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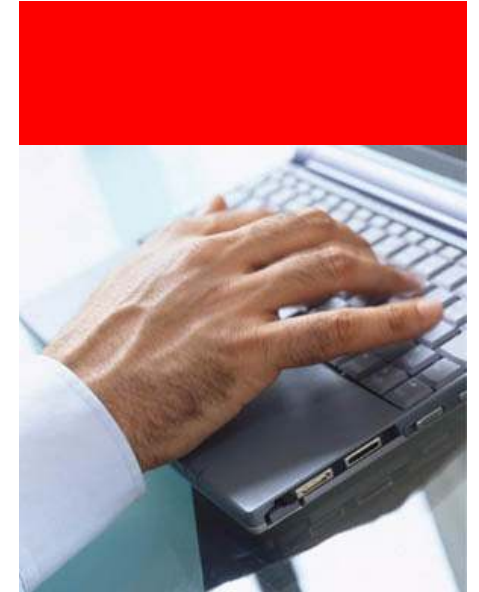
**Introduction to Hyperion Profitability and Cost Management  
NorCal OAUG**

**Jan. 19, 2010**

Kai Wong  
Sales Consultant

# Agenda

- Understanding Customer Needs
- Solving Reporting Issues
- Our Unique Value
- Demonstration
- Summary and Questions



# Example: Product P&L Summary

PROFIT AND LOSS - PRODUCTS						
Location: West	YTD @ December 31, 2009					
	Product A	Product B	Product C	Product D	Product E	Total
<b>Revenue:</b>						
Gross Revenue	1,344	1,546	578	2,285	1,075	6,828
Discounts and Allowances	(27)	(31)	(12)	(46)	(22)	(137)
<b>Net Revenue</b>	<b>1,317</b>	<b>1,515</b>	<b>566</b>	<b>2,239</b>	<b>1,054</b>	<b>6,691</b>
-						
COGS	(593)	(682)	(255)	(1,008)	(474)	(3,011)
<b>Gross Margin</b>	<b>724</b>	<b>833</b>	<b>311</b>	<b>1,232</b>	<b>580</b>	<b>3,680</b>
<b>Direct Expenses:</b>						
Sales and Marketing	(263)	(303)	(113)	(448)	(211)	(1,338)
Research and Development	(132)	(151)	(57)	(224)	(105)	(669)
Other	(67)	(77)	(29)	(114)	(54)	(341)
<b>Total Direct Expenses</b>	<b>(462)</b>	<b>(532)</b>	<b>(199)</b>	<b>(786)</b>	<b>(370)</b>	<b>(2,349)</b>
<b>Net Profit before Allocations</b>	<b>262</b>	<b>301</b>	<b>113</b>	<b>446</b>	<b>210</b>	<b>1,332</b>
<b>Indirect Cost Allocations:</b>						
Marketing	(7)	(8)	(3)	(11)	(5)	(34)
Research and Marketing	(2)	(7)	(6)	(25)	(12)	(74)
G & A	(28)	(32)	(12)	(47)	(22)	(141)
<b>Total Allocated Costs</b>	<b>(49)</b>	<b>(56)</b>	<b>(21)</b>	<b>(83)</b>	<b>(39)</b>	<b>(248)</b>
<b>Fully Burdened Net Profit</b>	<b>213</b>	<b>245</b>	<b>92</b>	<b>363</b>	<b>171</b>	<b>1,083</b>

