

Enterprise

Performance Management



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Enterprise Performance Management Top Trends for 2014

Introduction

As the role of Finance continues to evolve, technology advancements in Enterprise Performance Management (EPM) are helping organizations discover new ways to optimize business operations and capture new market opportunities.

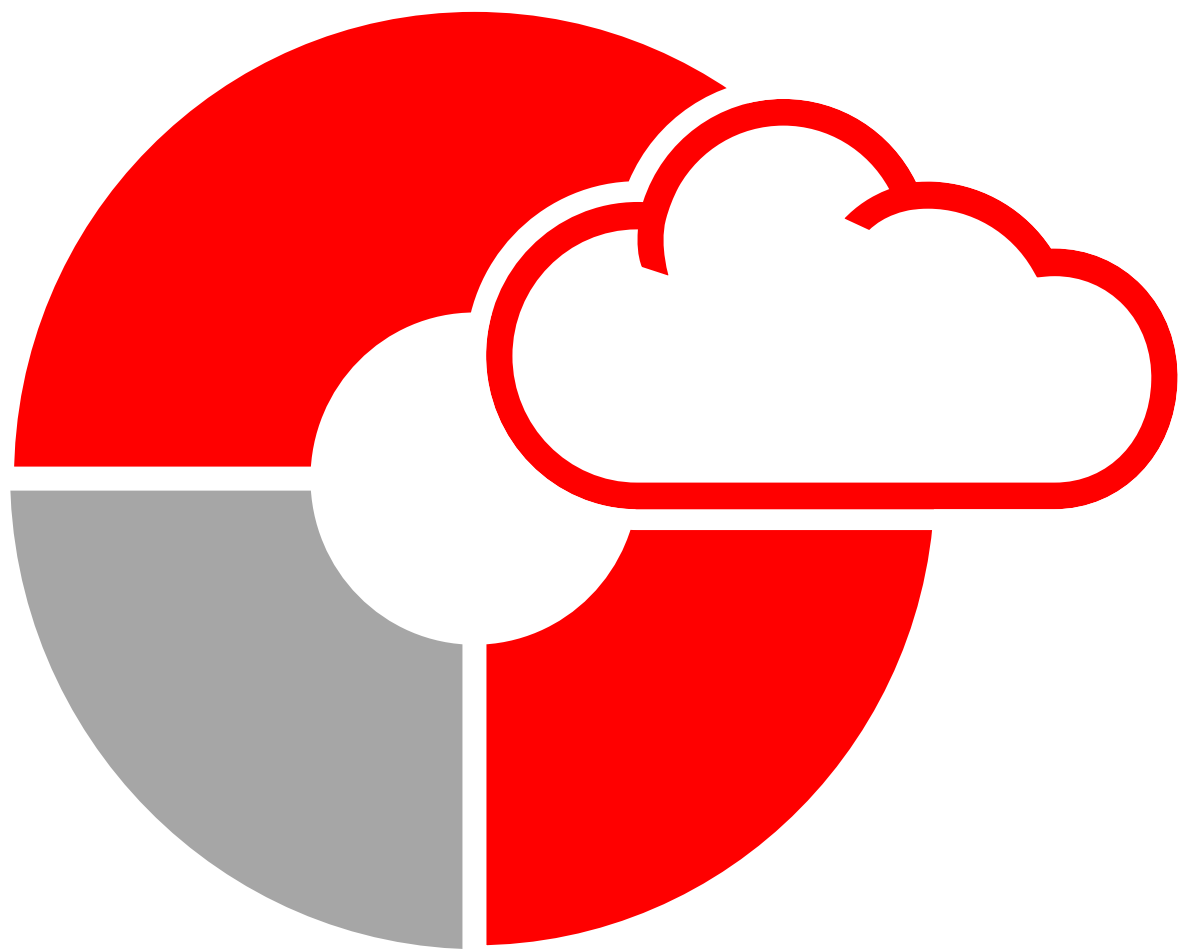


Which EPM priorities are at the top of the Finance agenda? What are the most compelling developments in big data, analytics, mobile technology, and cloud computing that motivate Finance leaders to undertake new technology initiatives?

Oracle surveyed hundreds of decision makers to learn more about their EPM plans for 2014—both within the Oracle customer base and the industry at large. We asked your colleagues to provide specific feedback on EPM technologies and practices—past, present, and future. From this extensive data set we compiled the following views and outlook—along with a bit of advice.



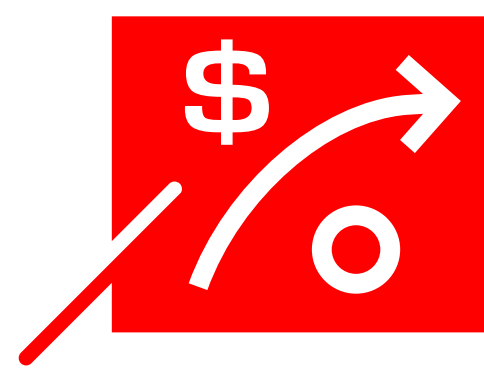
EPM Cloud Strategies Gain Altitude



Industry analysts are bullish about cloud adoption, with IDC Research predicting that public cloud spending will surpass \$100 billion during 2014.

Concerns about security and data confidentiality have gradually subsided over the last couple of years, with three quarters of the companies we surveyed saying that they are currently using or will consider deploying EPM in the cloud.

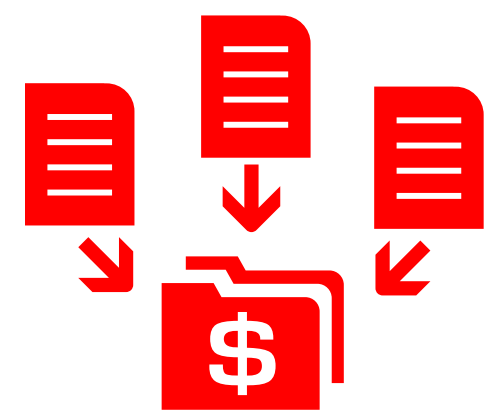
The most popular EPM functions in these deployments include: planning, budgeting and forecasting; management reporting; and financial reporting and consolidation.



