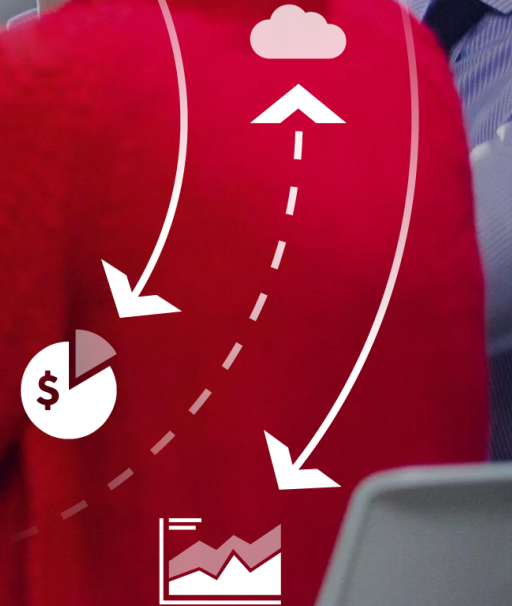# Migrating your On-prem Hyperion Solution to Oracle EPM Cloud

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August 23, 2018

Safe Harbor Statement

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

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Program Agenda

1 ▸ Why Change Now

2 ▸ Financial Close in the Cloud

3 ▸ Inspire Brands Case Study

4 ▸ Discussion/Q&A

Polling Question #1

- Do you currently run any EPM processes with cloud applications?
  - Yes
  - Not yet, but we will within the next year
  - Not yet, but we plan to within the next 2 years
  - Not yet, but we plan to after 2 years
  - No, and we have no plans to put our EPM processes in the cloud at this time

Polling Question #2

- What is the top benefit you've realized or expect to realize in the cloud? (Pick your top 2)
  - Economic benefits
  - Usability benefits
  - Increased flexibility
  - Staying current on technology
  - Keeping up with regulatory compliance
  - Being able to deploy faster

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Why Move to the Oracle EPM Cloud Now?

**REDUCE
TOTAL COST OF
OWNERSHIP**

**LEVERAGE
BEST PRACTICES**

**ENABLE
A MORE AGILE
ORGANIZATION**

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REDUCE TOTAL COST OF OWNERSHIP

Software License & Support ≠ SaaS Subscription:

- ✓ Hardware costs
- ✓ IT cross-charge for support of hardware
- ✓ Upgrade costs
- ✓ Opportunity costs of not having the latest efficiency-saving features

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LEVERAGE BEST PRACTICES

- Elevate your process to best in class

- Take advantage of innovations that provide long-term gains and competitive advantage

- Promote collaboration to improve the human element of EPM processes

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FACILITATE A MORE AGILE ORGANIZATION

- Oracle EPM Cloud represents a paradigm shift – not just incremental change

- Empower business users in a way that was not previously practical

- Provides a '*connected architecture*' that better aligns financial and operational processes

