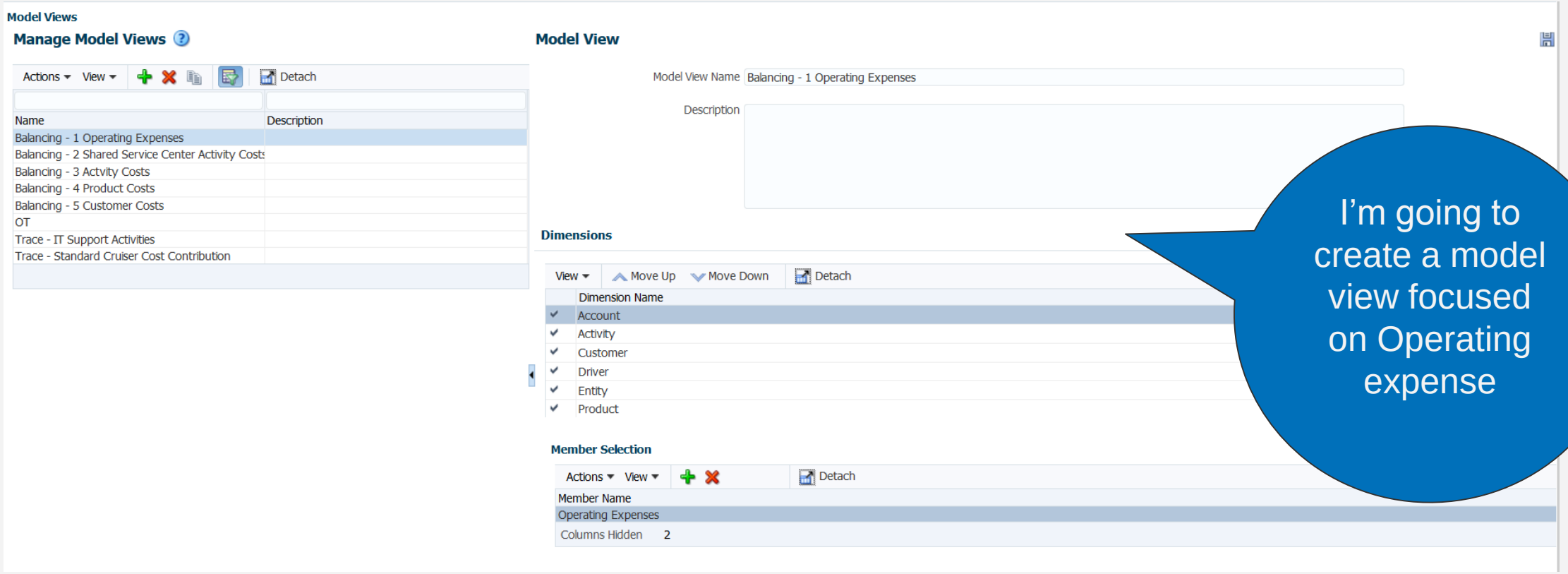
Rule Set Name	Rule Name	Iteration Number	Start (hh:mm:ss)	End (hh:mm:ss)	Elapsed Time (hh:mm:ss)	Number of Threads	Thread Number	Potential Sources			of
Stage 1 - Allocate to Entity Level			20:55:34	20:55:38	0:00:04	1	796				
Stage 1 - Allocate to Entity Level	Allocate Comp Expense to Sales Dpt	1	20:55:34	20:55:35	0:00:01	1	796	252			
Stage 1 - Allocate to Entity Level	Allocate Facility Expense to Sales Dpt	1	20:55:36	20:55:36	0:00:00	1	796	168			
Stage 1 - Allocate to Entity Level	Allocate Other Exp to Sales Dpt	1	20:55:37	20:55:38	0:00:00	1	796	1470		463050	2
Stage 2 - Allocate to Products and Customers			20:55:38	20:55:39	0:00:01	1	796				
Stage 2 - Allocate to Products and Customers	Allocate Comp Expense to Products-Customers	1	20:55:38	20:55:38	0:00:00	1	796	32	41344	1323008	
Stage 2 - Allocate to Products and Customers	Allocate Facilities Expense to Products-Customers	1	20:55:38	20:55:39	0:00:00	1	796	32	41344	1323008	

4/19/2016 14:57 PMVersion 1.01 of 1

Use this report to help troubleshoot any performance issues

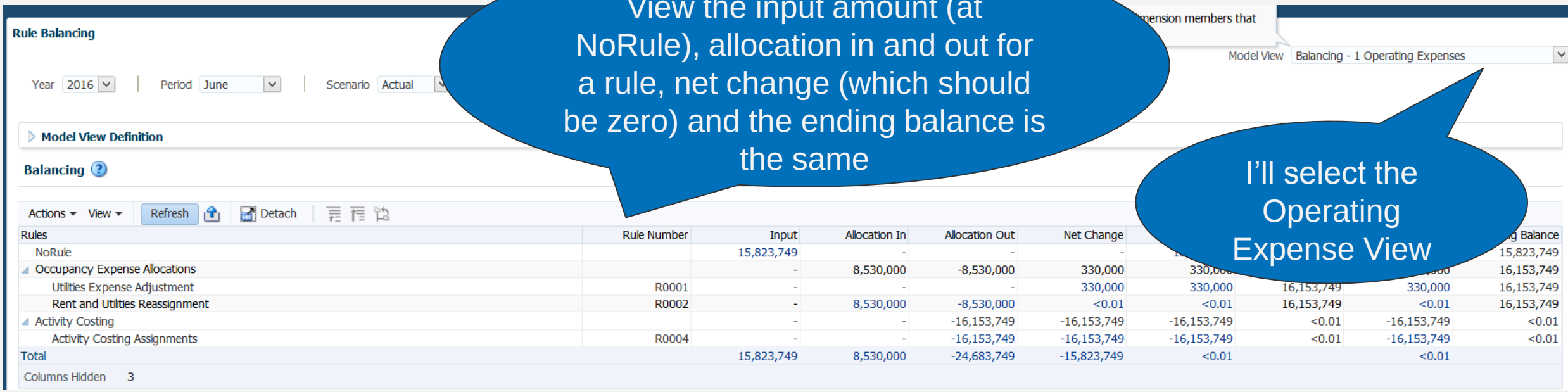
Model View

- Model View – combination of dimension members that define a slice of the model



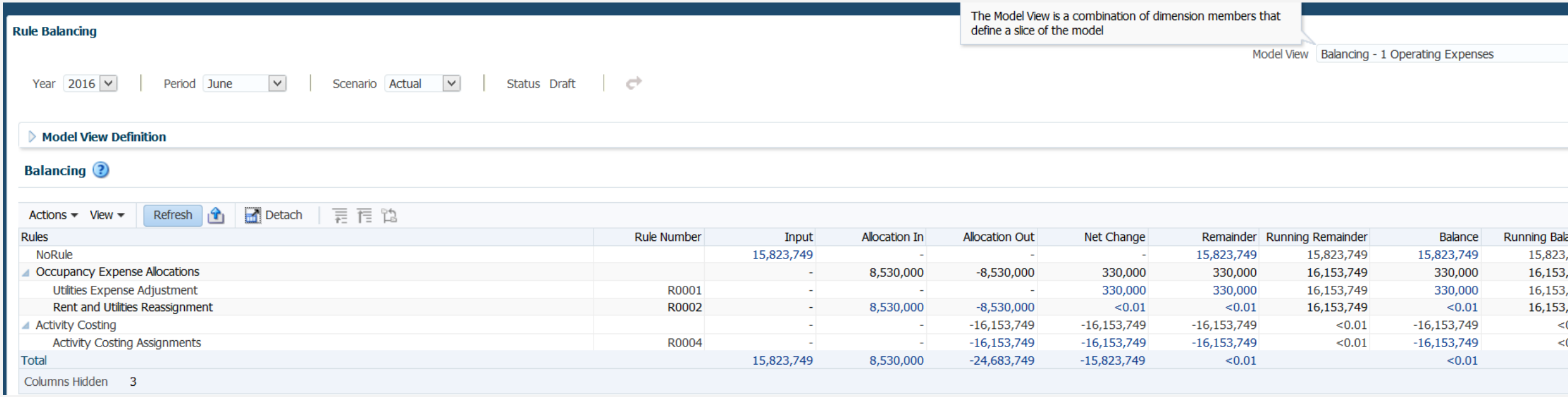
Rule Balancing

- View the high level in and outs for rule calculations
- Want to see net change of zero
- Did all of the $ were supposed to go out, actually went out
- Total $ should still be the same
- Can customize this view and focus on members using Model Views

