



Migrating your On-prem Hyperion Solution to Oracle EPM Cloud

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Program Agenda

- 1 Why Change Now
- 2 Migration Considerations
- 3 ATCO Case Study
- 4 Discussion/Q&A

Why Move to the Oracle EPM Cloud Now?



**REDUCE
TOTAL COST OF
OWNERSHIP**



**LEVERAGE
BEST PRACTICES**



**ENABLE
A MORE AGILE
ORGANIZATION**



REDUCE TOTAL COST OF OWNERSHIP

Software License & Support \neq SaaS Subscription:

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



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

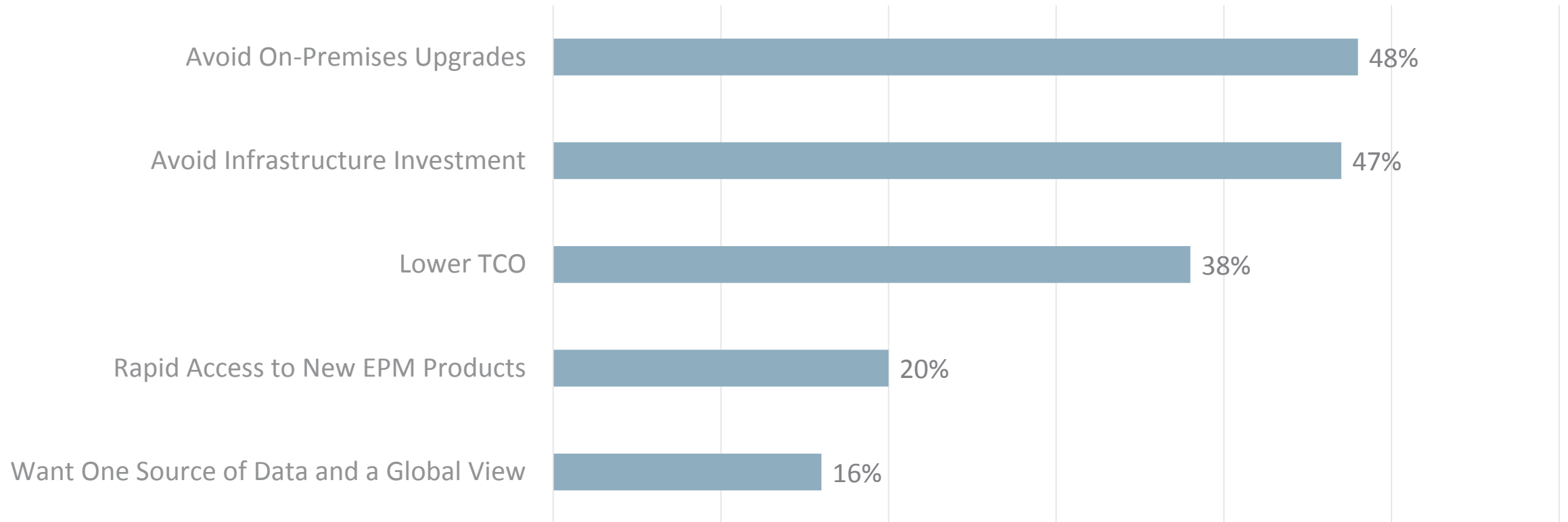


FACILITATE A MORE AGILE ORGANIZATION

- 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

Why Cloud: Avoiding Upgrades Rises to the Top

Top 5 Reasons for Moving EPM to the Cloud



Source: Oracle EPM Trends Survey, 2018

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TRANSFORM: DON'T JUST LIFT AND SHIFT

Reimagine and connect business
processes

Leverage best practices

Achieve significant efficiency
gains

A Transformation is Happening

The Cloud Journey has many Paths

Migrate Business Processes

Replace existing on-premise software (Oracle and 3rd party) with Oracle EPM Cloud solutions:

- Account Reconciliations replaces BlackLine
- Financial Consolidation & Close replaces HFM
- Profitability & Cost Management replaces ERP Allocations