Area of Concern

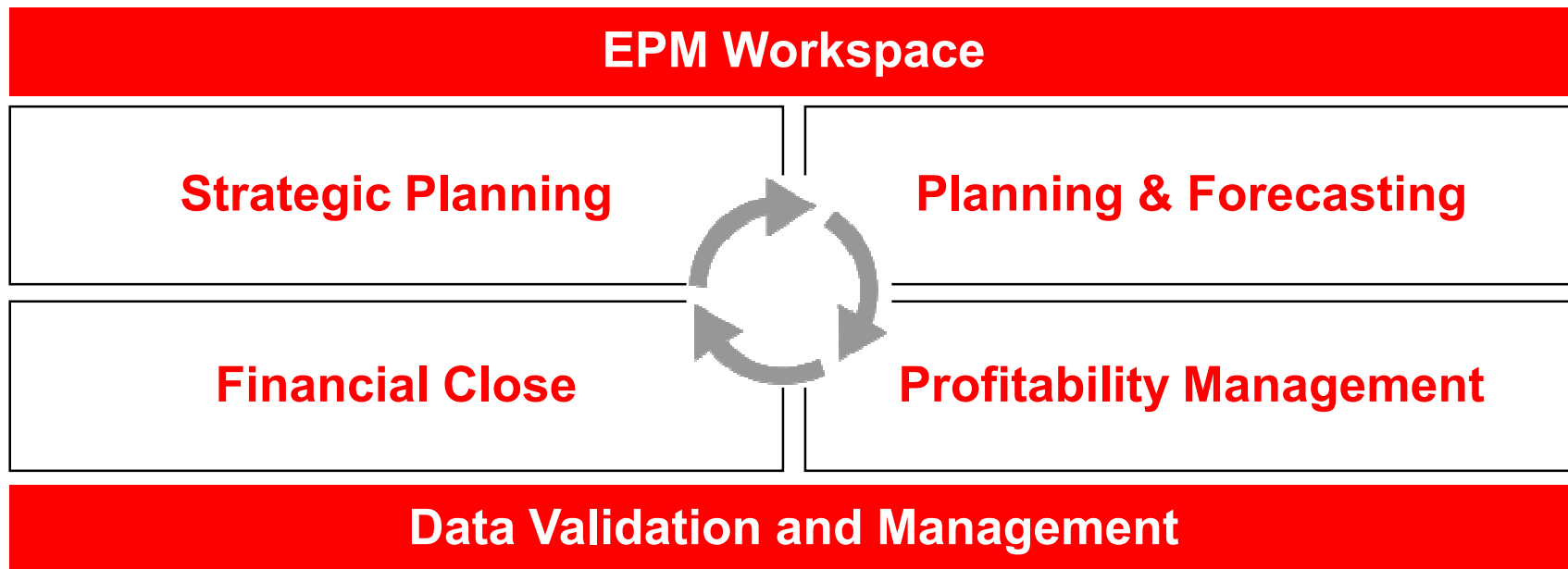


# Business Challenges:

- Current Allocation Process is:
  - Not fully established
  - Manual xls centrally prepared
  - Time consuming, difficult to maintain, inflexible to changes
  - No What-if or advance analytics capabilities
  - Black box allocations
  - Lacking systemic validations