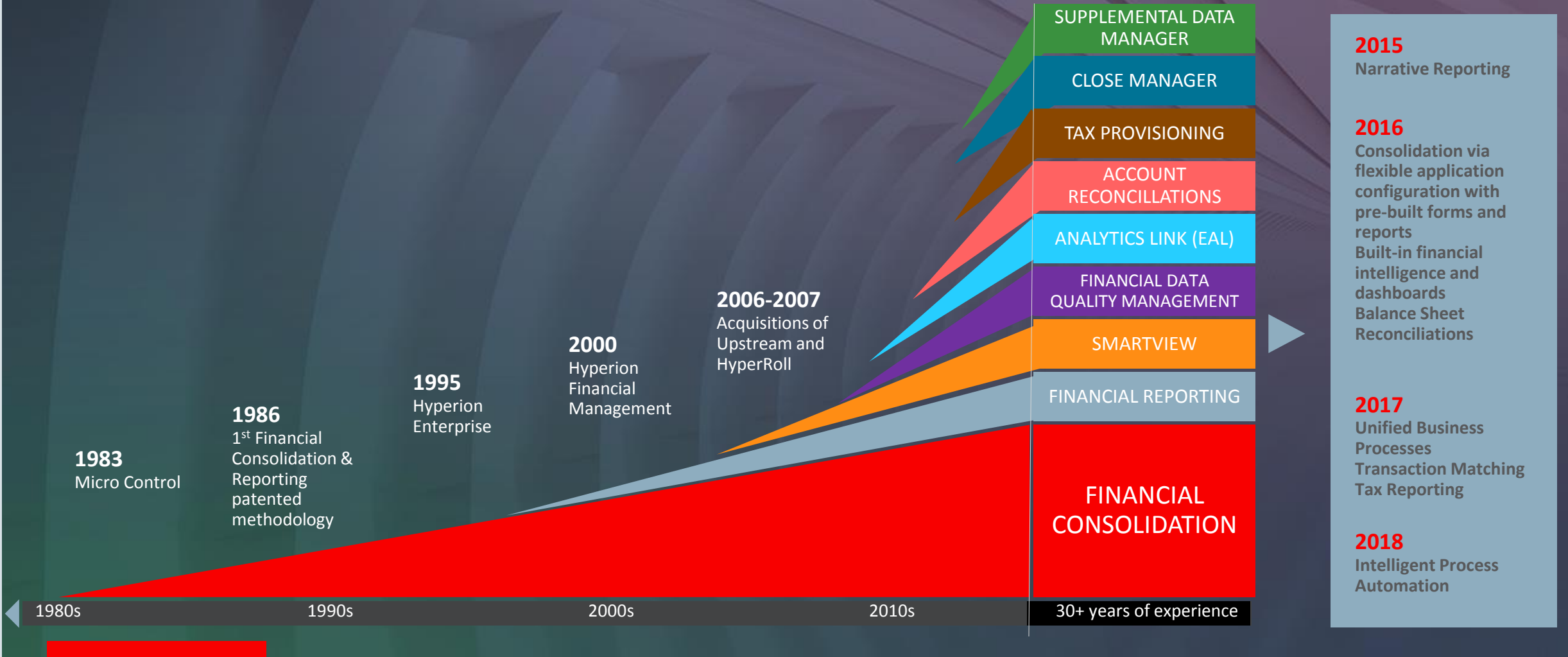ORACLE®

Polling Question #3

- What are your top reasons for moving your EPM applications to the cloud? (Pick your top 2)
  - Business growth, such as global expansion, M&A activity
  - Want to avoid on-premises upgrades
  - Want to avoid infrastructure investment
  - We have a new CFO (or CIO) that wants it
  - Lower total cost of ownership
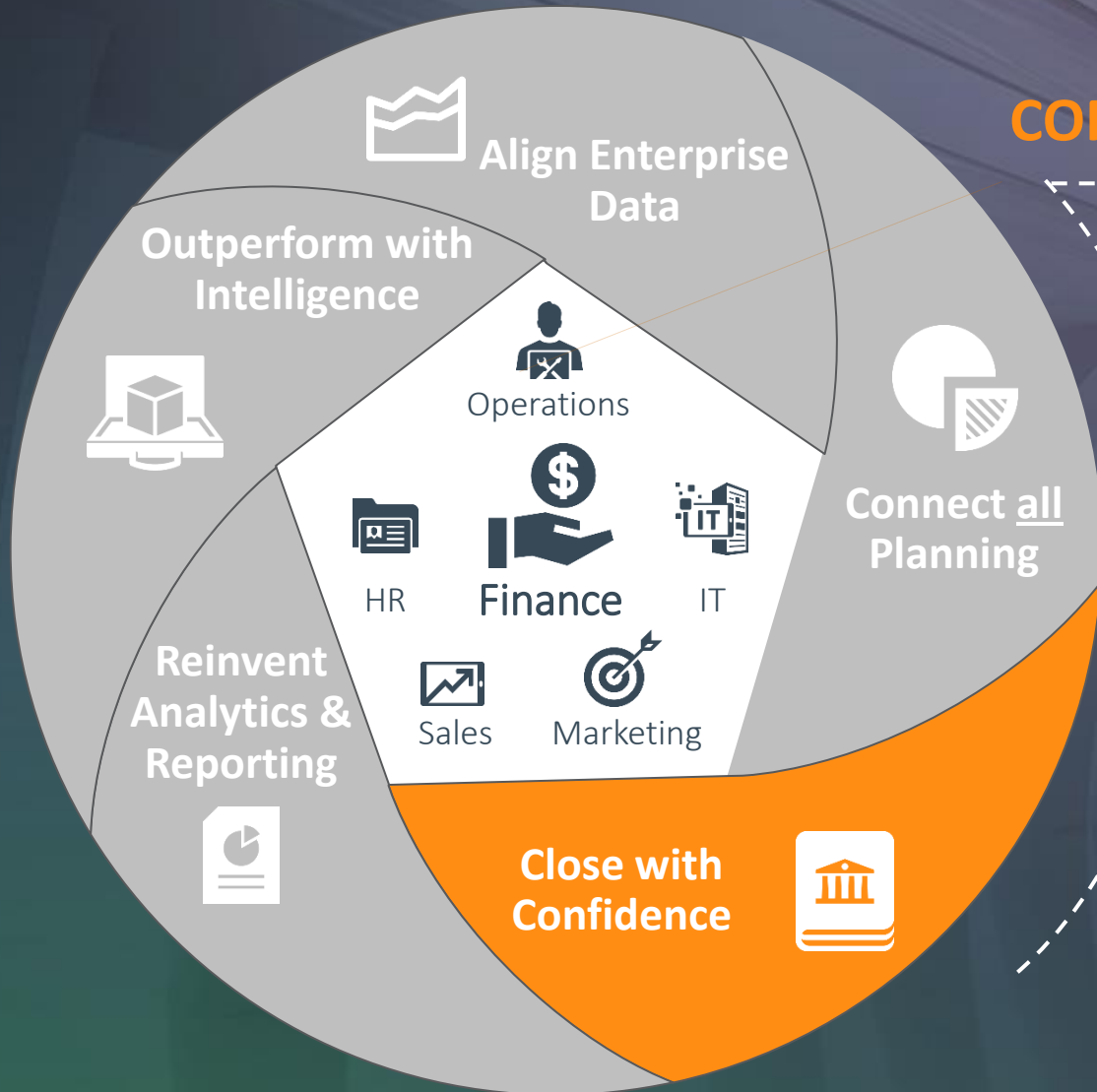 - Rapid access to new EPM products