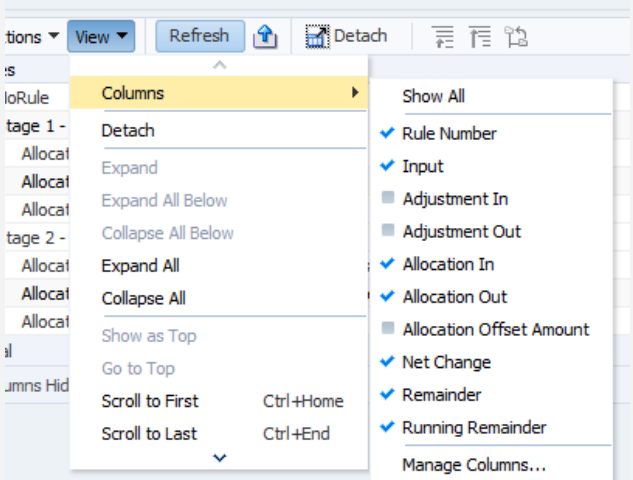


Rule Balancing

- Rule Balancing Columns

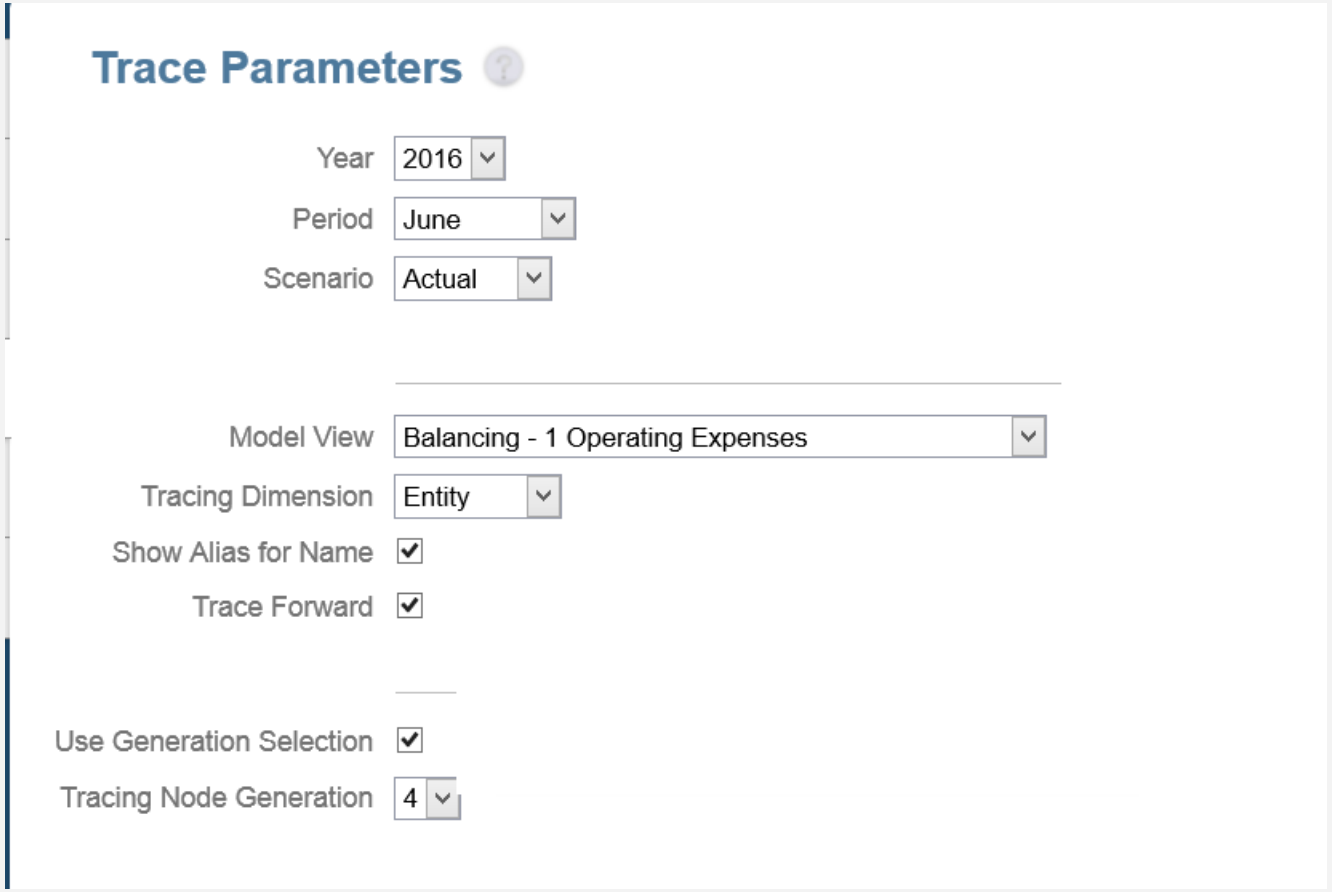


- You can hide / show desired columns

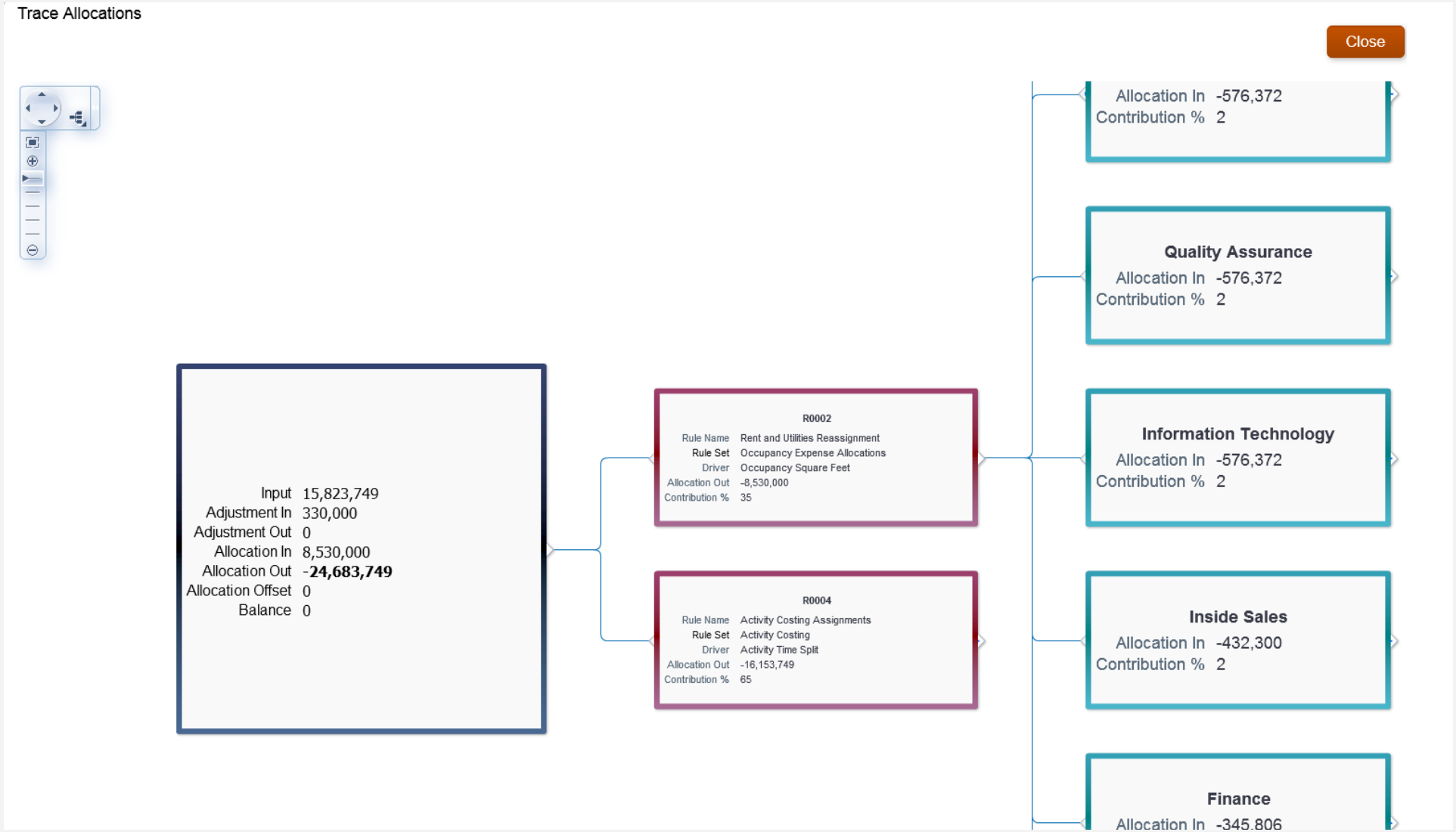


Tracing View

- Define the Trace Parameters
  - POV
  - Model view (or slice of the data)
  - Tracing dimension (dimension to zoom into)
  - Trace Forward option
  - Use generations – you can pick how far do you want to zoom down (depends on how many members/gens)