**PLANNING
BUDGETING
FORECASTING**

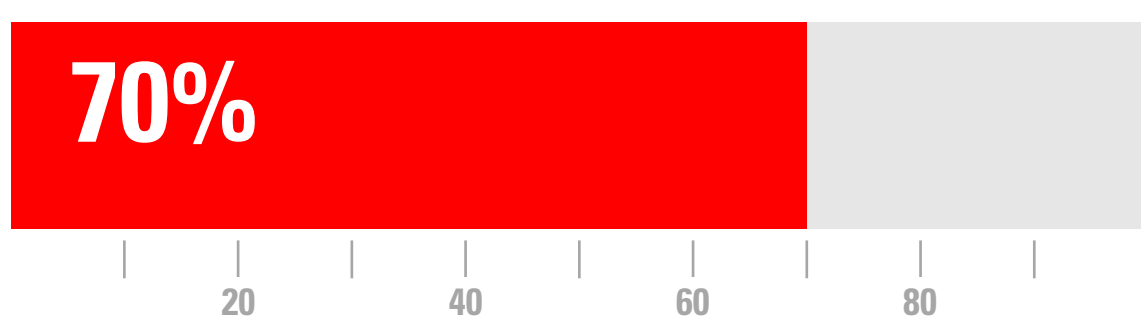


**MANAGEMENT
REPORTING**



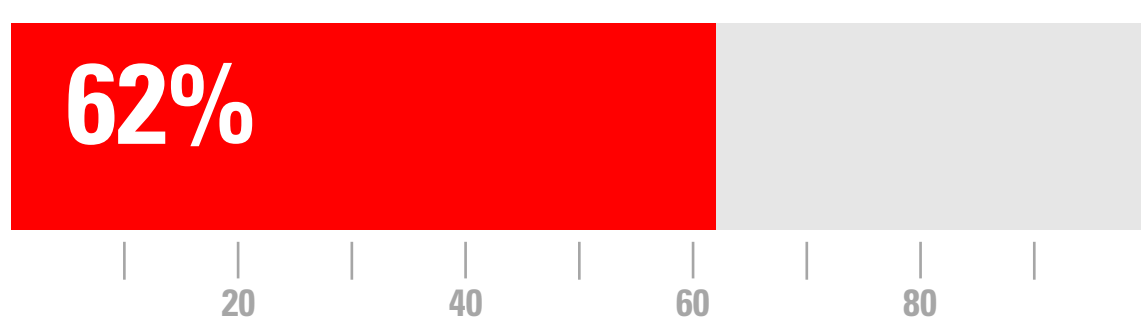
**FINANCIAL
REPORTING &
CONSOLIDATION**

MOTIVATED TO AVOID LARGE UPFRONT INVESTMENTS



Seventy percent of the finance executives who responded to the survey said their primary motivation was to avoid large upfront investments and fixed capital investments, especially during periods of corporate or economic uncertainty.

PERSUADED BY THE ABILITY TO GET UP AND RUNNING QUICKLY



Sixty-two percent of them said they were persuaded by the ability to get up and running quickly, thereby increasing business agility.



CLICK HERE to read about Oracle's new Planning and Budgeting Cloud Service

Don't Leave Mobile Behind

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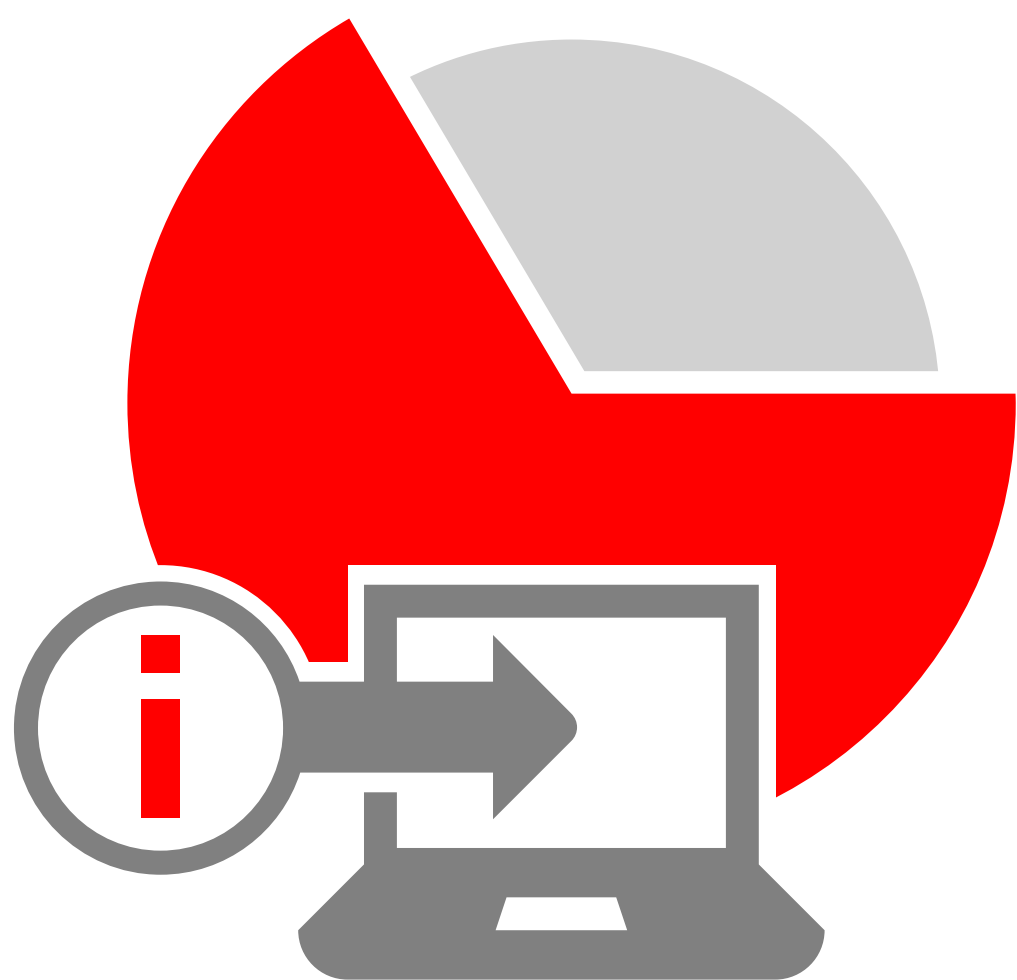
Mobile technology has become pervasive as workers embrace the convenience of anytime, anywhere computing.