# Most Complete EPM System


## Oracle EPM System




Oracle, Siebel,  
PeopleSoft, SAP, Custom



Data Warehouse  
Data Mart



Other  
Systems



Excel  
XML

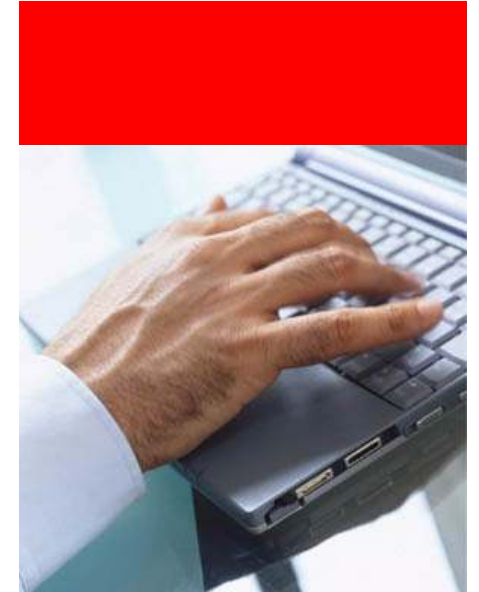


## Our Solution:

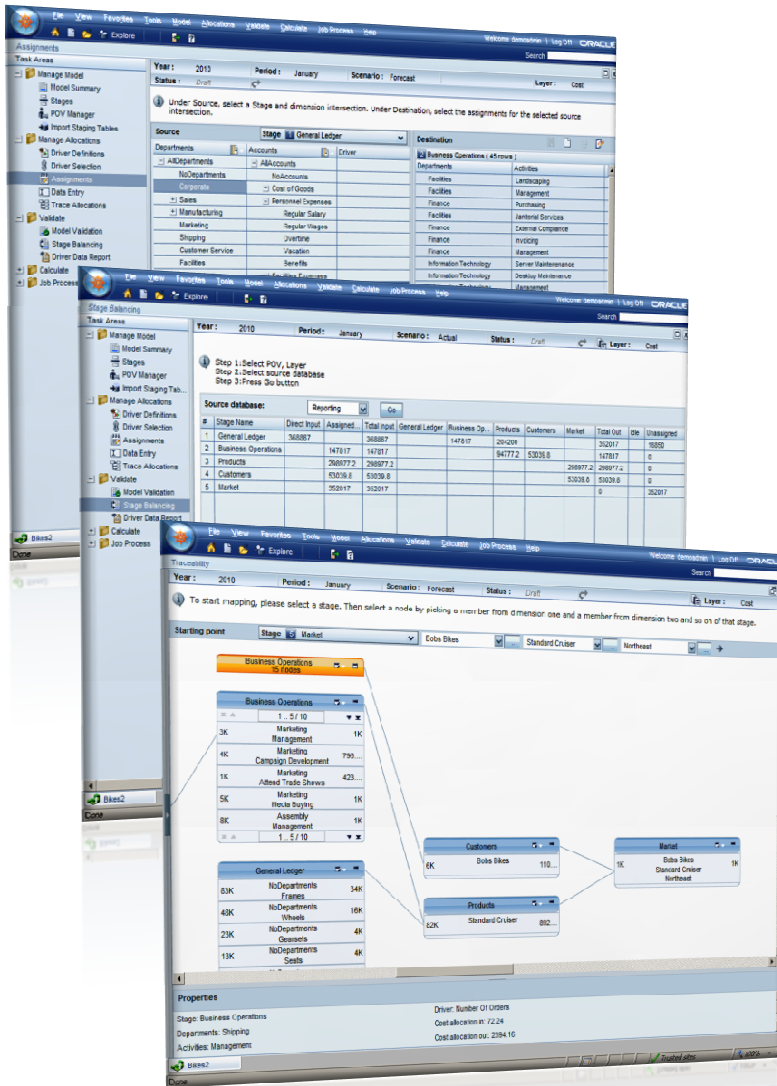
- Pre-built modeling framework
- Distributed access across model users
- Flexible modeling with quick calculations
- What-if's
- Full Transparency
- Built-in validations

# HPCM Value

- Strategic tool to support financial resource planning
- Better tool:
  - Fast and Timely
  - Flexible
  - What-if's
  - Transparent
- Quicker reactions => Proactive
- Leverage Essbase



# Introducing Hyperion Profitability and Cost Management – an EPM application



- **Packaged Profitability functionality**
  - Computes Profitability for Business Segments, Customers and Products
  - **Pre-Built Framework** for profitability modeling:
    - Pre-built **Measures** dimension
    - Support for Multiple Cost Allocation **methodologies**
    - Pre-Built **Validation** reporting
  - Graphical Interactive **Traceability Maps**
- **A User-Driven application**
  - Measures, Allocates and Assigns Cost and Revenues via **User Defined Rules**
  - Finance **User Administration**
  - Provides **Scenario Modeling** for Decision Making
- **Tightly integrated with the full Hyperion EPM Suite**
  - Shared Reporting Tools such as **Financial Reports & Web Analysis**
  - Proven Technology





# The Profitability Analysis Process with HPCM :

- Step 1 – Define Stages (\$\$ pools)