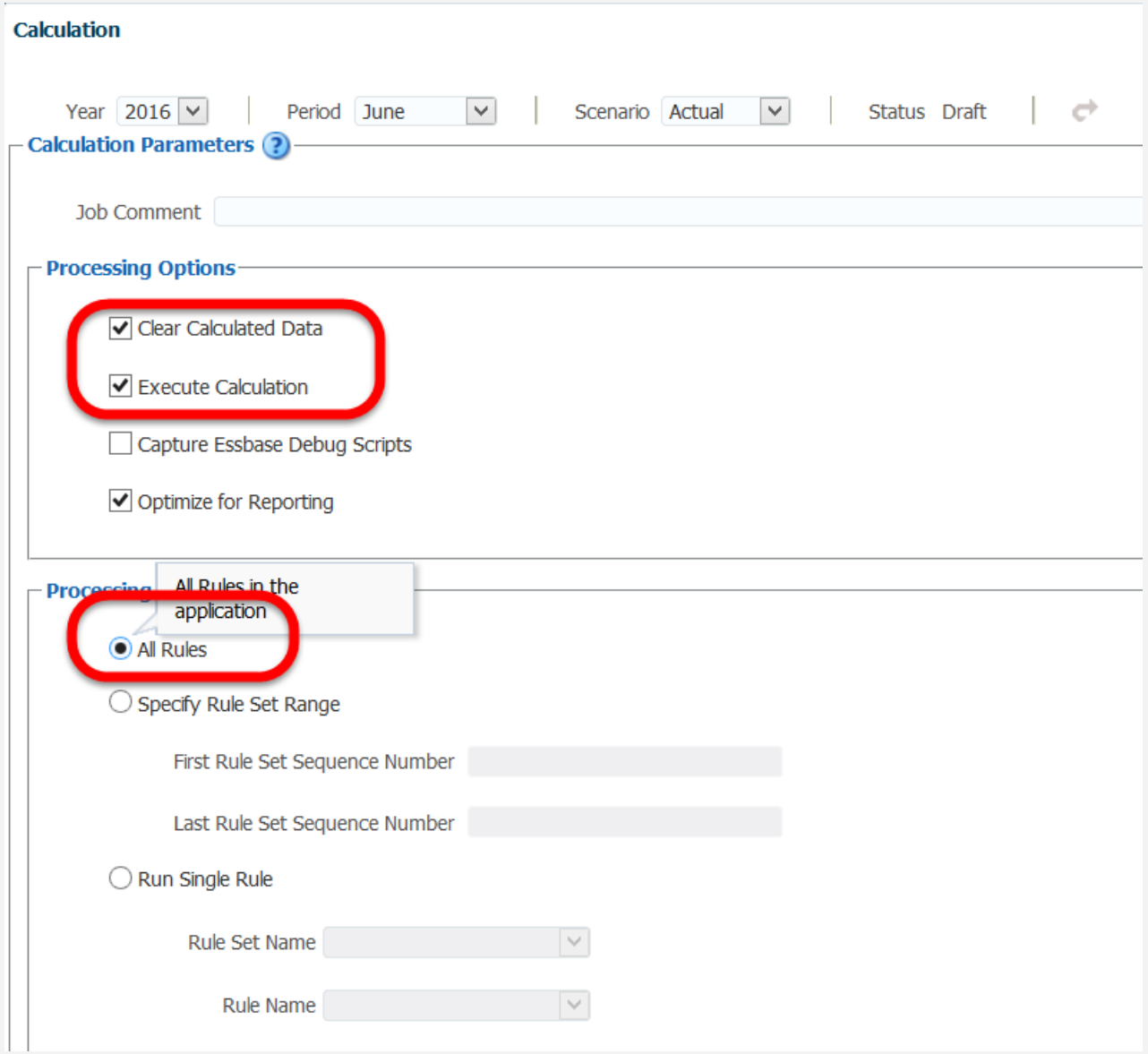


Traceability



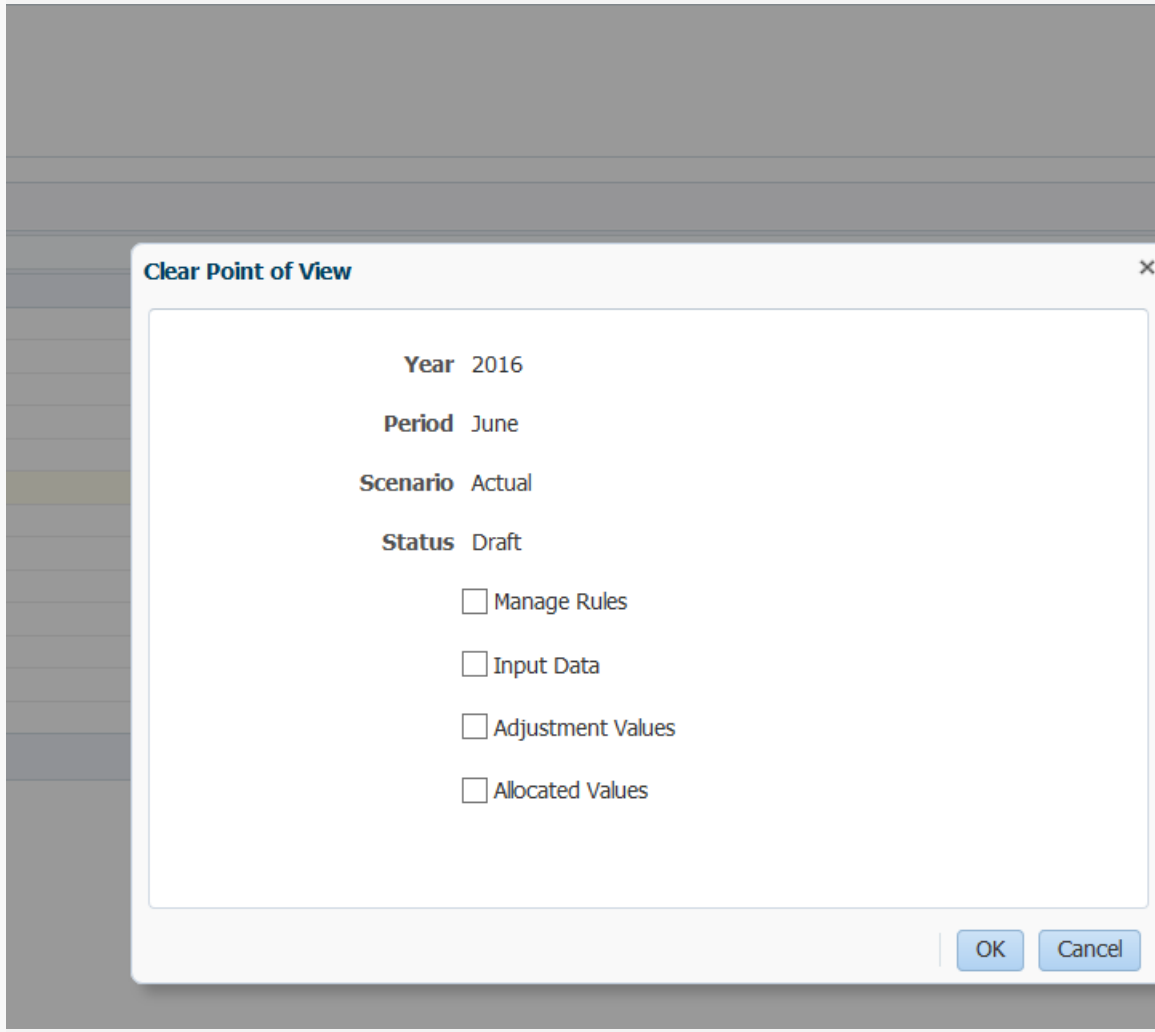
Clear Data When Calculating

- Choose the Clear Data option
- Do not choose “Execute Calculation”
- Click Run Now
- Sometimes it gets confusing testing your allocations especially when you have multiple stages and/or allocations built on top of other allocations
- CONSIDER CLEAR POV and rerun everything



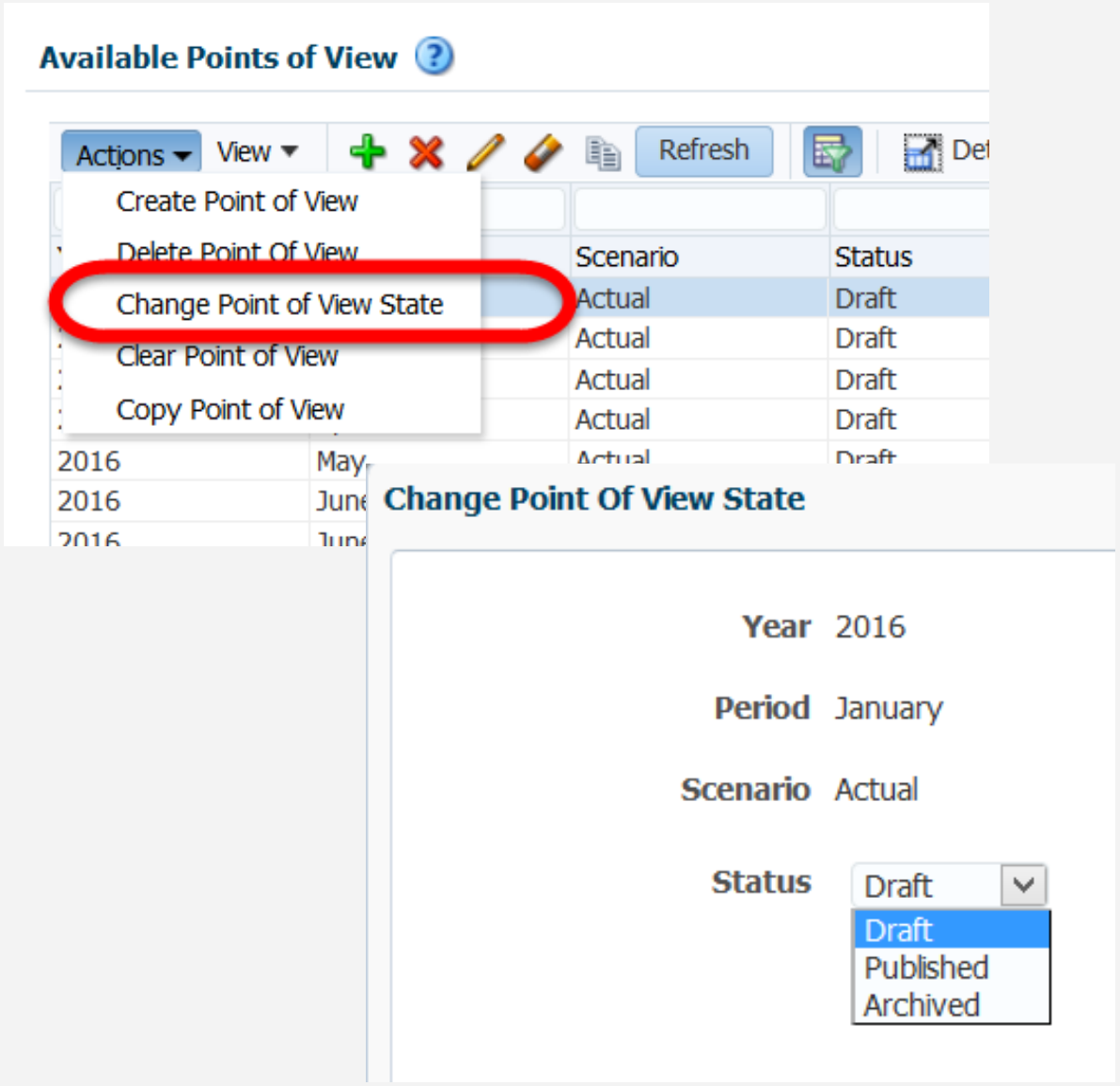
Clear POV

- Use Clear POV when you need to clear data for a POV
  - You delete all of the rules
  - Input data
  - Adjustment values
  - Allocated values

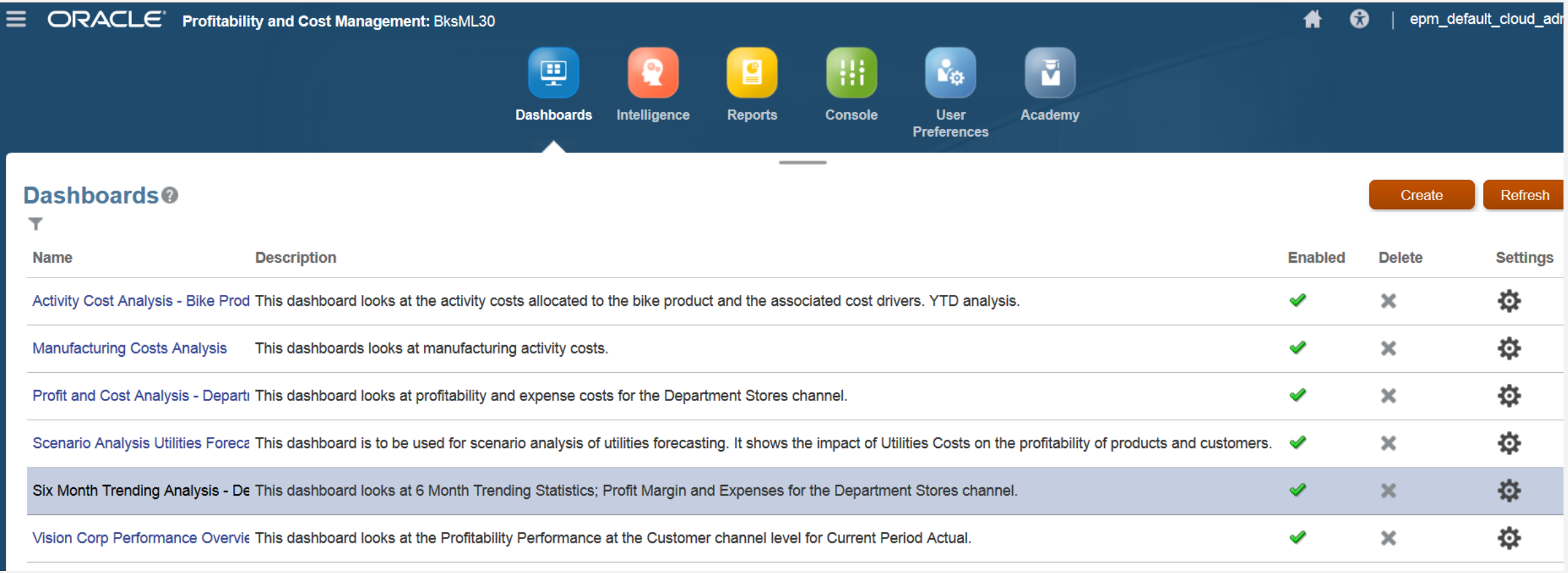


Model Status

- When a model is created, its status (State) is set to Draft
  - Indicates that the model can be viewed and edited
  - When the model is final, change the POV state to ensure it cannot be modified
  - The status is not an Essbase dimension / in the relational database / PCMCS UI only
- The POV state can be set to: Draft, Published, or Archived
- Only the POV status can be changed
  - To modify any other parameters, you must create a new POV