Like most lines of business, finance departments are increasing their focus on mobile. As a result, mobile EPM is set to take off in 2014.

What began with simple information delivery is expanding to include workflow and approvals.

Managers have grown accustomed to the convenience of on-the-go review and approval for important processes such as planning, tax provisioning and financial close.

The number of companies that have no mobile EPM apps will fall from 66 percent to 26 percent in 2014. Meanwhile, the number of companies that plan to add mobility to at least half of their EPM processes will increase ten-fold.



Two thirds of the companies surveyed cited convenience and simpler information-delivery as the driving forces for EPM mobile adoption.

Stay tuned for announcements around Oracle EPM mobile capabilities in 2014!

Big Data is the New Signal for Finance

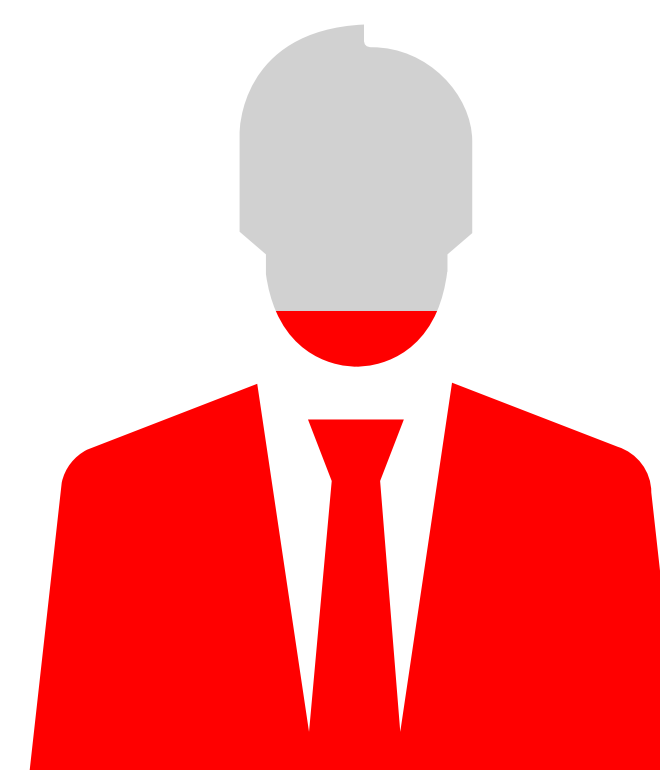
The explosion of big data presents a unique opportunity to incorporate unstructured data into planning processes for more accurate forecasts.

Over half the people we surveyed expect to leverage big data in their planning and forecasting processes. With their data orientation and quantitative skills, finance professionals have an opportunity to become more engaged in quantifying and qualifying new data sources and their value to the enterprise. Whether it be collecting social analytics and sentiment analysis to forecast revenue, using sensors to manage buildings, capital equipment, lower maintenance costs or improve quality, or streamlining processes based on new data insights, the possibilities are endless. Finance executives who are able to deliver data insights that differentiate from the competition and drive profitable growth are quickly rising to the top in their field.

OVER HALF 
OF THE PEOPLE SURVEYED

EXPECT TO **BIG** IN PLANNING AND
LEVERAGE DATA FORECASTING
PROCESSES

A key report released by ACCA (the Association of Chartered Certified Accountants) and IMA® (Institute of Management Accountants) in 2013 found that 62 percent of CFOs around the world cited big data as hugely important to the future of business, potentially giving savvy businesses an edge on their competitors. This is an area of keen interest to keep an eye on in 2014.¹



62%
CITED BIG DATA AS
HUGELY IMPORTANT



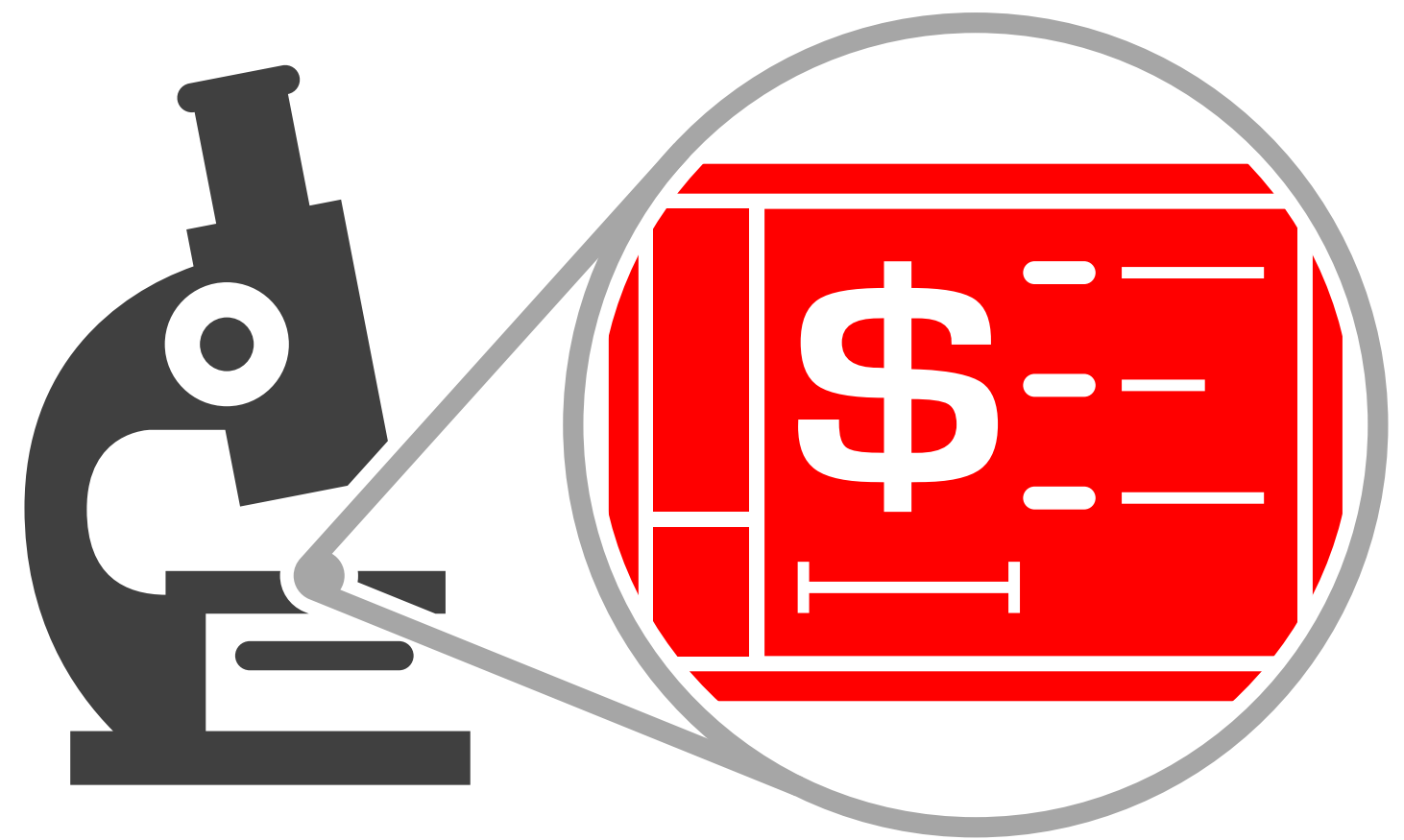
CLICK HERE to see how Big Data and Fusion Drive Growth at Land O' Lakes

