



Business Intelligence Solution Providers
Specialized in creating talent resource pool

Introduction to Hyperion Financial Management

Created By : Rupam Majumdar

Reviewed By: Amit Sharma

**Contact Point : bisp.consulting@gmail.com
learnhyperion.wordpress.com**

bipsolutions.wordpress.com or mail to bisp.consulting@gmail.com



Objective

1. Problem and Challenges
2. Why Hyperion Financial Management
3. What is Financial Management
4. Steps for monthly Closing
5. Financial Consolidation
6. Advantage of HFM



Problem and Challenges

Many finance executives face the daunting task of consolidating their company's financial and operating results using spreadsheets that are difficult to maintain and audit. Some are encumbered with custom reporting solutions that don't scale or address global requirements, while others are dependent on general ledger-based approaches that can't pull data from numerous transactional systems without significant IT support. What is needed is a single version of the truth-one view of financial and operational results integrated from multiple systems - without delays.



Why HFM

With Hyperion Financial Management, one of Oracle's performance management applications, one can improve the closing and reporting process and reduce internal control risks. Financial managers move from the role of scorekeeper to one of business partner delivering financial analysis that supports strategic and operational management decisions. With purpose-built features, Hyperion Financial Management is the cornerstone of sustainable compliance frameworks and helps businesses comply with stringent reporting regulations.



Hyperion Financial Management

PLAN + Powerful FEATURES + Design Considerations +
Reporting Tools =

1. Less confusion
2. Less time
3. Shorter closes
4. Transforms data into usable information
5. Viable WEB delivery mechanisms



Hyperion Financial Management

“Financial Management is a comprehensive, Web-Based applications that enables you to manage enterprise financial information quickly and cost effectively. Financial Management delivers global data collection, financial consolidation, reporting and analysis in a single highly scalable solutions.”

It helps financial managers the ability to rapidly close and report financial results, meet global regulatory requirements, cost reduction and deliver confidence in number



Financial Management Features

- Process management for tight control of the review and approval process
- Data Validation
- Currency translation to support multiple local currencies.
- Automatic elimination for intercompany data and transactions