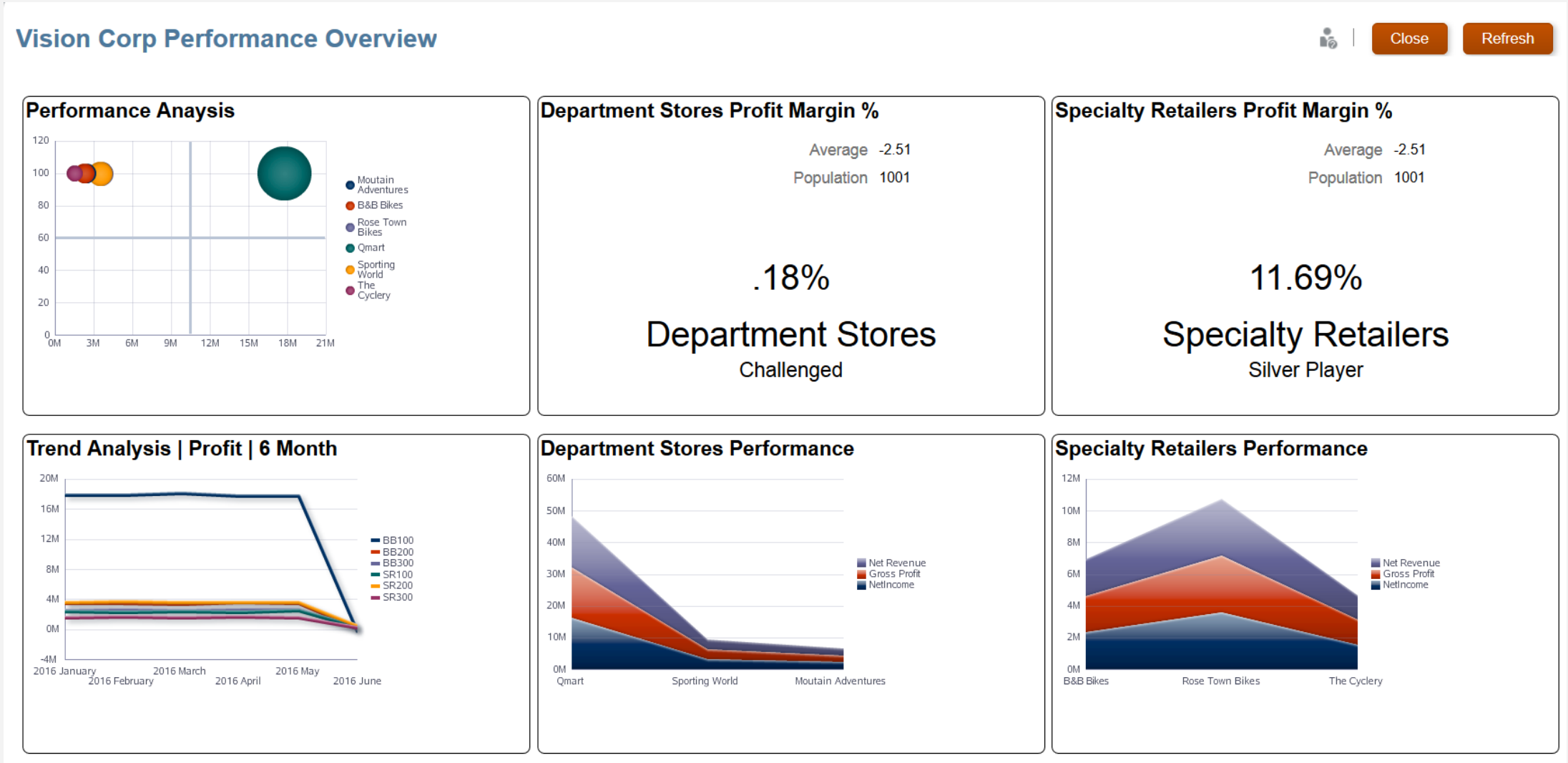


Dashboards

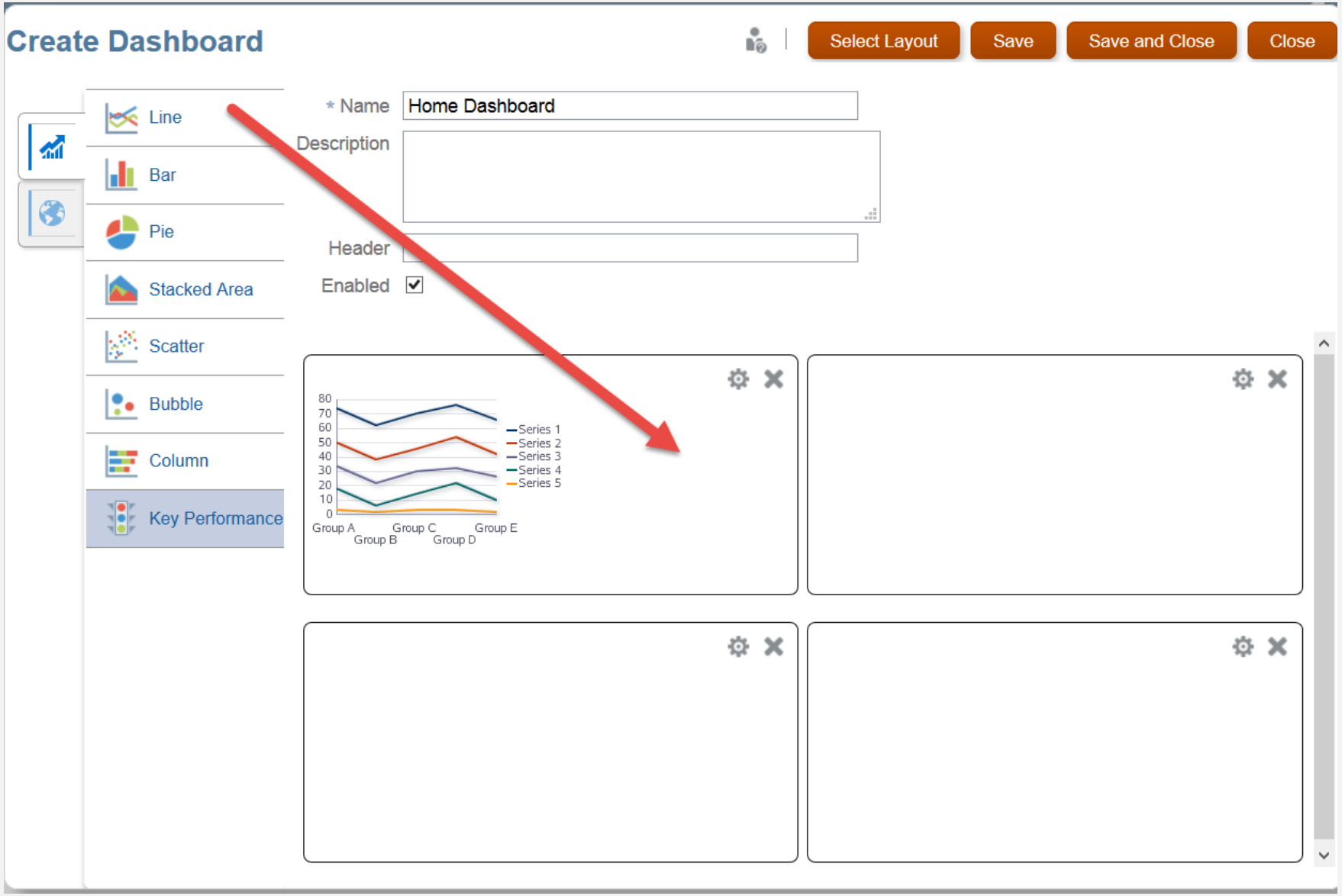

ORACLE Profitability and Cost Management: BksML30
epm_default_cloud_adr
Dashboards
Intelligence
Reports
Console
User Preferences
Academy
Dashboards
Create
Refresh
Name
Description
Enabled
Delete
Settings
Activity Cost Analysis - Bike Prod
This dashboard looks at the activity costs allocated to the bike product and the associated cost drivers. YTD analysis.
Manufacturing Costs Analysis
This dashboards looks at manufacturing activity costs.
Profit and Cost Analysis - Departı
This dashboard looks at profitability and expense costs for the Department Stores channel.
Scenario Analysis Utilities Foreca
This dashboard is to be used for scenario analysis of utilities forecasting. It shows the impact of Utilities Costs on the profitability of products and customers.
Six Month Trending Analysis - De
This dashboard looks at 6 Month Trending Statistics; Profit Margin and Expenses for the Department Stores channel.
Vision Corp Performance Overvie
This dashboard looks at the Profitability Performance at the Customer channel level for Current Period Actual.

Dashboards

- Based on Analysis Views

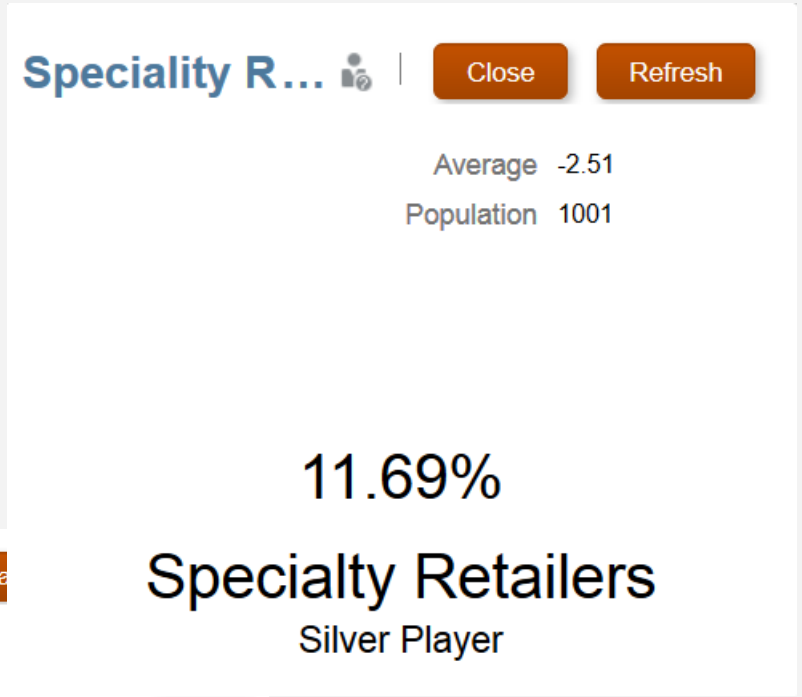


Create Dashboards through GUI



KPI

- Score
- Rank
- What rank is my store?
- What quartile is my store?