Augment Business Processes

EPM Cloud can augment existing on-premise software:

- Close Manager & SDM complement HFM
- Enterprise Planning & Hyperion Planning co-existence
- Tax Reporting for Country by Country Reporting along side Thomson Reuters Onesource for Tax Provision

Connect Business Processes

Connect processes and people in ways that were not previously possible/practical:

- Enterprise Planning addresses Operational LOBs that may still be using spreadsheets and connects them with Finance
- Enterprise Performance Reporting enables collaboration across teams for all internal and external reporting

Leverage Best Practices

Elevate your process to best in class

- Pre-built, but VERY configurable
- Not just about faster implementations
- Easier administration
- Better support through common data model
- Continued benefits from future roadmap:
 - ✓ Ongoing enhancements for long-term value
 - ✓ Certified integrations
 - ✓ Better customer insights

Re-Invent Reporting

Faster Reporting, More Collaboration, Less Moving Parts

- Introduce Narrative Collaboration (EPRCS)
- Leverage the new Management Reporting (MR) capability
- Reporting integrated into EPM Cloud
 - ✓ Advanced dashboarding across EPM
 - ✓ Essbase ASO cubes in Enterprise Planning
 - ✓ Strategic Modeling for financial & operational scenarios
 - ✓ Smart View

Empower Business Processes Beyond Finance

Modern Insight Strategic Workforce Planning



Align Strategy & Execution

- The right skill, at the right time, at the right place, and at the right cost
- Collaboration between HR, Operations & Finance
- Identify strategic risks resulting from gaps in workforce supply & demand
- What-if analysis for gap-closing alternatives

Align IT to Run and Grow the Business Oracle IT Financial Management (ITFM)

- Transparency to IT Service Charges
- Align IT Projects with Strategic Priorities
- IT Spend Analysis: Run vs. Grow vs. Transform
- ITFM helps IT build credibility with the Business



Strategic Modeling



Align Strategy with Plan

Align top-down long-range plans with bottom-up operational plans for informed decision making



Model for Uncertainty

Proactively respond to changing industry and economic dynamics through scenario analysis



Optimize Capital Structure

Determine the optimal mix of debt and equity to grow the business

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Sales Performance Management

Improve Sales Execution and Operational Efficiency



- Quota & Incentive Management**
 - Retain Top Talent & Motivate them
 - Incentivize Top Performers
 - Repeatable process
- Territory Optimization**
 - Align Resources to Optimize Performance
 - Access to Historical Customer & Sales Data
 - Predictive Analytics & What-if Analysis
- Sales Forecasting & Analysis**
 - See & Act on Evolving Forecast Trends
 - Collaboration between sales Ops & Field
 - Integration with CRM for faster cycles

Integrated Business Planning with Oracle Enterprise Planning Cloud



Comprehensive Modeling
Best practice comprehensive planning to satisfy cross functional planning & analysis

What if Scenarios
What if scenarios to simulate different planning scenarios against assumptions and outcomes

Collaborative
Create a culture of collaboration and accountability across the business

Run Marketing Like a Business

Best practice Marketing Campaign Planning out-of-the-box

Campaign Planning: Plan for enterprise-wide marketing spend leveraging the 'Projects' framework in the Enterprise Planning Cloud.

Analyze Spend:

- Full global picture of committed vs. actual
- Analysis by marketing attributes - such as audience, team, strategic objective, region, and much more.