¹ Big data: its power and perils

Detailed Costing Practices Here to Stay

The economic downturn gave rise to an intensive focus on cost control.

And while growth has returned to its position of prominence on the finance agenda, detailed costing practices are here to stay.



2/3
PLAN DETAILED
CUSTOMER
PROFITABILITY

Almost three-fourths of the people we surveyed said they already do product costing, and most of the remaining people said they plan to in the future (only two percent said they had no plans for product costing). Nearly two-thirds already are, or plan to drill down into more detailed costs at the customer level.

Allocating costs at a granular level reveals how customer-driven interactions impact profitability and help support more precise decision-making about cross-channel product and service offerings. Many of these organizations use profitability and cost management tools to develop multidimensional cost pools, activity rates, and unit costs as they develop P&L statements about individual subscribers, accounts, assets, projects, and orders.



Squeeze Financial Close Cycles Even Tighter, with an Eye to the Virtual Close

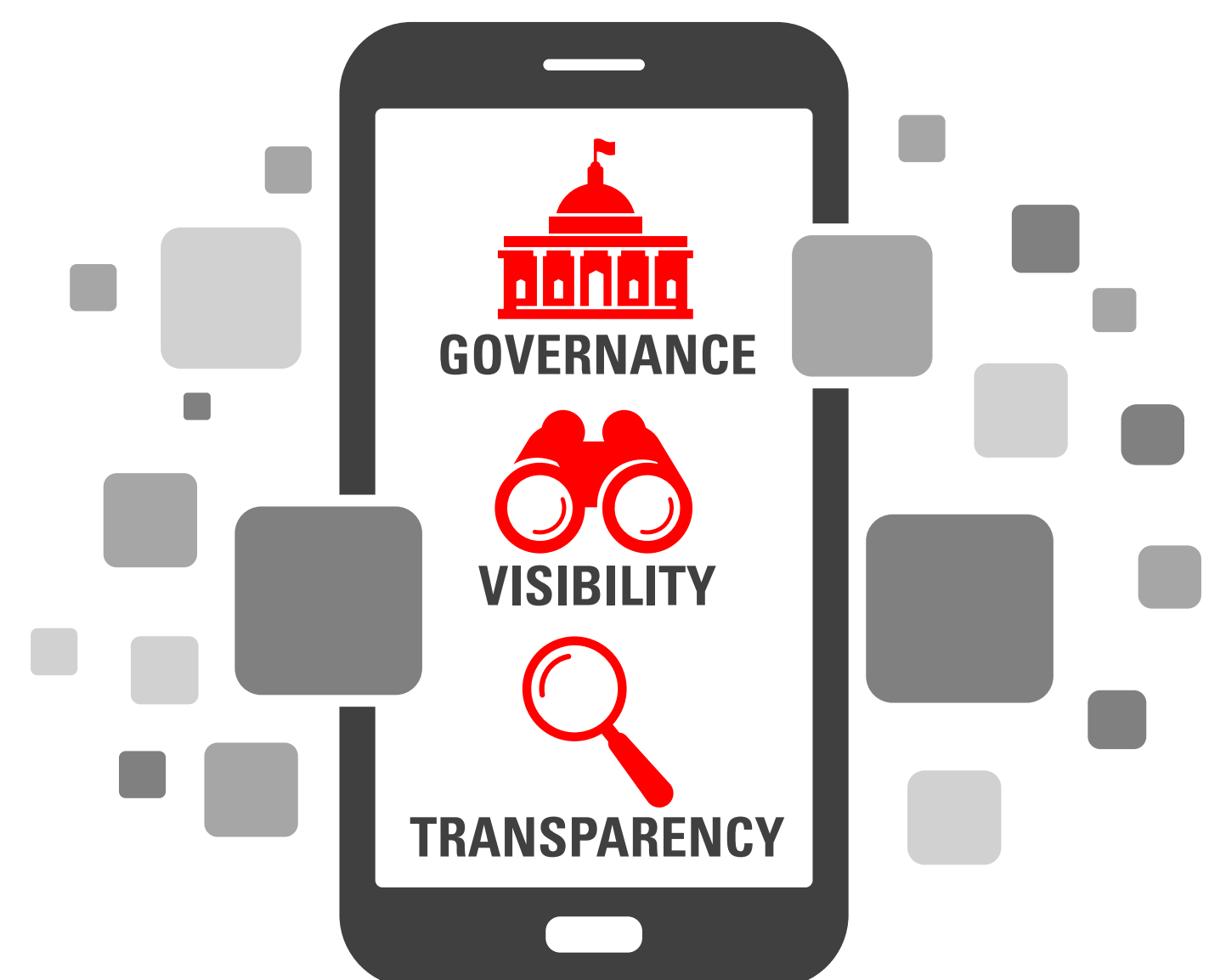
For years finance departments have worked to shorten the financial close cycle, yet there remains room for improvement.