Edit Key Performance Indicator

Save | Save a

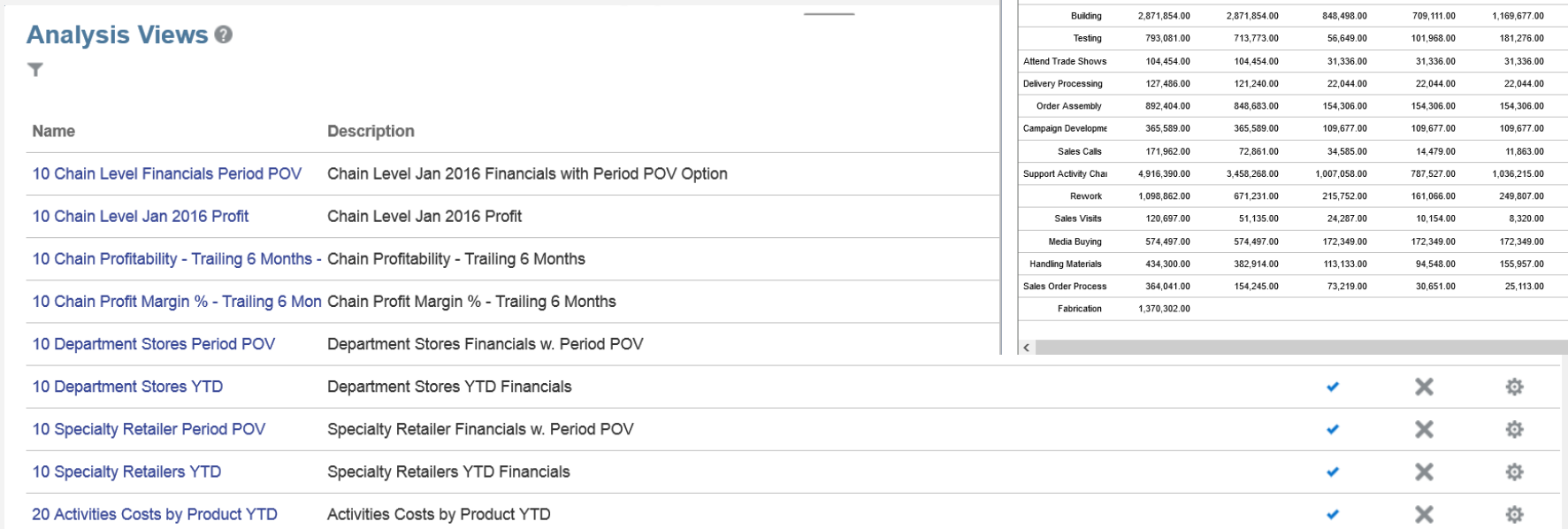
Base Definition | Data Slice | Statistics | **Score Category** | Comparison | Display Options

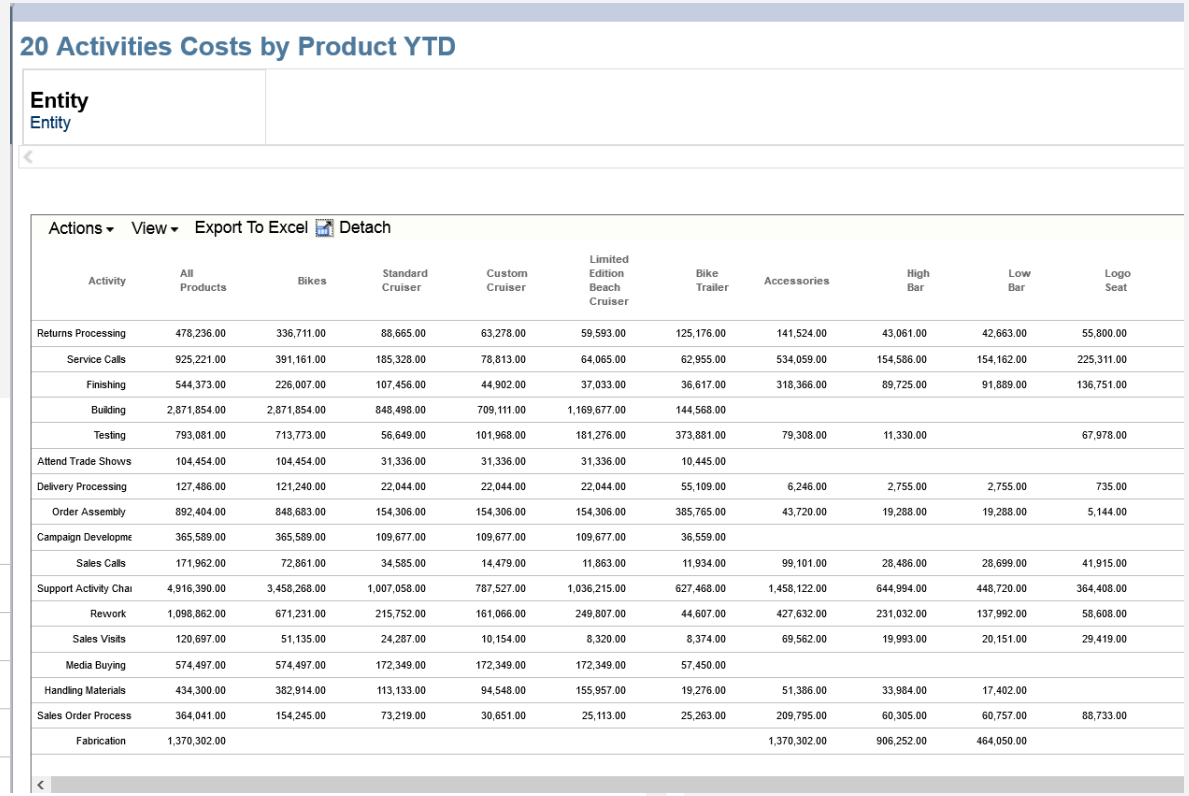
Add

Score Category Name	Start Value	End Value	Delete	Move Up	Move Down
Gold Player	30	100	✖	↑	↓
Silver Player	10	29.99	✖	↑	↓
Bronze Player	4	9.99	✖	↑	↓
Challenged	-2.99	3.99	✖	↑	↓
Severly Challenged	-100	-3	✖	↑	↓

Analysis Views

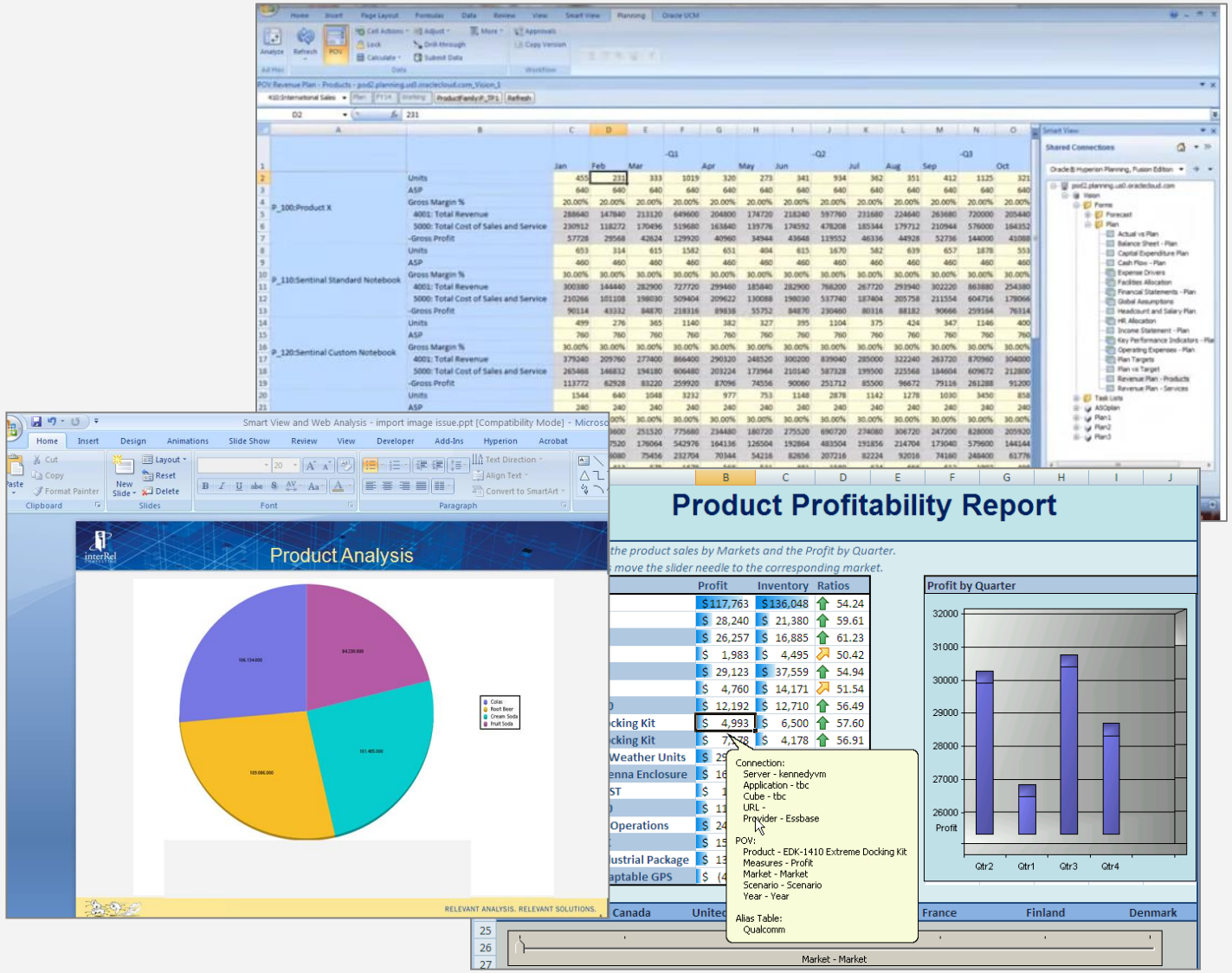
- Produces a simple table of data
  - One dim in the row and column
  - Data slice
  - See slide
- Basis for dashboards





Smart View

- Common Microsoft add-in for Oracle EPM solutions (both on premise and Cloud)
- Submit data into PCMCS
- Perform analysis and create highly formatted reports
- Free form ad hoc
- Create Excel formatted reports
- Often used by power users and analysts who like to work in the Excel interface
- Integrate Oracle EPM Cloud data to Word, PowerPoint, Excel, and Outlook