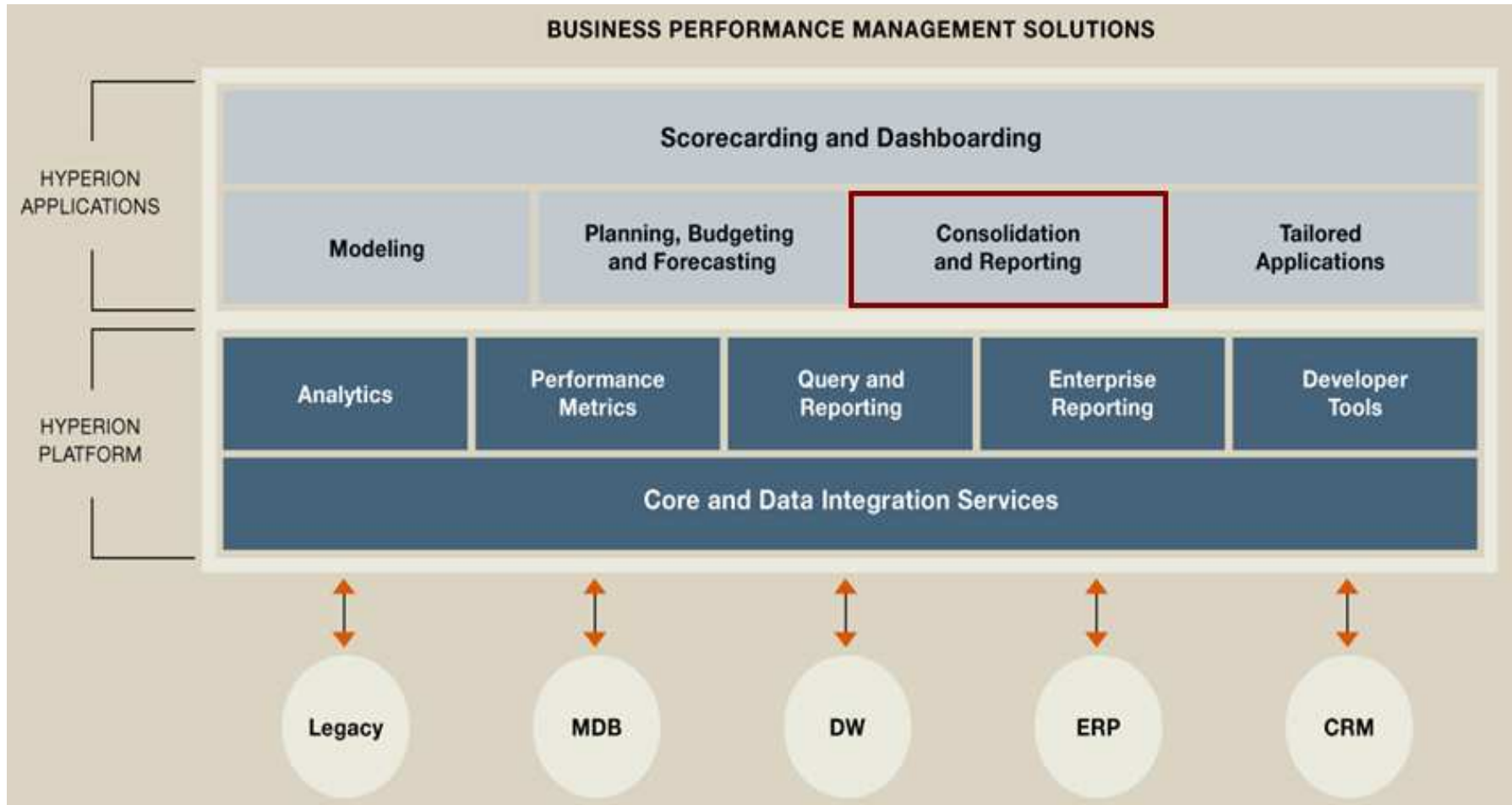
Hyperion Financial Management

With Financial Management we can able to

- Conduct in-depth analysis of key performance and operational metrics
- Reduce consolidation and reporting cycle by days or weeks
- Deliver accurate and timely reports to both internal management and external regulatory bodies
- Discover sources of profitability and cash flow at the company, product, brand, and customer levels