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COMPREHENSIVE FINANCIAL CLOSE

FINANCIAL CONSOLIDATION

CLOSE PROCESS ORCHESTRATION

RECONCILIATIONS & COMPLIANCE

TAX PROVISION & REPORTING

TRANSFER PRICING

INTELLIGENT PROCESS AUTOMATION

NARRATIVE REPORTING & DISCLOSURES

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CONNECTED
EPM CLOUD

Key design principles of Financial Close on EPM Cloud

The most innovative offering in the market

- Holistic approach to **Record to Report** process that includes
  - Consolidations
  - Close orchestration
  - Supplemental/Ad hoc data collection
  - Heavy emphasis on collaborative reporting (dashboards, reports, Office, etc)
  - Reconciliation
  - Tax Provision

- Pre built functionality and out box of content
  - Configurations v/s Customizations
  - Based off 30+ years of consolidation experience
  - Best practices from HFM, Enterprise and practical experience

- Powered by EPM Cloud platform
  - Developed for SaaS
  - Process driven navigation
  - Innovations driven across the platform with a single learning curve (IPA, Chatbots, Machine Learning)

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EPM Cloud - Consolidation Capabilities
All major HFM capabilities are now covered

- ✓ Currency Translation Adjustment

- ✓ Copy & Clear

- ✓ Movement enhancement for Balance Sheet Accounts

- ✓ Configurable Calculations & Translations

- ✓ Advanced Consolidations

- ✓ Ownership Management

- ✓ Journals – Auto reversing, Attachments, Recurring, Templates

- ✓ Configurable Consolidation Rules

- ✓ Extended Dimensionality

EPM Cloud – Beyond Consolidations
Covering all aspects of Financial Close

✓Supplemental Data Collection

✓Close Monitoring and Orchestration

✓Reconciliation Compliance

✓Transaction Matching

✓Variance Analysis

✓Tax Provisioning

✓Country by Country Reporting

✓Transfer Pricing

✓Collaborative Financial, Management and Narrative Reporting

✓Regulatory Reporting (XBRL, Edgar, CbCr/XML, SBR, etc.)