Smart View Analysis

- View the input $, allocated in and out $ and the net balance $

A	B	C	D	E	F	G	H	I	J	K	L	M	N
		FY16	Final	Actual	Jan	No Product	No Customer						
		7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	Square Feet		*Excel Check*		
		Input	Adjustment In	Adjustment Out	Allocation In	Allocation Out	Net Change	Net Balance	Input		*Calculated*	*Allocated Dollars*	
Calculation Rules	International Sales	4000	-	-	8235.294118		8235.294118	12235.29412	10000		0.294118	8235.294	
Calculation Rules	Sales Mid-Atlantic	4000	-	-	7411.764706		7411.764706	11411.76471	9000		0.264706	7411.765	
Calculation Rules	Sales South	4000	-	-	6588.235294		6588.235294	10588.23529	8000		0.235294	6588.235	
Calculation Rules	Sales Central	4000	-	-	5764.705882		5764.705882	9764.705882	7000		0.205882	5764.706	
Calculation Rules	Sales	16000	-	-	28000		28000	44000	34000				
Calculation Rules	Manufacturing	8000	-	-		-8000	-8000	0	110000				
Calculation Rules	Finance and Accounting	8000	-	-		-8000	-8000	0	10000				
Calculation Rules	HR and Administration	12000	-	-		-12000	-12000	0	24000				
Calculation Rules	Total Department	44000	-		28000	-28000	0	44000	178000				
Calculation Rules	Total Entity	44000			28000	-28000	0	44000	178000				

Input data

Allocated data to Sales entities based on Sq Ft

Allocated data out of source entities

Net Change

Ending Balance

Driver used for allocation

Allocate In / Allocate Out

- Use these “ins and outs” to create journal entries by rule to load into other systems

A	B	C	D	E	F	G	H	I	J	K	L	M	N
		FY16	Final	Actual	Jan	No Product	No Customer						
		7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	7004: Total Facility Services Expenses	Square Feet		*Excel Check*		
		Input	Adjustment In	Adjustment Out	Allocation In	Allocation Out	Net Change	Net Balance	Input		*Calculated*	*Allocated Dollars*	
Calculation Rules	International Sales	4000	-	-	8235.294118		8235.294118	12235.29412	10000		0.294118	8235.294	
Calculation Rules	Sales Mid-Atlantic	4000	-	-	7411.764706		7411.764706	11411.76471	9000		0.264706	7411.765	
Calculation Rules	Sales South	4000	-	-	6588.235294		6588.235294	10588.23529	8000		0.235294	6588.235	
Calculation Rules	Sales Central	4000	-	-	5764.705882		5764.705882	9764.705882	7000		0.205882	5764.706	
Calculation Rules	Sales	16000	-	-	28000		28000	44000	34000				
Calculation Rules	Manufacturing	8000	-	-		-8000	-8000	0	110000				
Calculation Rules	Finance and Accounting	8000	-	-	-	-8000	-8000	0	10000				
Calculation Rules	HR and Administration	12000	-	-	-	-12000	-12000	0	24000				
Calculation Rules	Total Department	44000	-	-	28000	-28000	0	44000	178000				
Calculation Rules	Total Entity	44000	-	-	28000	-28000	0	44000	178000				

See the impact of each allocation rule

- NoRule (input), R0001(rule one), R0002 (rule 2), …, Rule (final $)

A	B	C	D	E	F	G	H
		FY16	Final	Actual	Jan	No Product	No Customer
		NoRule	R0001	R0002	R0003	Calculation Rules	
		Net Balance	Net Balance	Net Balance	Net Balance	Net Balance	
Operating Expenses	International Sal	$ 524,000	$ 8,235	$ 9,333	$ 355,600	$ 897,169	
	Sales Mid-At ic	$ 524,000	$ 7,412	$ 9,333	$ 711,200	$ 1,251,945	
	Sales So	$ 524,000	$ 6,588	$ 9,333	$ 1,066,800	$ 1,606,722	
	Sales al	$ 524,000	$ 5,765	$ 9,333	$ 1,422,400	$ 1,961,498	
	as Manufacturin	$ 524,000	$ (4,000)	$ (12,000)	$ (508,000)	$ -	
	eattle Manufacturi	$ 524,000	$ (4,000)	$ (12,000)	$ (508,000)	$ -	
	ance	$ 524,000	$ (4,000)	$ (12,000)	$ (508,000)	$ -	
	Payroll	$ 524,000	$ (4,000)	$ (12,000)	$ (508,000)	$ -	
	HR and Administration M	$ 524,000	$ (4,000)	$ (12,000)	$ (508,000)	$ -	
		$ 524,000	$ (4,000)	$ (12,000)	$ (508,000)	$ -	
		$ 524,000	$ (4,000)	$ (12,000)	$ (508,000)	$ -	

Once we create the rest of the rules, we can see the impact of each rule

Zoom Out and View Across the Dimensions

- Leverage the hierarchies of Essbase
- Zoom in and out across dimensions

	A	B	C	D	E
1		FY16	Final	Actual	Jan
2		7004: Total Facility Services Exp		Operating Expenses	
3		Rule		Rule	
4		Balance		Balance	
5	International Sales	$ 12,235		$ 532,235	
6	Sales Mid-Atlantic	$ 11,412		$ 531,412	
7	Sales South	$ 10,588		$ 530,588	
8	Sales Central	$ 9,765		$ 529,765	
9	Sales	$ 44,000		$ 2,124,000	
10	Manufacturing	$ -		$ 1,040,000	
11	Finance and Accounting	$ -		$ 1,040,000	
12	HR and Administration	$ -		$ 1,560,000	
13	Total Department	$ 44,000		$ 5,764,000	
14					

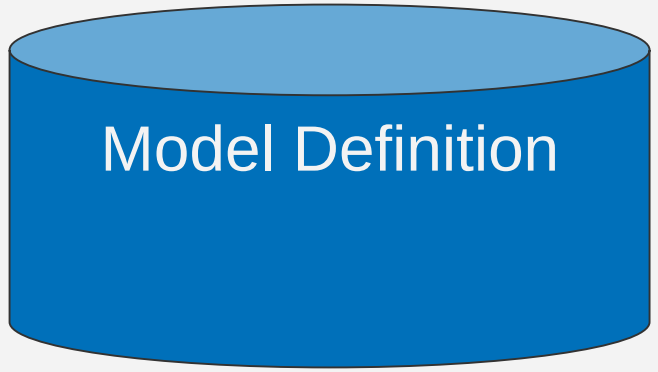
PCMCS Under the Covers

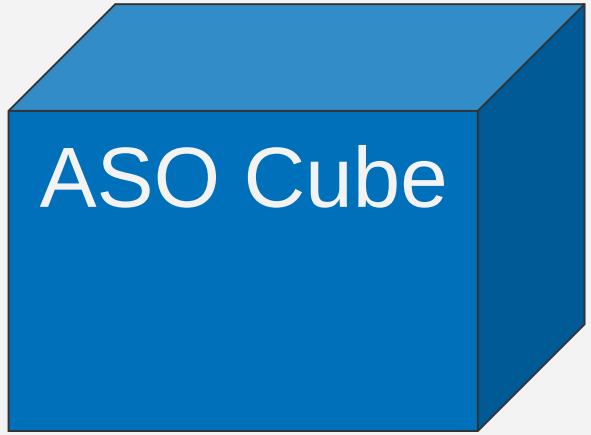
PCMCS Under the Covers

- HPCM plus…
  - New application console
  - New embedded reporting
    - FR engine with Desktop and web clients
  - New dashboards
  - New Intelligence screens
    - Trace, Profit curve, SV Queries
  - EPM Cloud Platform
    - Smart View
    - Data Management
    - EPM Automate

Under the Covers - Architecture

- Relational repository to store rule definitions, POV
  - Generates calculation and allocation scripts
- ASO Essbase database
  - ASO = aggregate storage option
  - Where calculation and allocation scripts are executed
  - Stores all data (the numbers)



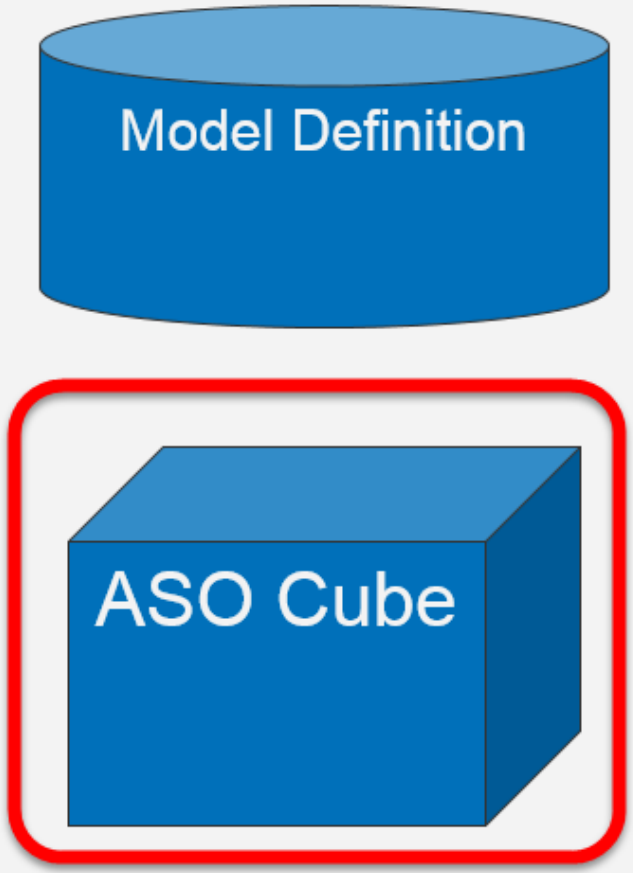


PCMCS Cloud Deployment Factors

- 1 application
- Test and Prod instance
- 150GB per pod

Dimensions

- PCMCS will create an ASO database in Essbase
- Each database has an outline
- Database outline provides the data structure for the model via dimensions
- Dimensions in the Essbase outline are hierarchical
- Data is stored at dimension intersections
- Members can include calculations via member formulas