# Demo Model Design Overview

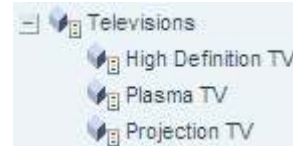
## Account Structure



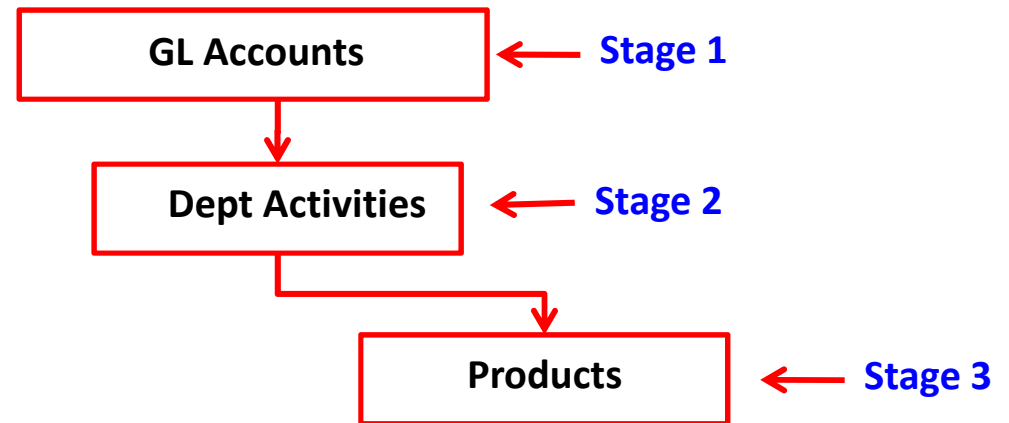
## Departments



## Products



Stage Flow





# The Profitability Analysis Process with HPCM :

- Step 1 – Define Stages (\$\$ pools)
- Step 2 – Define Drivers



# The Profitability Analysis Process with HPCM :

- Step 1 – Define Stages (\$\$ pools)
- Step 2 – Define Drivers
- Step 3 – Select Drivers



## The Profitability Analysis Process with HPCM :

- Step 1 – Define Stages (\$\$ pools)
- Step 2 – Define Drivers
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- Step 4 – Make Assignments



# The Profitability Analysis Process with HPCM :

- Step 1 – Define Stages (\$\$ pools)
- Step 2 – Define Drivers
- Step 3 – Select Drivers
- Step 4 – Make Assignments
- Step 5 – Validate Model
  - Visual Tracing
  - Stage Balancing