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Connected EPM Cloud – Innovations

Expanding beyond Financial Close

- ✓ Integrated Business Processes

- ✓ Intelligent Process Automation

- ✓ Autonomous Consolidation & Reconciliations

- ✓ Infolets

- Machine Learning*

- Mobile and Chatbots*

* Coming soon

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INSPIRE Brands™

Journey to EPM Cloud:
From PBCS to FCCS and Beyond

About Inspire Brands

Founded in 1964 in Boardman, Ohio

Purchased Wendy's in 2008 and subsequently split in 2011

Acquired by Atlanta-based Roark Capital Group in 2011, kicking off a new phase of growth and investment

30 Consecutive quarters of Same-Store Sales Growth

Almost 3,500 restaurants, over 1000 are company-owned

Acquired Buffalo Wild Wings in 2018 forming Inspire Restaurant Brands

PBCS Result Highlights

- Rolled out to **all Cost Centers** across the entire company, around 100 users
- Essentially performing **zero-based budgeting**
- **Eliminated manual** and error prone Excel based approach
- **Accelerated the time to value** without compromising functionality by avoiding acquisition, installation, and configuration of servers and underlying architecture
- **Flexibility** to ramp up new subscribers quickly
- **Reduced ongoing support costs** by eliminating many of the costs associated with an on-premise solution
- **Reduced budget cycle time by 30%**
- FP&A has **visibility** into budget status and progress
- More **complete, better product** from Finance

EPM Framework - Pre-FCCS
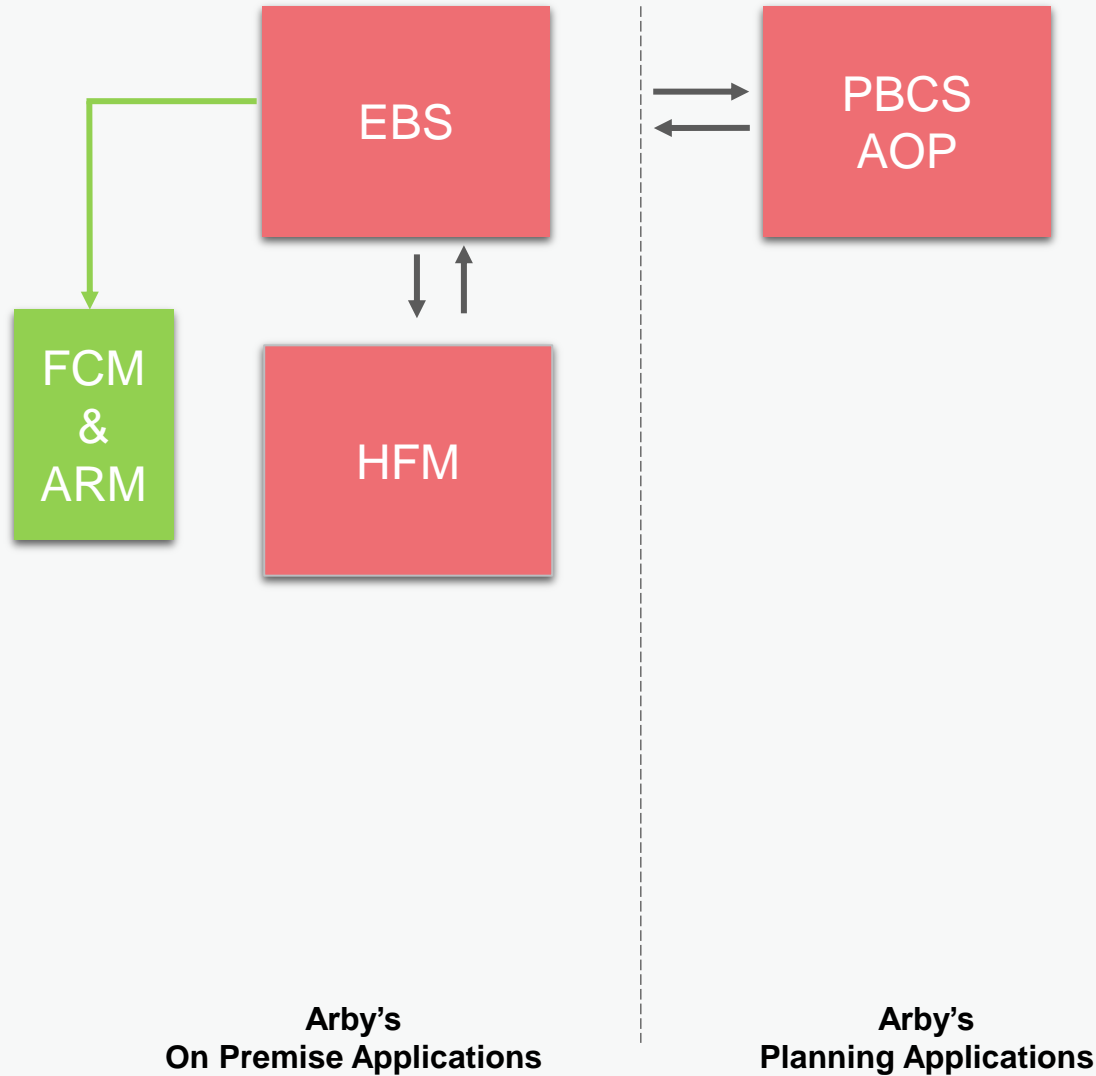
Summary of Solution