Nearly half of the companies in our survey said they could reduce both their internal and external close time by up to 10 percent, and nearly a third of them believe they could reduce their internal close time by more than 10 percent.



By focusing on the extended financial close and reporting process, today's software tools reveal where improvements can be made.

These applications allow organizations to report to stakeholders in a timely and accurate manner and provide a level of governance, visibility, and transparency into the financial close and reporting cycle. In addition to improving efficiency, these tools enable senior managers to be confident in the numbers they report to stakeholders.

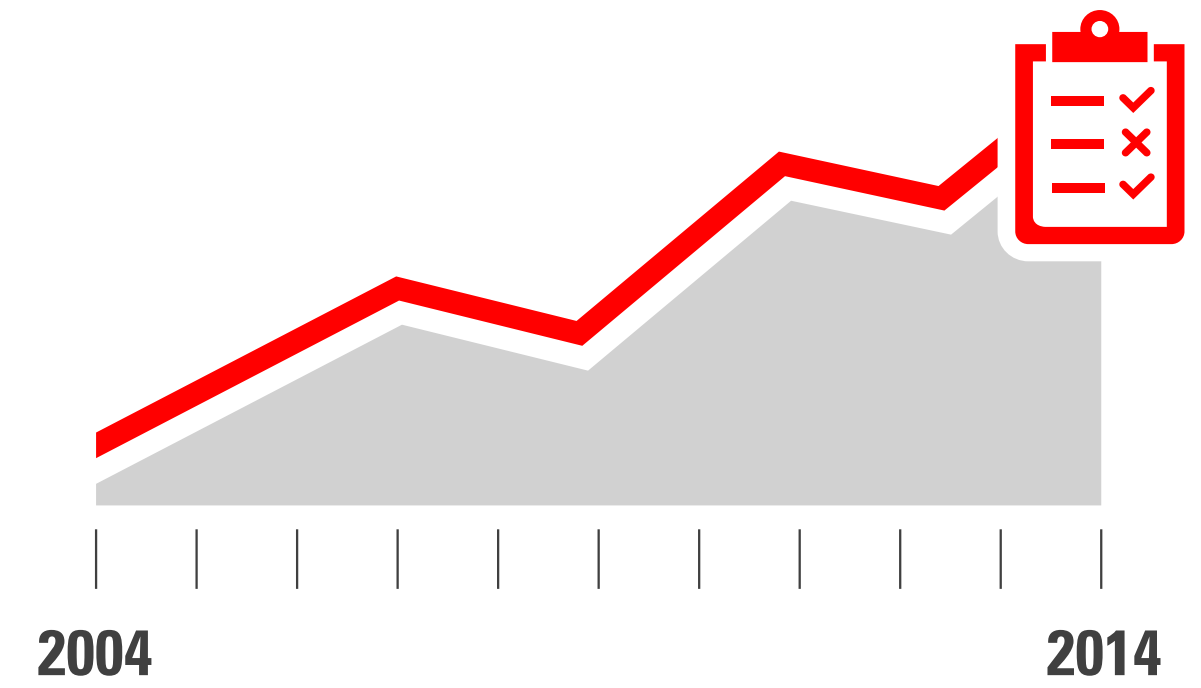


Financial Disclosure Complexity Continues to Rise

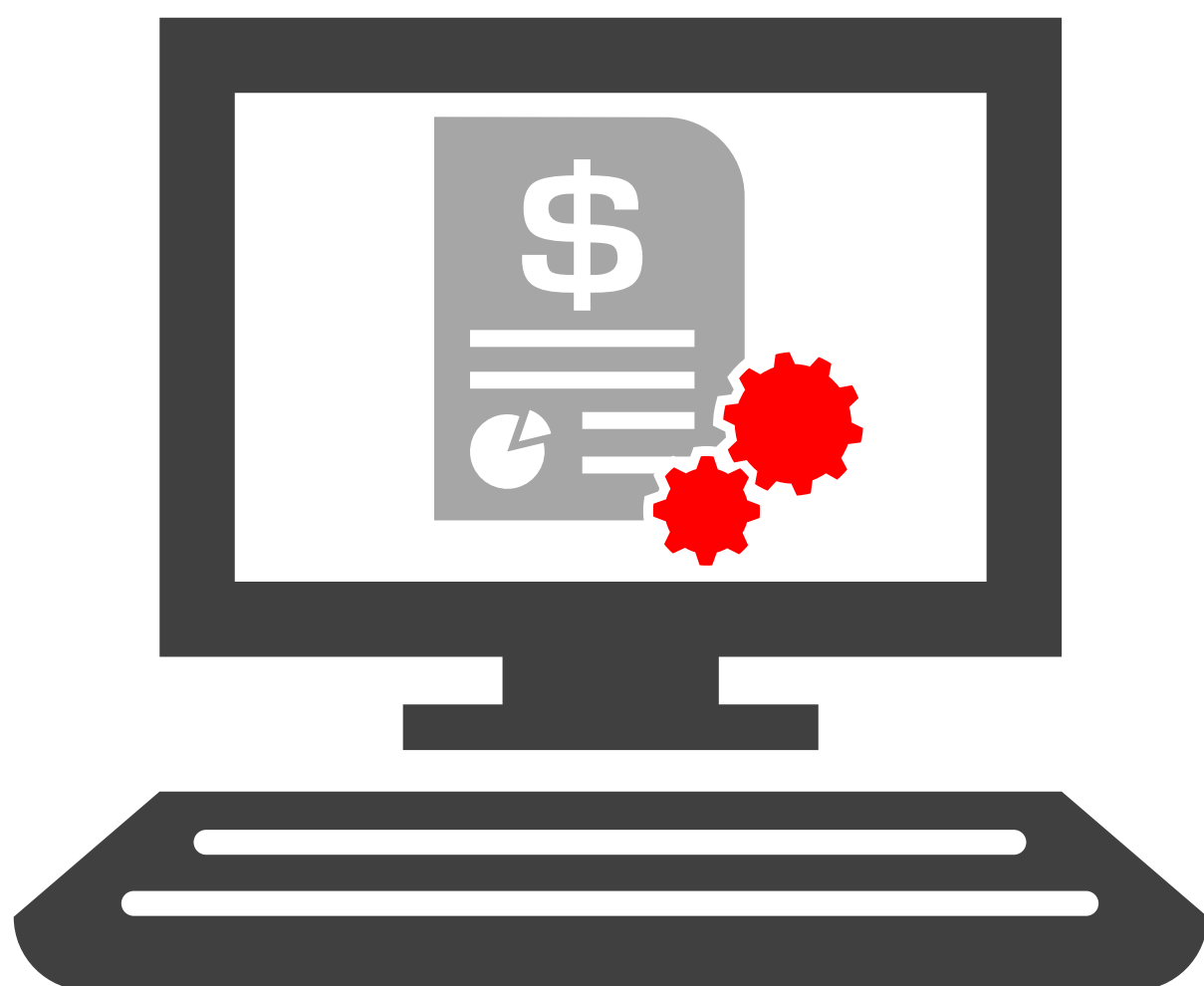


Compliance reporting requirements have multiplied over the last decade and have become increasingly specialized.