# Demonstration



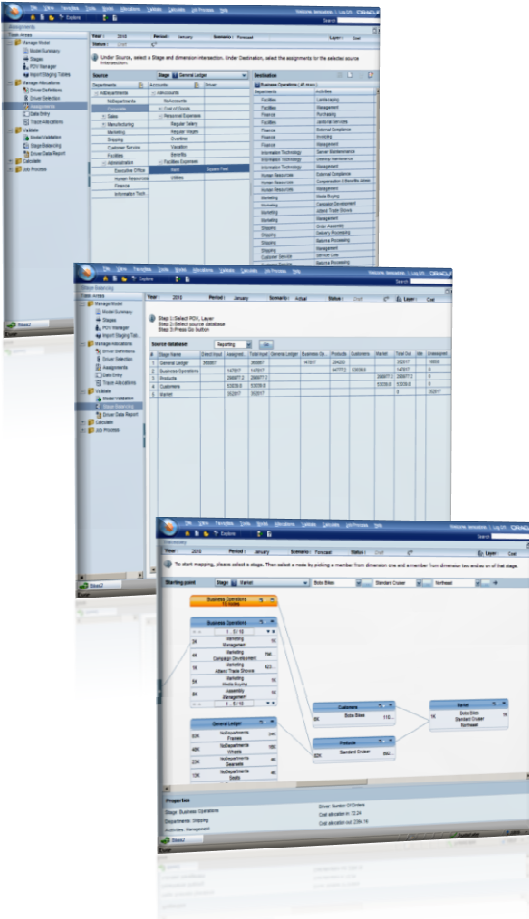
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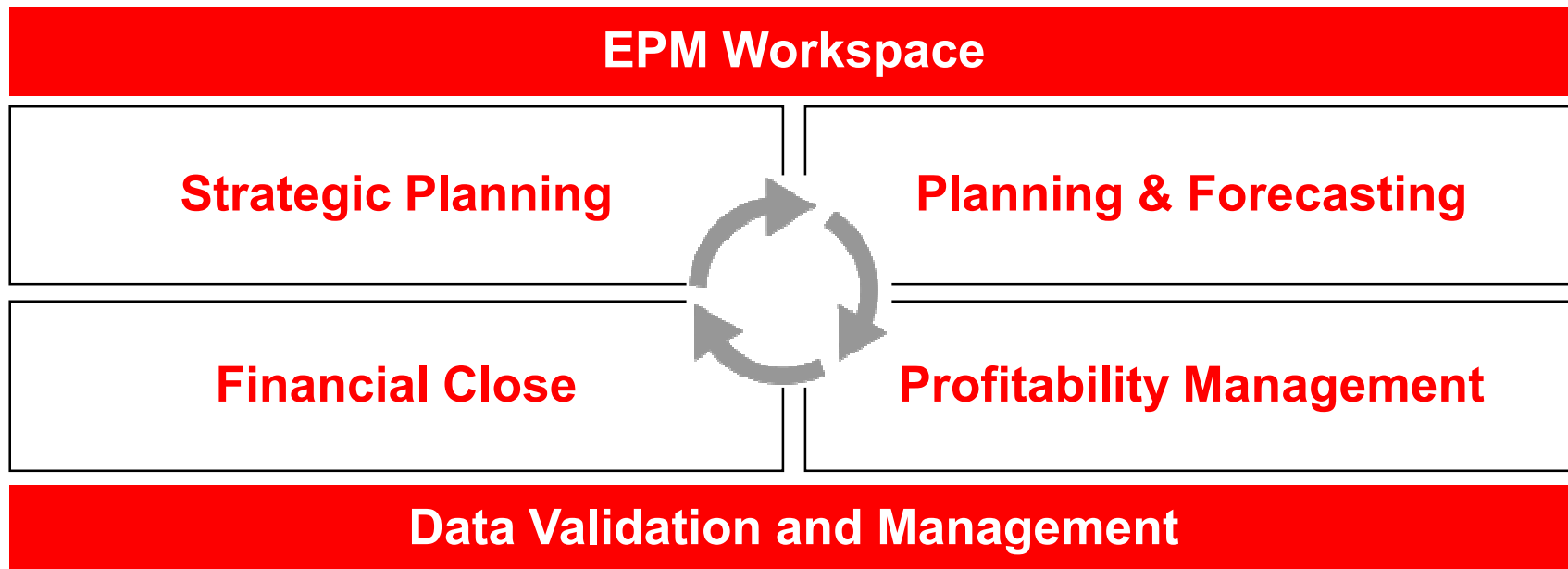
# Hyperion Profitability and Cost Management

- Business User Driven Profitability Modeling
- Flexible Allocation Platform
- Allocation Transparency
- Business Rules Engine
- Model Validation Reporting
  - Records with Unassigned Costs
  - Records without outbound assignments
  - Records without drivers
  - Records in Reciprocal Systems
  - Records with Idle Capacity
  - Unused Drivers
- Hierarchy and Dimension Management
- Multidimensional calculations
- Powerful Analysis and Reporting
- Integration with other Performance Management applications



# Most Complete EPM System


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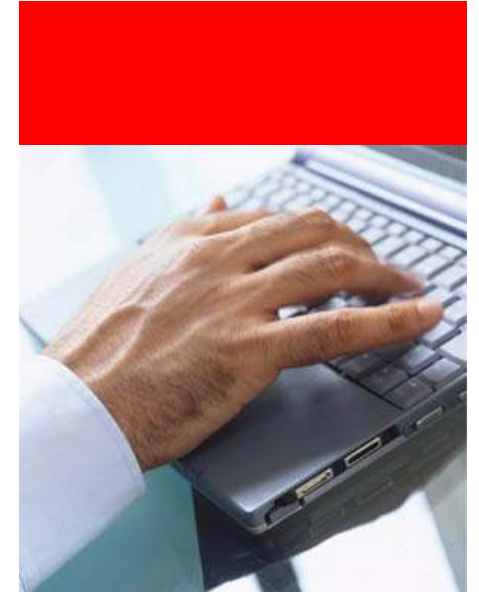
Other  
Systems



Excel  
XML

# HPCM Value

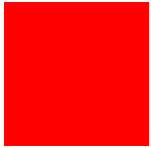
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ORA