- Phase 1 - Hyperion Planning (G&A) Actuals populated by EBS

- Phase 2: G&A Application expanded to incorporate AOP Budget and Forecast Process

- Planning and HFM will Drill-Back to EBS Actuals

Arby's On Premise Applications

Arby's Planning Applications

Consolidations & Financial Reporting Planning and Budgeting

What Do You Use Today to Perform?

EPM Suite
- Hyperion
- SAP
- IBM
- Other

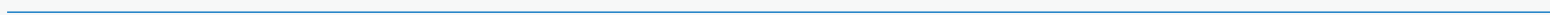**Legacy Applications**

Other

Legacy Consolidation History

Consolidations at Arby's

Hyperion Enterprise (Implemented 2005)

Hyperion Financial Management (Implemented 2015)

Financial Consolidation & Close Cloud

EPM Comparison and Conclusion

Conclusions based on Cost and Application Functionality

Criteria	Conclusion
Application Functionality	There are no material application functionality between the On-Premises and FCCS Application that would prohibit a robust Consolidations Solution.
Total Cost of Ownership	Based 5 year analysis, implementing the On-Premises Option will have a TCO of 33% more than 1-2 Subscription Costs due to the modeled Oracle Support Costs. The Oracle Support Costs was modeled on a worst case basis at 3% increase per year.
Application Support	Application Support will be needed, regardless of On-Premise or Oracle Support Costs
Scalability and Versatility	The On-Premises Option provides the more versatility and application control of how many applications can be created and functional scalability in comparison to the Cloud Based Solution

Cloud Platforms are Different than On-Premise

On Premise Applications

CAPEX upfront investment

Annual Support Costs

Customer owned upgrades and patching

Retention of large IT team required

Data center and hardware costs including disaster recovery

Managing own network, security and access

Costly Customizations created and maintained

Outdated software resulting in missed business benefit

Cloud Applications

Rent a flexible service / pay as you grow

Business Super Users rather than IT support

Oracle Cloud

Embedded Modern Best Practice Processes

Standard security and access Anywhere / whenever

No upgrades but latest functionalities via regular releases

Therefore Application Adoption Needs to be Approached Differently

On Premise = Requirements driven approach

- **Large Onsite Project Team**
- **Significant Change Management Effort**
- **Custom build with extensive documentation**
- **'Big Bang' Approach to training & User Adoption**
- **Average time to value 12-18 months**
- **Requirements driven / waterfall**
- **Designed for customer specific legacy business processes**
- **Full cycles of application and performance testing**

Oracle Cloud

- Quickly Innovative cloud portfolio
- **Small project teams with part time Business Process consultants and Onsite / Remote Mix**
- **Re-usable pre-configured build and accelerator tools.**
- **Adopt Modern Best Practice processes**
- **Incremental approach to adoption**
- **Hands on testing early & often**
- **Rapid time to Value. Average time to value 12-18 weeks.**

Considerations When Migrating to FCCS

- Dimensionality
- Out of Box Functionality
- Data Manager
- Close Suite Modules
- Complimentary Cloud Services

Overall Scope and Assumptions

- Timing of Migration: Parallel September in October, Parallel October in November, Live for November Close in December