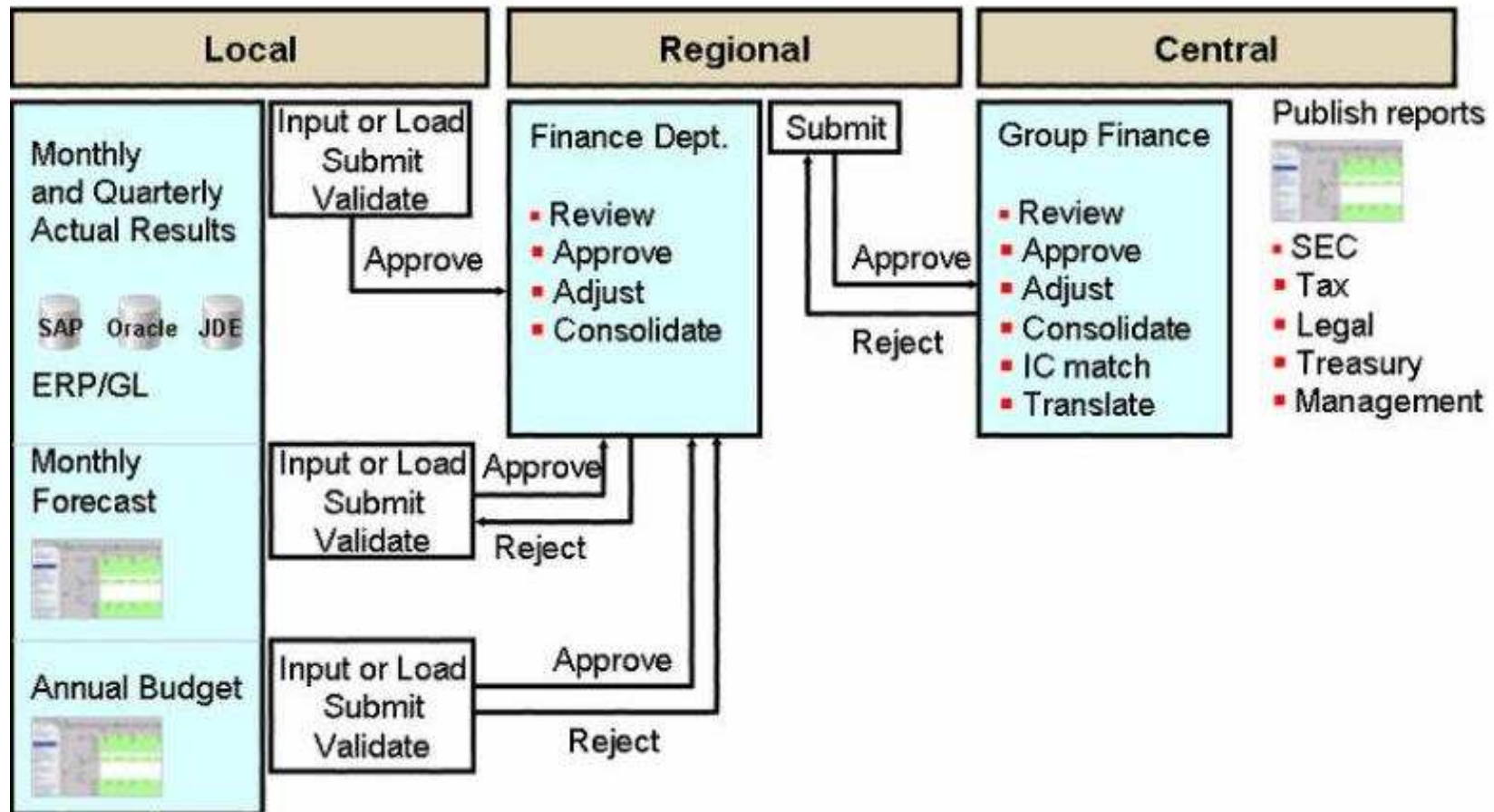


Hyperion Financial Management





Financial Consolidation, Reporting & Analysis





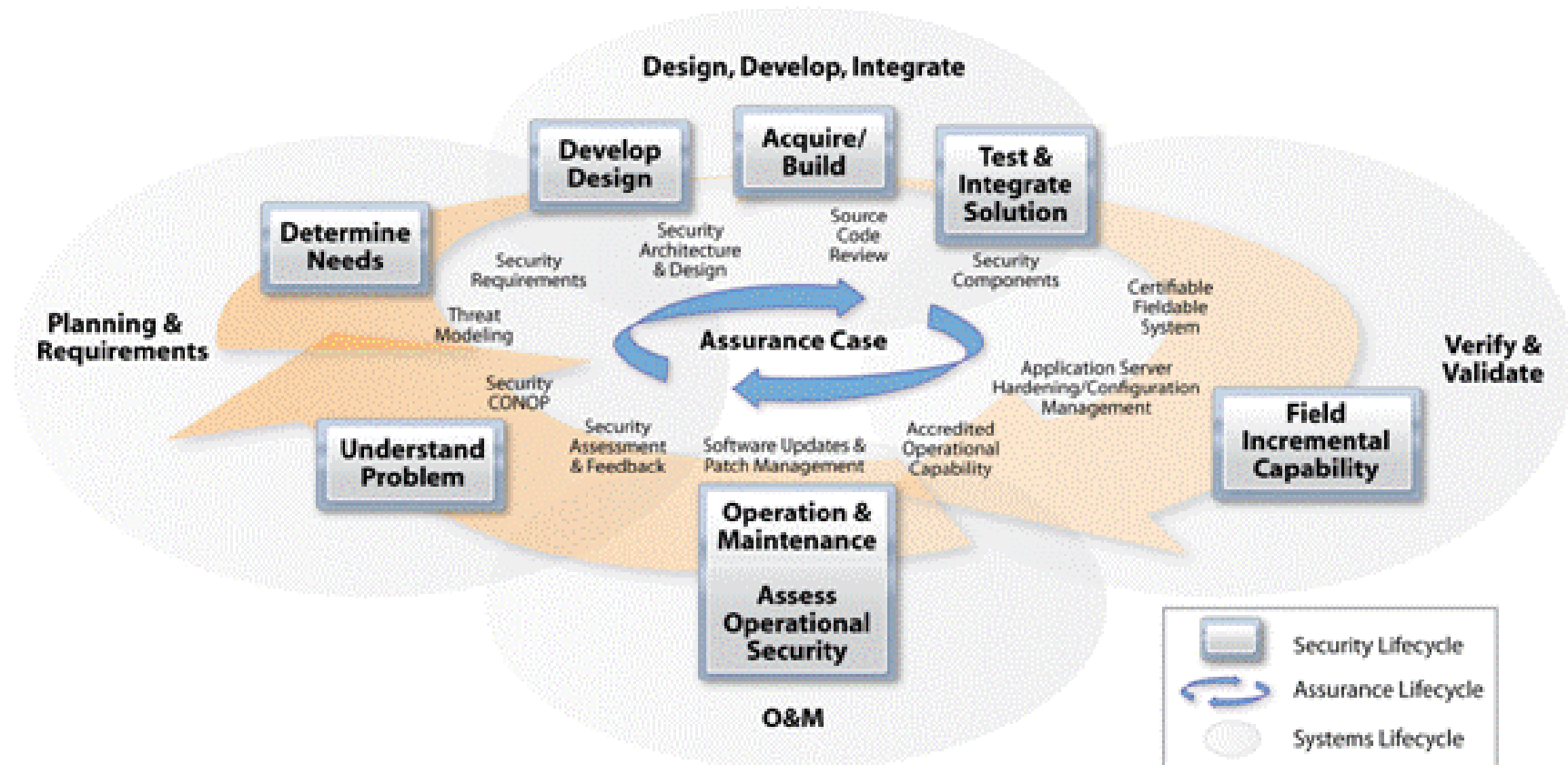
SEC – The U.S. Reporting Std.