Sarbanes-Oxley was only the beginning. Today there appears to be no limit to how big the disclosure sections in regulatory filings will grow.



Half of the companies we surveyed say they believe industry-specific regulation and cyber-security regulations will substantially increase the complexity of their financial disclosure processes, and almost half of the executives surveyed by CFO Magazine predicted that their companies' compliance budgets would rise in 2014 as a result of these more stringent requirements.²



Today's software applications enable these organizations to effectively manage the creation of regulatory filings by fully integrating this process with the rest of the financial close cycle and automating it with financial reporting tools.



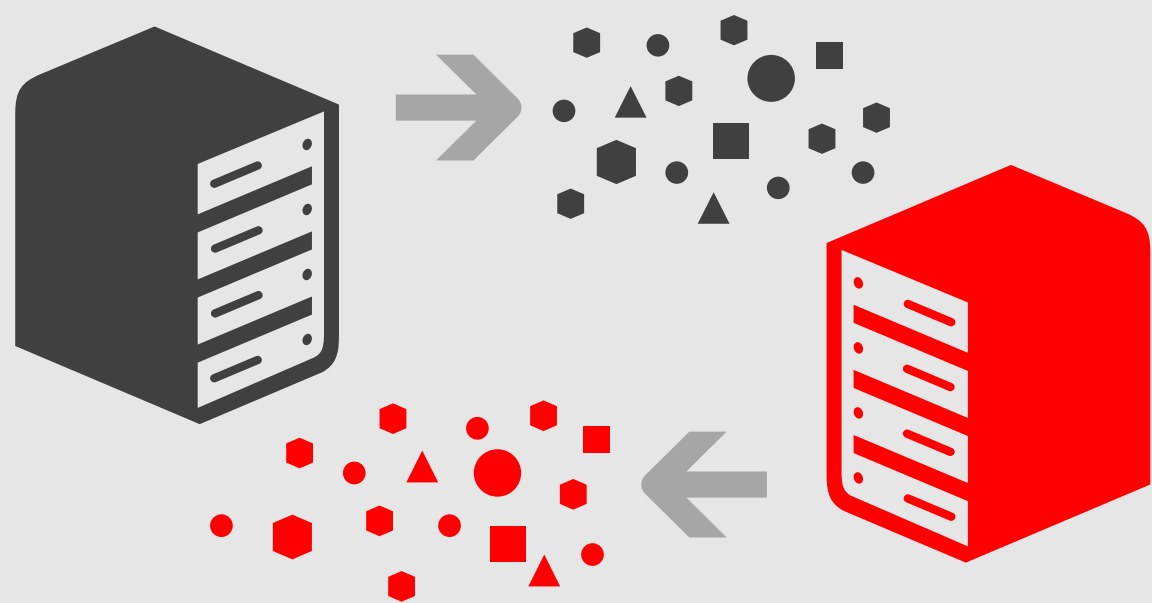
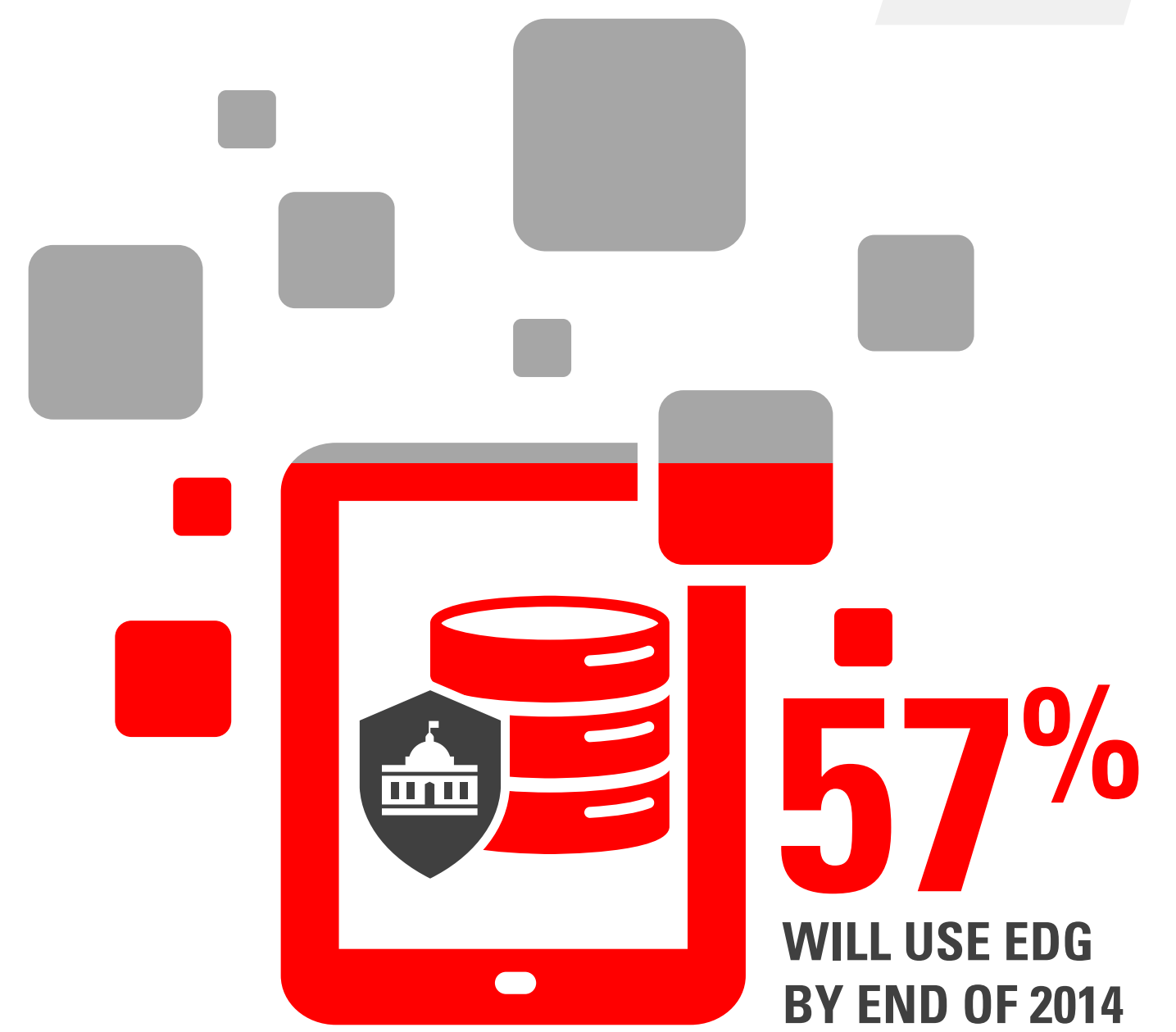
Streamline compliance reporting with Oracle Hyperion Disclosure Management