- Historical Data: Dec 2012 YTD, 2013 through Current by month

- Scenarios: Actual, 2 Budgets, 3 Forecasts

- Cash Flow: Currently generated via SmartView, will be included in FCCS

- Close Manager: Was add-on module in Close Suite, built-in for FCCS

- Reports: Currently have ~200 Financial Reports migrated – Initially 30 Reports prioritized and migrated, additional 170 reports added by request

- Dimensionality:
  - Current HFM application uses Cost Center as a custom dimension, this will occupy one of the custom dimensions in FCCS
  - Current HFM application has a custom dimension for movements, which is a standard dimension in FCCS

- Integration: HFM utilizes FDMEE, which will be replaced with FCCS Data Manager

Project Tasks

| Dimensions | Data Conversion | Integration | Reports & More… |

Dimensions
- Extract HFM Metadata
- Load Cost Centers
- Load Entities
- Create Scenarios
- Create Accounts
- Create Movements

Data Conversion
- Create Data Manager for Historical Data
- Load 1 Month
- Extract All HFM in-scope Data
- Load all in-scope Data
- Validate and Tie-out Base Entity historical data
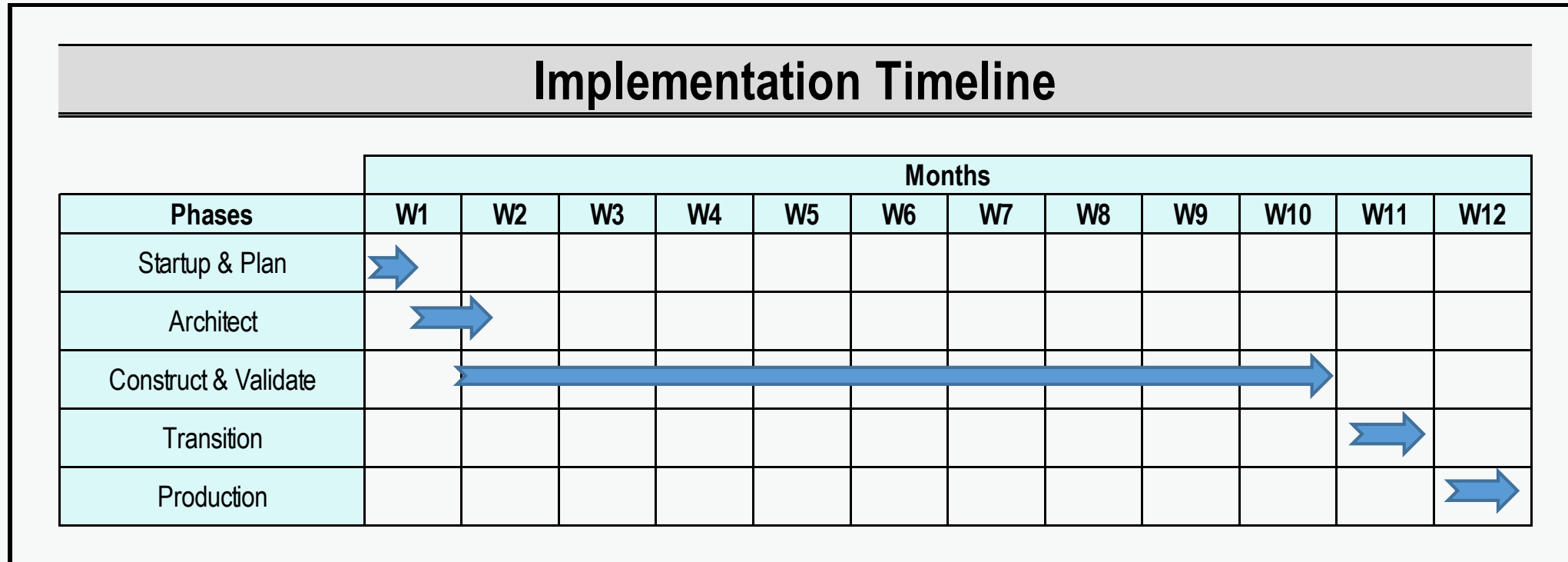- Validate and Tie-out Consolidated historical data

Integration
- Configure Data Manager for Monthly Data Loads
- Migrate Mappings from FDMEE
- Create Mappings for EBS data including Movement Dimension
- Unit Test Integration
- Setup EPM Automate to FTP files and Kickoff Data Loads