ROMI: Connect planning with operational data

- Marketing Automation metrics
- Return on Marketing Investment (ROMI)

Stay Connected & Aligned: CMO-owned, but still aligned with the corporate financial planning process



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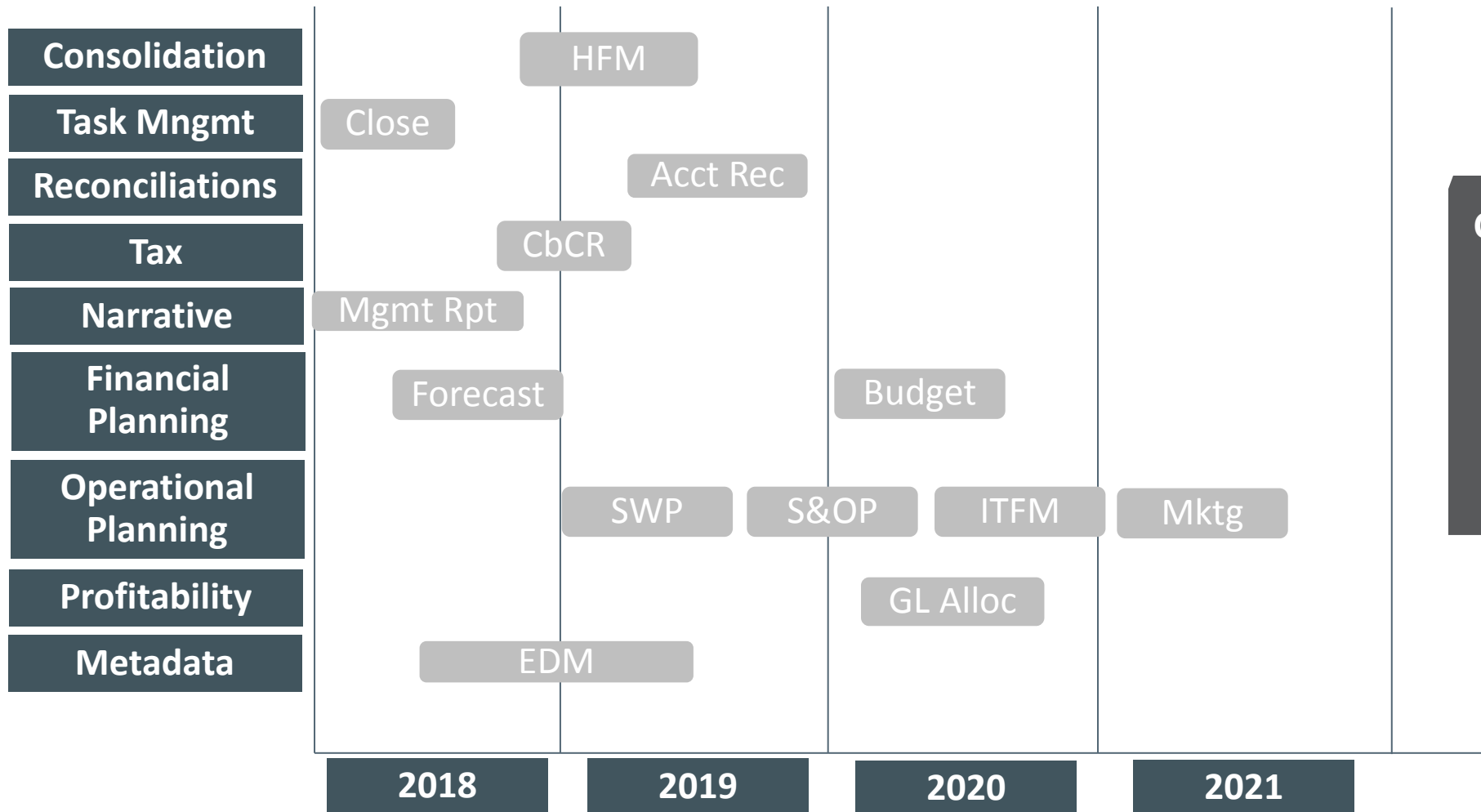


Don't Waste an Opportunity

Consider Cloud Migration vs. On-Premise Upgrade

- On-premise software upgrade often involves hardware refresh
- IT resources and budget for upgrades could deliver better value with cloud migration
- Investments in on-premise upgrades become a financial obstacle to cloud roadmap

Create a Cloud Roadmap



- Considerations:**
- Business priorities
 - Strategic Initiatives
 - Risk tolerance
 - On-prem upgrades
 - Oracle roadmap
 - 3rd party contracts

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The ATCO logo is rendered in a bold, white, sans-serif font. The letters are slightly italicized, giving it a dynamic feel. It is positioned in the upper left quadrant of the slide.