² CFOs' Compliance Mountains to Climb

Enterprise Data Governance Booms in 2014

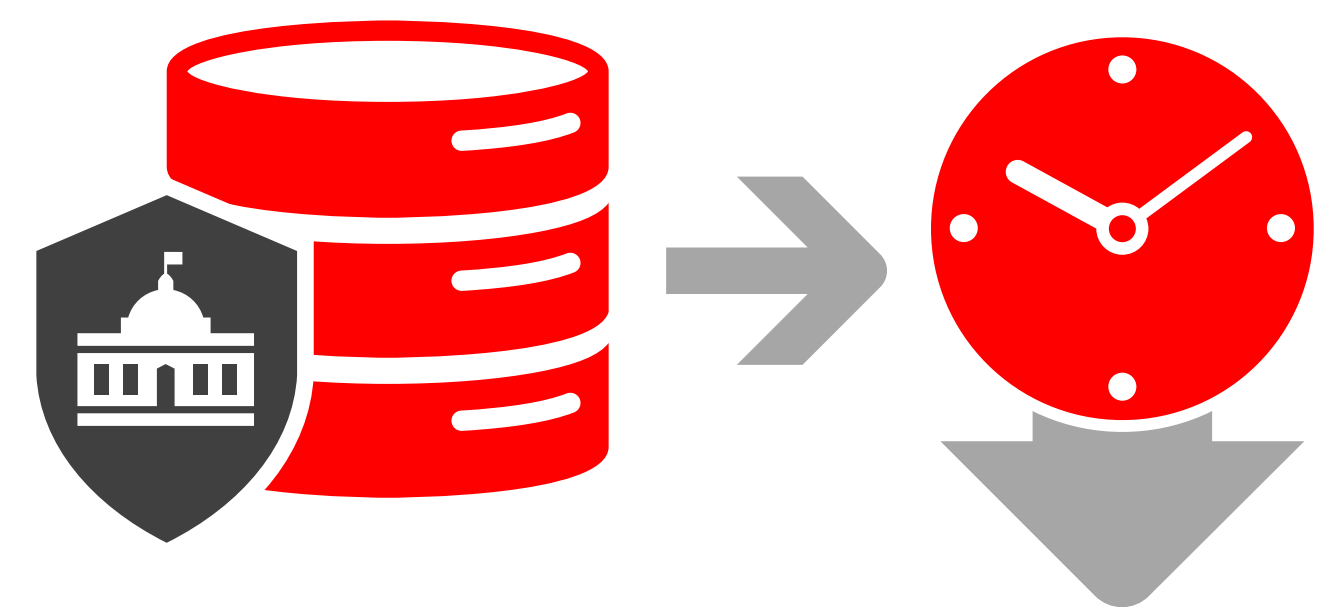
By the end of 2014, 57 percent of organizations will use an integrated packaged application for Enterprise Data Governance.

Have you ever attended a finance meeting where everybody has a different number for the same thing and then spent the entire meeting arguing about who has the right number? This type of problem is rampant in financial reporting cycles, as organizations often have “the same” information in multiple systems.



The problem can usually be attributed to differences in the structure or hierarchy of the information and the way it is rolled up. This is compounded as companies grow and evolve from mergers and acquisitions or other change events.

To ensure consistency, organizations need an enterprise data governance (EDG) solution designed for dynamic, fast-changing business environments to keep this structural information aligned. This minimizes the time spent synchronizing information by helping business users manage changes – and you can spend less time arguing about the “right number” and more time on the issue at hand. The number of companies that will rely on manual EDG processes will drop from 20% to just 7% in 2014.



CLICK HERE for more information on the latest solutions for “Enterprise Data Governance”

Sustainability Reporting Becomes the Norm

80



Companies that report more than just financial data have been the subject of much discussion for many years.

Pressure groups, NGOs, and in some cases, government regulators have advocated the benefits of “sustainability reporting” for all stakeholders, including the global environment.



Our study shows that 50 percent of respondents say they already report sustainability information, with even more planning to report this information in 2014. With this level of participation, soon all organizations will see sustainability reporting as essential.