Types of Management Ledger Dimensions

System dimensions

- Balance
- Rule

POV dimensions

- Year
- Period
- Scenario
- Version

Business dimensions

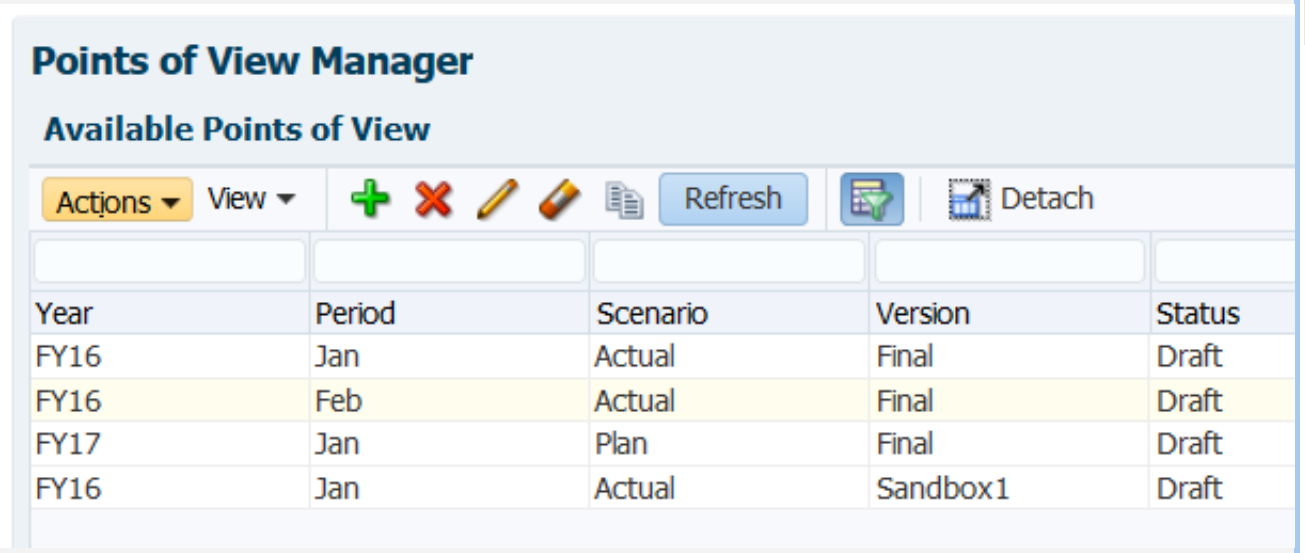
- Product
- Entity
- Customer
- Geography
- Account

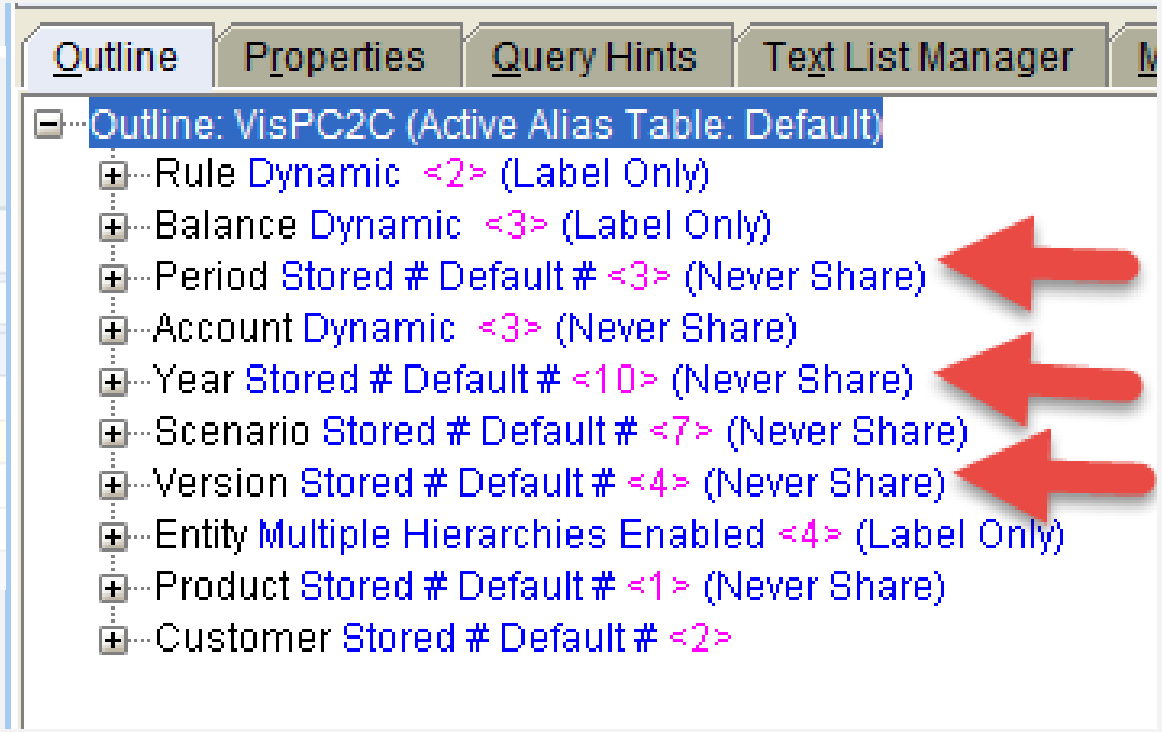
Attribute dimensions

- Product type
- Customer type
- *Any attribute about another stored dimension*

POV Dimension

- POV dimensions
  - Must have at least one
  - Can have up to four (e.g. Year, Period, Scenario, Version)



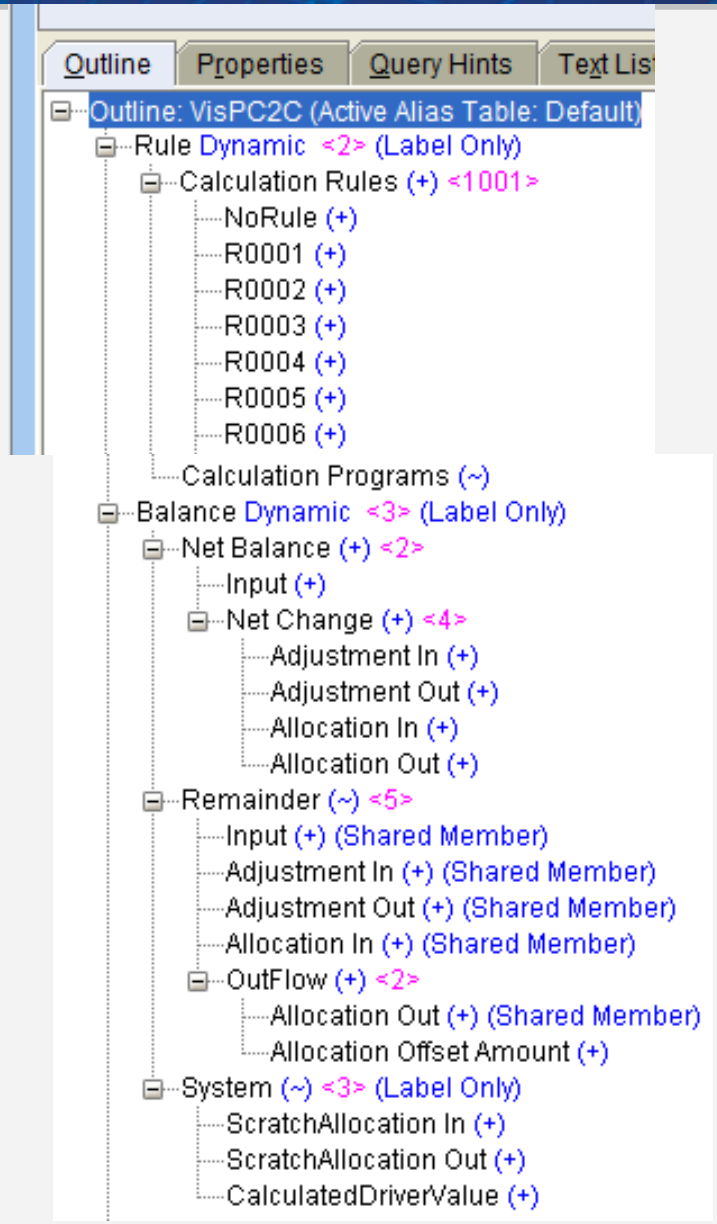


Business Dimensions

- Dimensions that you will allocate and report on
- Good to create an “All XXX” member
  - E.g., All Products, Total Customer

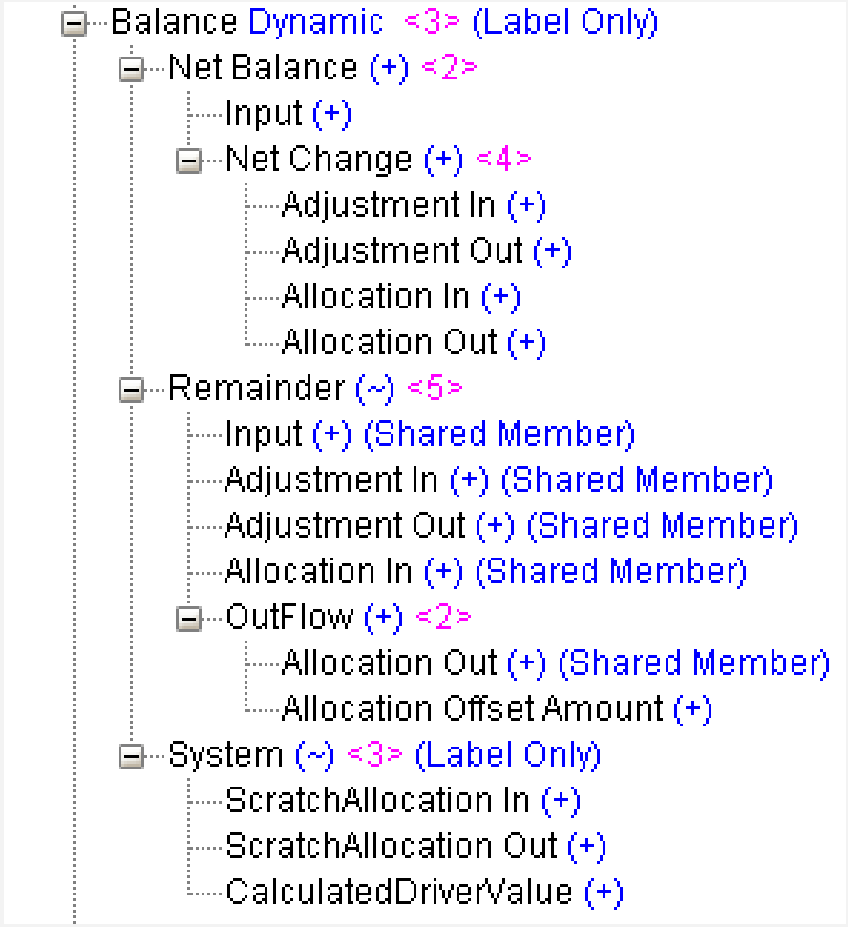
System Dimensions

- Rule (dynamic hierarchy)
- Balance (dynamic hierarchy)
- Can't really edit/change these dimensions
  - Documentation says that you can delete members, add members, create alternate hierarchies but none of that worked for me
  - Every time I refreshed the application (master source Essbase cube), it blew away my changes
- Only load data to "NoRule" and "Input" members; all others are used for calculation purposes