ATCO

ORACLE ENTERPRISE PLANNING AND BUDGETING CLOUD IMPLEMENTATION OVERVIEW

May 3, 2018

Background



Company Background

- ATCO Group is a \$21 billion enterprise with approximately 7,000 employees, delivering service excellence and innovative solutions in Structures & Logistics, Electricity, Pipelines & Liquids, and Retail Energy



Transformation Background

- Back office transformation “One ATCO” including full move to shared services approach
- Move to Oracle cloud for ERP and Planning Systems
- Move from 3 charts of accounts to 1



EPBCS Project

- Replace 12 on prem Hyperion Planning solutions and thousands of excel spreadsheets with one cloud based Planning System
- Minimize customization –
- Started September of 2017
- Leverage Continuous Planning Model
- LRP using the strategic modelling capabilities of EPBCS delivered to production in 3 months

Building End to End Planning Functionality

Long Range Forecast

- ✓ Long range revenue and expense planning
- ✓ Rate base calculation
- ✓ Consolidations
- ✓ Financial statements
- ✓ Equity and Debt requirements
- ✓ What if / scenario
- ✓ modelling

Capital Forecast

- ✓ Inflight project planning
- ✓ Appropriation creation
- ✓ Asset class assignment and splitting
- ✓ ISD assignment
- ✓ Depreciation calculation
- ✓ Tax deductions