Reports & More…
- Set up Groups Based on HFM User Groups
- Convert Security Classes to Groups
- Configure Dimension Level Security
- Develop
  - Reports
  - Integrations
  - Data Migration
- Create, Test and Validate Reports
- Define Calendar Tasks
- Upload Tasks to Close Manager
- Review and Assign Owners

Implementation Timeline

	Months											
Phases	**W1**	**W2**	**W3**	**W4**	**W5**	**W6**	**W7**	**W8**	**W9**	**W10**	**W11**	**W12**
Startup & Plan	→											
Architect		→										
Construct & Validate		→————————————————————→										
Transition											→	
Production												→

Success Criteria & Lessons Learned

SUCCESS CRITERIA

- Business buy-in from end users to executives
- Solid ROI & Business Case
- Establish a true partnership

LESSONS LEARNED

- Use the predefined account dimension
- Allow sufficient time for dimension build (Account and Movement), mapping and data validation
- Arby's team engaged early and frequently

Creating a Repeatable Integration Model

DAY ONE
- Establish New Organization Structure in FCCS
- Map Acquisition Trial Balance Accounts to Inspire GL accounts
 - Load Acquisition TB report data into FCCS by close of month

DAY THIRTY TO SIXTY (AND BEYOND)
- Continue mapping acquisition's detailed accounts to Inspire accounts
- Load Detailed Account Balance History into FCCS
- Consolidate historic balances and roll up
- Load Acquisition TB data each period until fully in consolidated ERP

INSPIRE Brands™

Arby's®

EPM Framework Roadmap

PBCS G&A

EBS

FCCS

ARCS

Payroll Source

PBCS (Labor)

Arby's Cloud Subscriptions
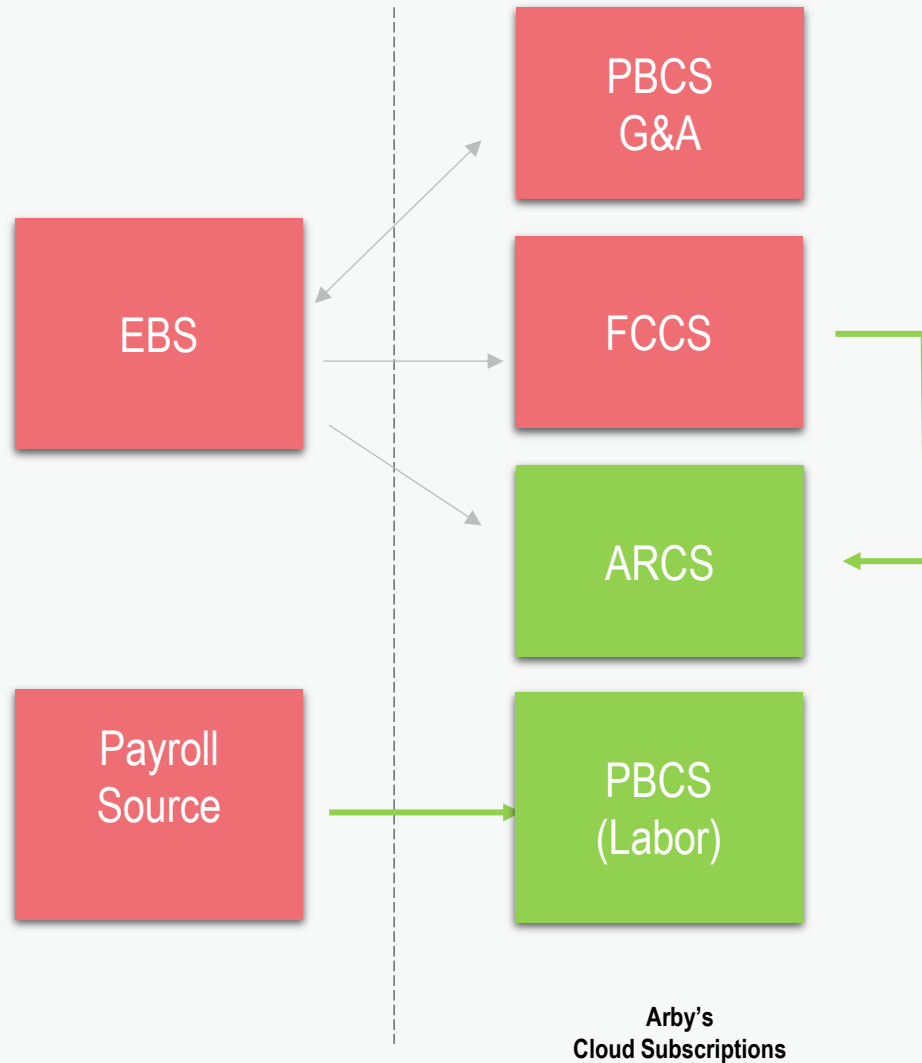
Summary of Solution