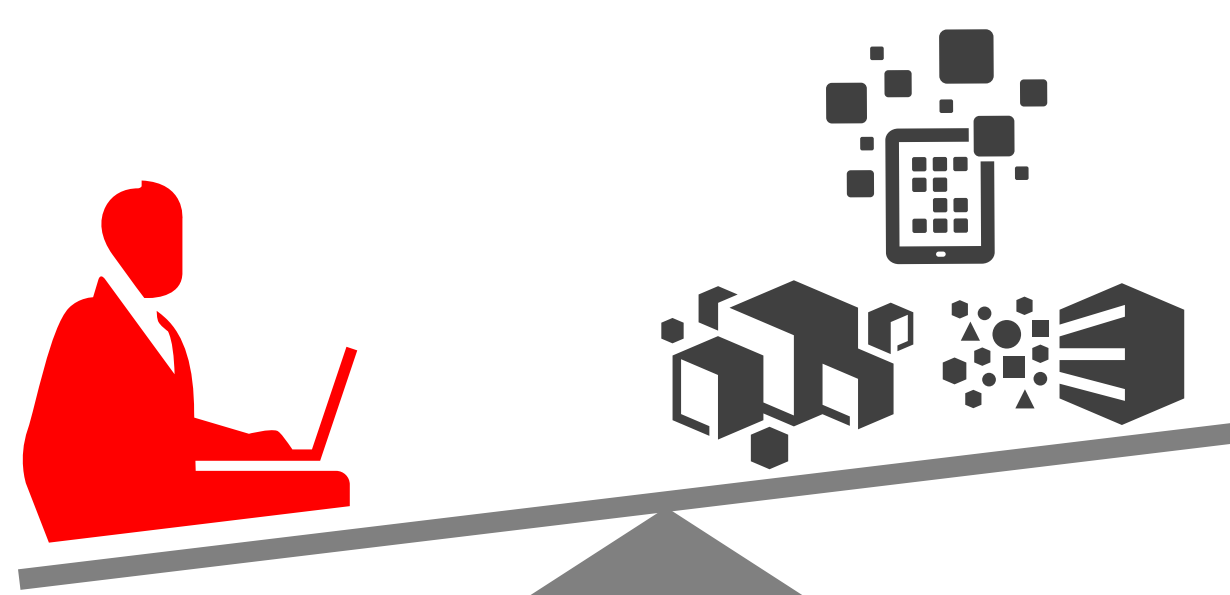


CLICK HERE to learn more about the latest solutions for Sustainability Reporting

Enterprise Performance Management Top Trends for 2014

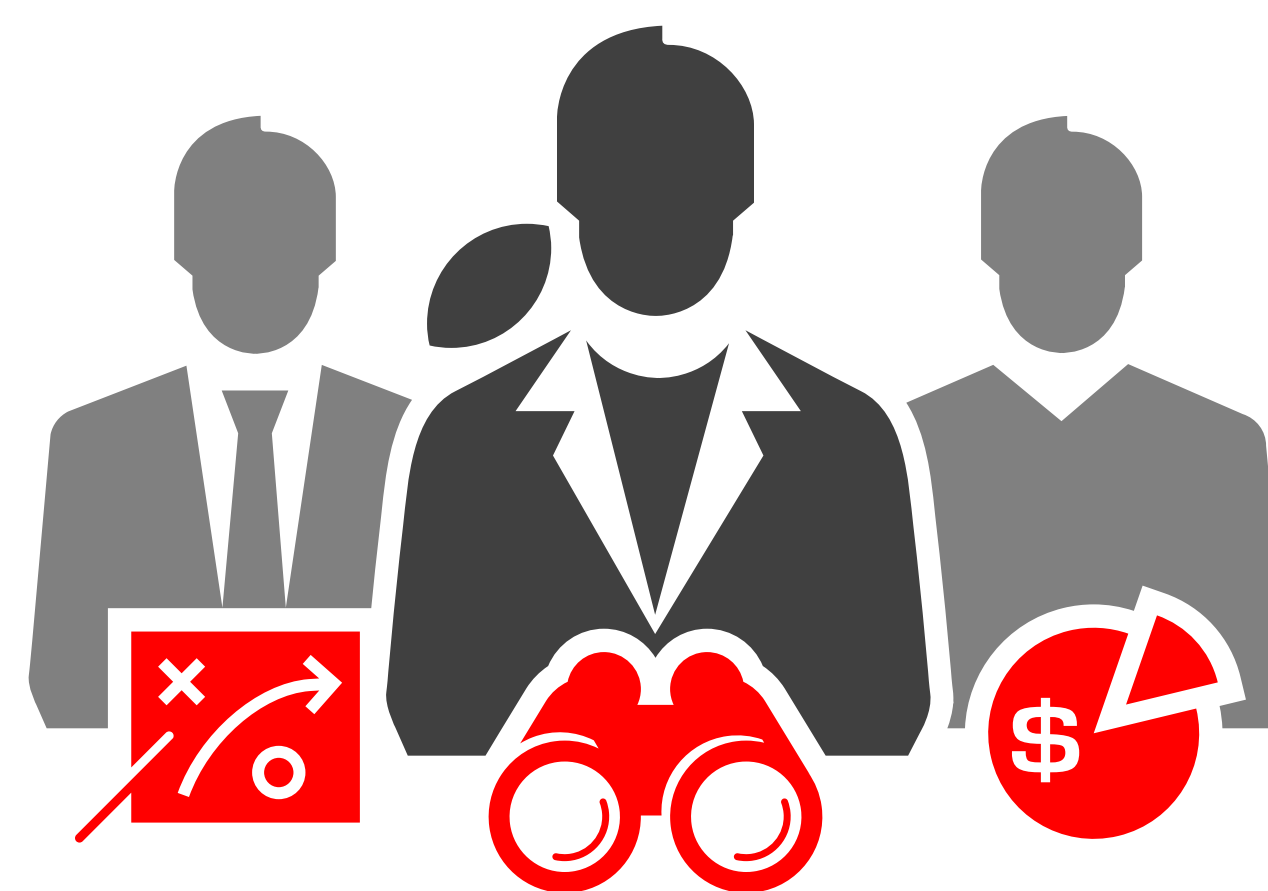
Conclusion

As financial disclosure, regulatory reporting, and sustainability processes become more complex, astute use of technology continues to differentiate industry leaders. Many of these organizations rely on EPM solutions to seize the high ground in their respective markets.



Modern EPM tools leverage cloud, mobile, and big data technology to make sense of a growing base of information and to help managers gain insight into every aspect of their business.

Armed with fresh, accurate, enterprise information from EPM tools, the Finance department can confidently embrace planning, budgeting, forecasting, financial close, scorecards, costing and profitability, and other essential functions.



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