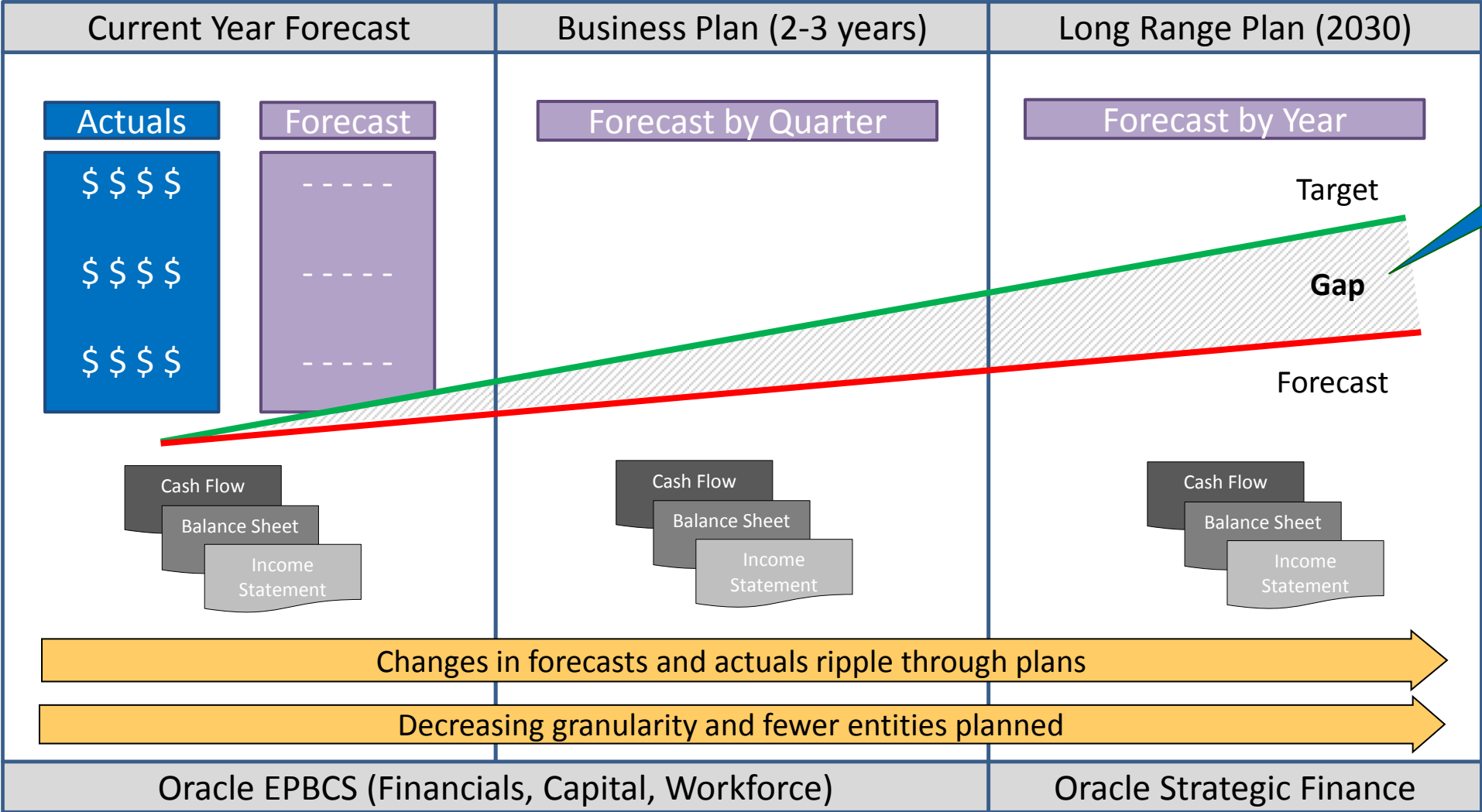
Workforce Forecast

- ✓ Plan labour FTE and cost
 - ✓ Existing staff
 - ✓ New staff
- ✓ Vacant position updates

Financial Forecast

- ✓ Revenue and expense planning: trending, driver based, direct entry
- ✓ Plan expenses by activity
- ✓ Labour & fringe rates
- ✓ Split capital and overhead from expenses
- ✓ Rate base and revenue requirement
- ✓ Interco and eliminations
- ✓ Allocations
- ✓ Taxes
- ✓ Financial statements

Continuous Planning Overview



Management Action Plan

- Organic growth
- Rate base increase
- M&A
- Cost Mgm't

Driver Based Planning

- For the O&M area the proposed design is to isolate and plan the major activities that drive a significant financial impact
- Reduce reliance on historical trending to do budgets
- Full functionality will take time however we have built a system ready for the future
- Drivers loaded in the system for Modular are as follows:

Expense Drivers:

- Dollars per manday
- Costs as % of Revenue
- Labour rates
- Variable overhead (by hours/rate)
- Fixed overhead hours
- Fixed overhead rates
- Percentage of revenue

Revenue Drivers:

- Fleet Utilization % x rates (by unit type)
- Revenue per box - Trade Sale
- Revenue per box manufactured (by unit type)
- \$ per manday
- Mandays – Stays
- Room rental rates