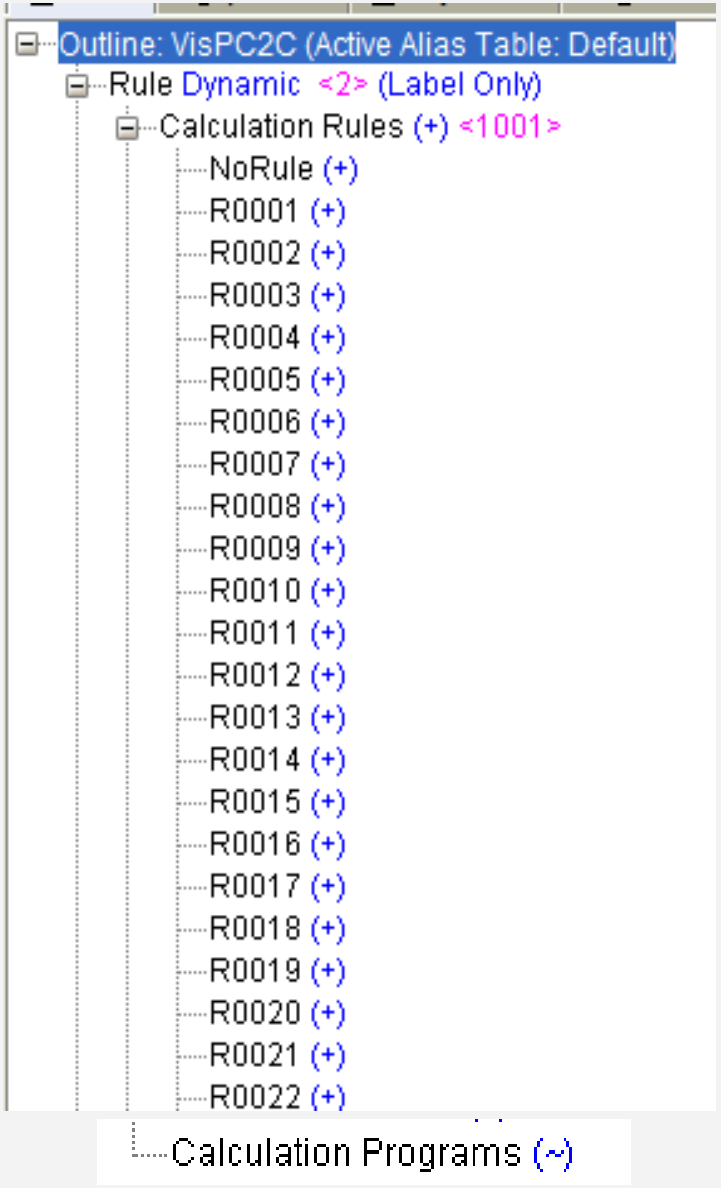
Balance Dimension

- Users can add data to the Input member of Net Balance
- The remainder of the members reflect inputs and outputs determined by rule sets and rules
- Adjustments are the result of driver calculations
- Allocations are the result of rule allocations
- Offsets result from rule offset definitions
- Data held in intersections with these members is visible in the Rule Balancing screen along with ad hoc via Smart View and reporting in Financial Reporting



Rule Dimension

- 1000 Rule members are created to store the results of a rule's calculation logic
- To view the rule name, you must view in the PCMCS UI
  - Current version does not put the rule name as the alias
  - The issue right now is that a rule can vary across POV (the same rule number does not persist across the POV)
    - Benefit of the current functionality – Great flexibility in the ability to change / update rules across cycles
    - Consideration is that you can't view the rule name in reports or analysis
  - Also can't group rules to view subtotals with out of the box functionality
  - Workarounds discussed later until this functionality is supported



Dimension order

- Rule dimension is set to 1, by default
- Balance dimension is set to 2, by default

- But dimension order doesn't really matter for PCMCS applications
  - Under the covers, ASO
  - Despite what documentation says

Management Ledger Dimension Requirements

- Applications or models must contain at least one POV dimension and can have up to four POV dimensions
- Applications must contain one and only one system dimension named Rule
- Applications must contain one and only one system dimension named Balance
- System dimension members in the Balance dimension cannot be edited
- There should be at least one business dimension with no duplicate members in the primary hierarchy of business dimensions

New Supported Member Variables and Functions

- New Supported Member Variables and Functions for Analysis views
  - Which are used in Dashboards and other areas
- Current Period/Year
- Last period
- Last quarter
- Trailing 6 periods
- Trailing 4 quarters
- Same Period past year

interRel

Continuing Education

Play it Forward

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- Videos to expand on what you've learned here
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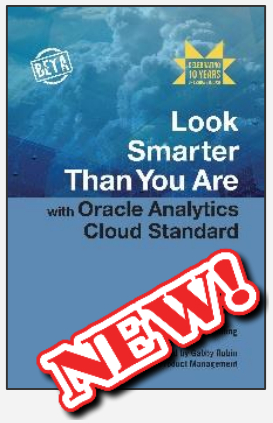
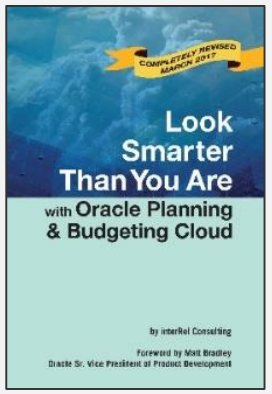


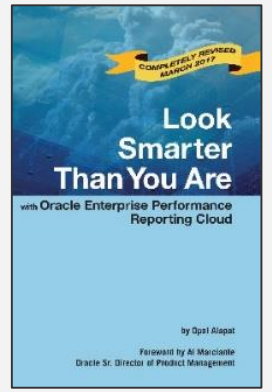
- Steps to set up your Oracle Analytics Cloud instance
- How to build Essbase Cloud cubes from start to finish
- Maintaining dimensions and loading data
- Creating calculations and calculating data
- Assigning security

PBCS



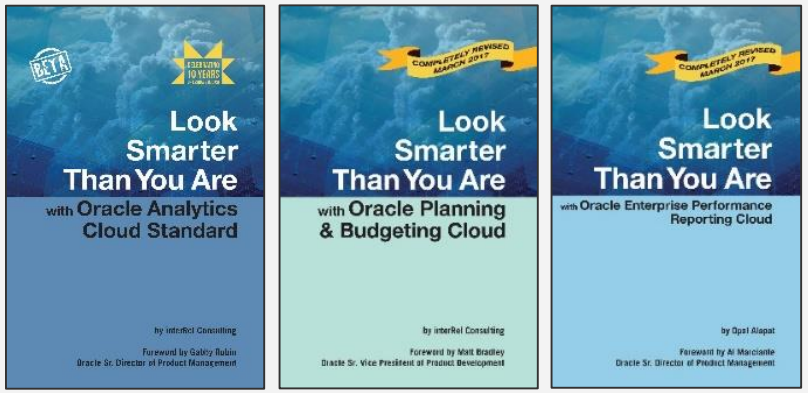
- Build an Oracle Planning & Budgeting Cloud
- Application from start to finish
- Administer and automate your solution
- Migrate from on-premises to the Cloud
- Best practices for setting up your Oracle EPM Cloud Instance

EPRCS



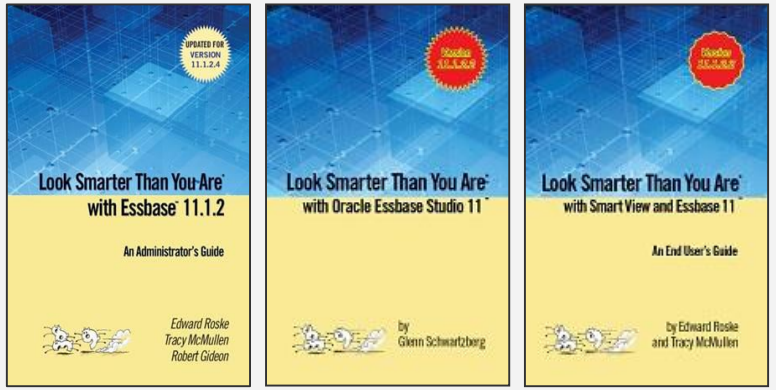
- Build a report package
- Execute the reporting cycle from start to finish
- Sign off or reject the final product
- Assign security
- Migrate objects between environments

Cloud



Admin/End Users

Essbase

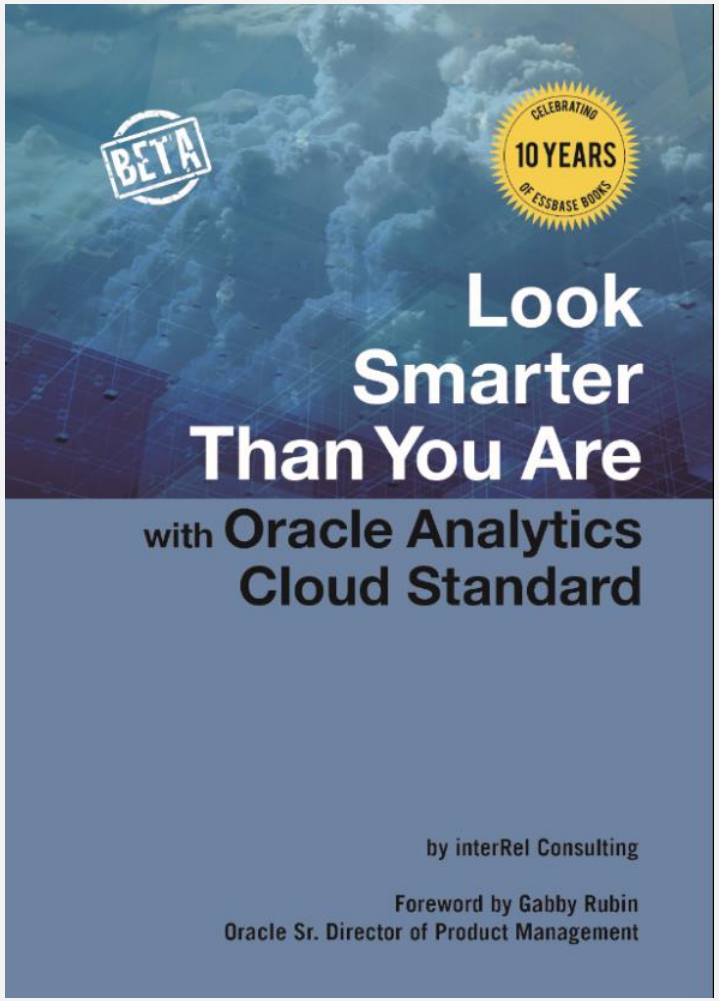


Admin | Studio | Smart View

Planning

Admin | End User | Advanced

A Whole Book on OAC!



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Learn:

- Processes for setting up your PaaS environment
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- Foundational Smart View concepts
- Best practices for building Essbase Cloud cubes
- Best practices for building Cloud data visualizations
- Security design best practices
- Administration processes

Upcoming Events

- **Collaborate 18**

  Las Vegas – April 22-26, 2018

- **Kscope18**

  Orlando – June 10-14, 2018

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