- PBCS (G&A) Actuals are populated by EBS
- Add Acquisition(s) to G&A Budgeting Budget and Forecast Process
- Implement ARCS
- Automate Load of Financial data to PBCS and FCCS using Data Management
- Continue Automation of Close Process
- Implement EPBCS?
- Labor Budget (aggregate level) will be loaded into G&A as a line item for Salary Account (assumption)

Polling Question #4

- Which of the following advanced technologies is your company exploring or deploying?
  - Artificial intelligence (AI)
  - Robotic Process Automation (RPA)
  - Blockchain
  - Chatbots
  - Internet of Things (IoT)
  - Machine Learning (ML)

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Q&A

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Integrated Cloud
Applications & Platform Services

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Appendix/Extra Slides

Comparison: EPM Cloud vs. Upgrade on Premise

Criteria	Financial Consolidation & Close Cloud	Hyperion Financial Management - On Premise
Time to Value	• Oracle FCCS has 2 established turnkey Hyperion EPM Environments with little to no set up time associated with the infrastructure.	• An On Premises Hyperion Financial Management Solution has 3-4 week application set up time for 3 environments
Solution Functionality	• The Consolidation Application has the same robust features (Calculations, User Interface, Excel SmartView, Multidimensional Reporting), in both types of environments. • Custom calculations using member formulas • Automated Cash Flow • Out of Box Multi-GAAP support • Close Manager and Calendar and other Close Suite modules built-in	• The Consolidation Application has the same robust features (Calculations, User Interface, Excel SmartView, Multidimensional Reporting), in both types of environments. • Ability to create complicated consolidation logic through rules • Other Close Suite modules require separate implementations and integration

Comparison: EPM Cloud vs. Migrate on Premise

Criteria	Financial Consolidation & Close Cloud	Hyperion Financial Management - On Premise
Integration	• Supports Flat File Metadata and Data Integration into FCCS using Data Management or FDMEE • FDMEE would need to be upgraded to latest release • EPM Automate would provide process automation around data load and consolidations	• Direct Connection Metadata and Data Integration into HFM using FMDEE or other ETL tools • Drill back is supported from both Flat file loads and Direct Connection
Pricing	• No Infrastructure & Maintenance Costs • Opex Cost for Monthly Subscription • Subscription includes Consolidation & Close, Reporting And Integration • No additional costs for Oracle Support	• Hardware and Software Spend for On Premise Solution. • Software Costs need to be capitalized • Additional Costs for Oracle Support

Comparison: EPM Cloud vs. Migrate on Premise

Criteria	Financial Consolidation & Close Cloud	Hyperion Financial Management - On Premise
Application Support	• Consolidation and Financial Reporting Application administration will needed in both On-Premises and Cloud Platform	• Consolidation and Financial Reporting Application administration will needed in both On-Premises and Cloud Platform
Infrastructure Support	• 24x7 Oracle Technical Support included in Subscription Pricing • 3 tiers of Oracle Support – Sev1, Sev2, Sev3 • Environment and Application Patching and Upgrades included in Subscription	• Additional Infrastructure Maintenance and Support • Costs for Environment and Application Support

Comparison: Total Cost of Ownership

Criteria	Consolidation Cloud Solution 1 Subscription	HFM On-Premise Solution
Hardware	Included in Subscription Cost	$44,000
Software	$132,000	$23,000
Oracle Support	Included in Subscription Cost	$78,000
Support - Infrastructure	Included in Subscription Cost	$15,000
Support - Application	$32,000	$32,000
Professional Services (upgrade)	Included in Subscription Cost	$40,000