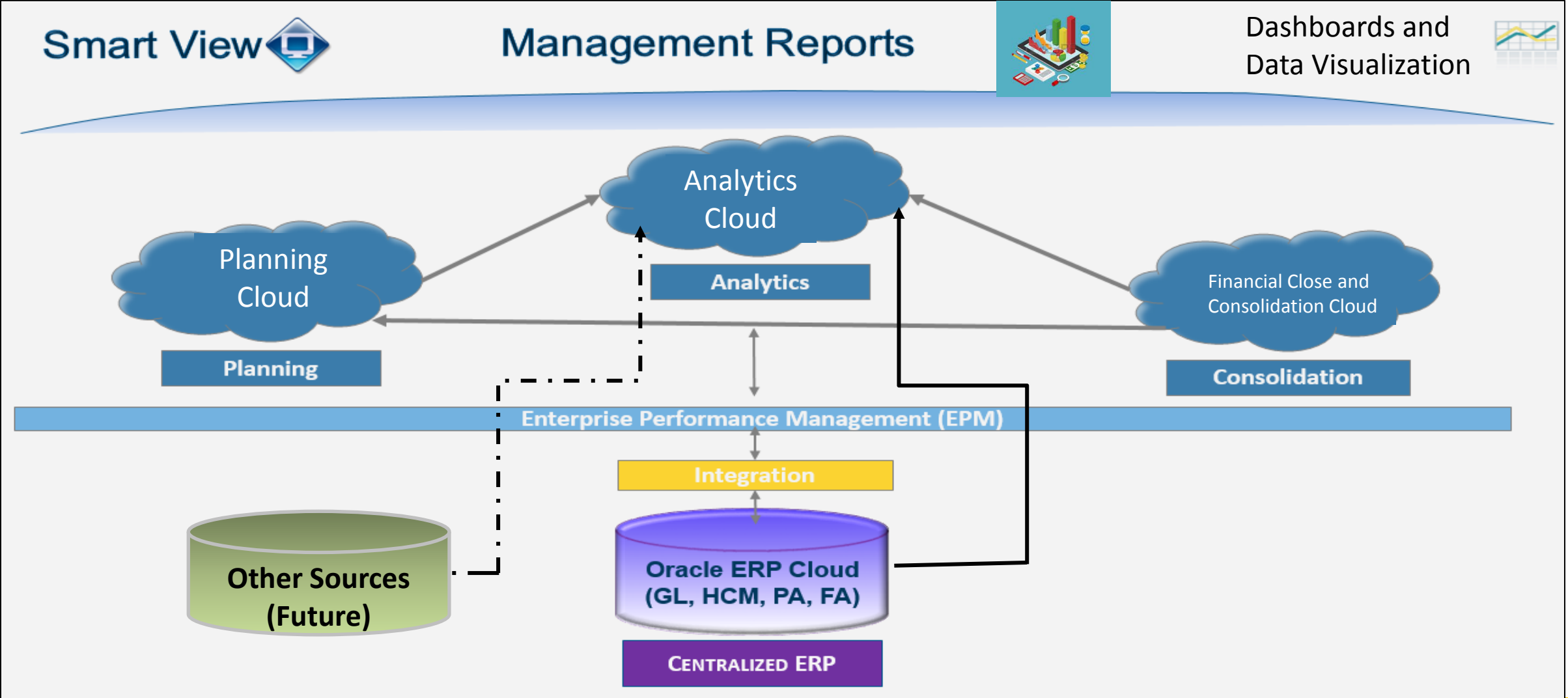
Workforce Planning - Job Level Overview

- **HR and EBPCS are aligned to plan at summary level to balance efficiencies, level of detail and sensitive data visibility**
 - **Leverages out of box functionality**
 - **EPBCS to support HCM position management through process and reporting**
- **Staff planned in EPBCS Workforce by mix of cost centre owners / Finance staff**
- **Fringe benefits, vacancy adjustment, etc. planned in EPBCS Financials**
- **Forecasted at career ladders (11 job levels)**

Capital Planning – At Appropriation

- The Appropriation string will link Planning to Project Accounting and in the future state Cirrus & Unifier.
- Projects will be opened within Oracle to accumulate cost.
- Within Cirrus the linkage to appropriation is managed within project templates.
- We are looking to leverage this approach for all of ATCO
- Regs capital approach implemented for April and non-regs capital for May/June
- Automated depreciation and capital continuities and roll forward reporting built

ATCO Finance Transformation – Process leads the way



What are the Benefits for ATCO

- Ability to get closer to your numbers and manage variances in a better fashion as you drive towards your financial goals
 - Standardized dashboards to be shared by enterprise
 - Mix financial data with non financial data
- Move reliance away from non-standard spreadsheet report compilation
 - Remove single points of failure for key staffing
 - Give our people the most up to date tools
- Move to driver based budgeting
- Financial scenario analysis can be significantly enhanced
- Workforce will bring in salaries at the 100 percent level by cost center – netting recoveries in salary account will no longer occur
- Less reliance on IT – tools and processes can be managed more by end users

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Q&A

Integrated Cloud

Applications & Platform Services

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