Principles-based

- Does not replace framework requirements
- Focus on areas of highest risk of material misstatement to financial statements
- Management flexibility to tailor evaluation process to specific facts and circumstances
- Provides guidance on supporting the assessment
- Provides framework for evaluating deficiencies

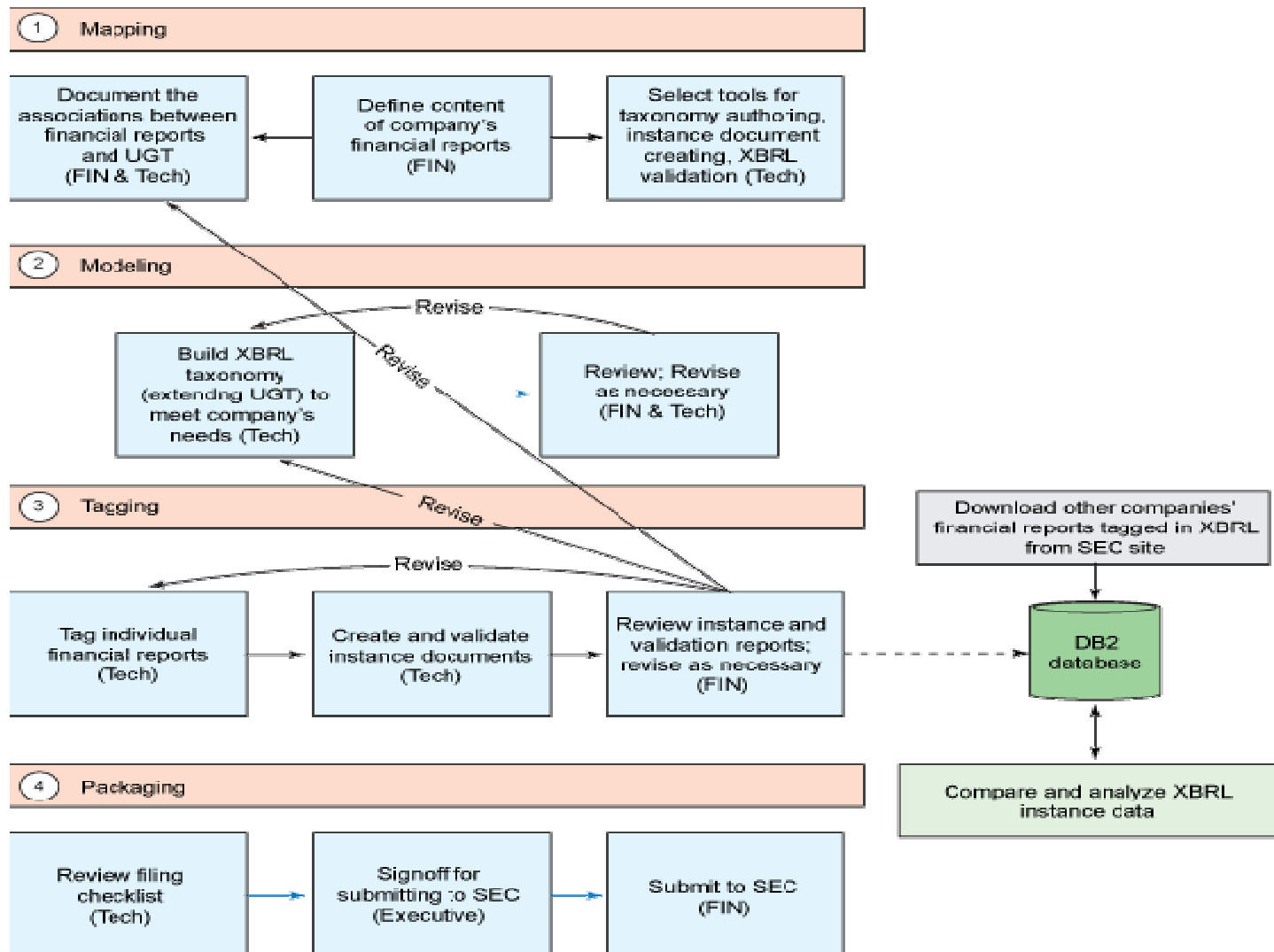


SEC - Workflow



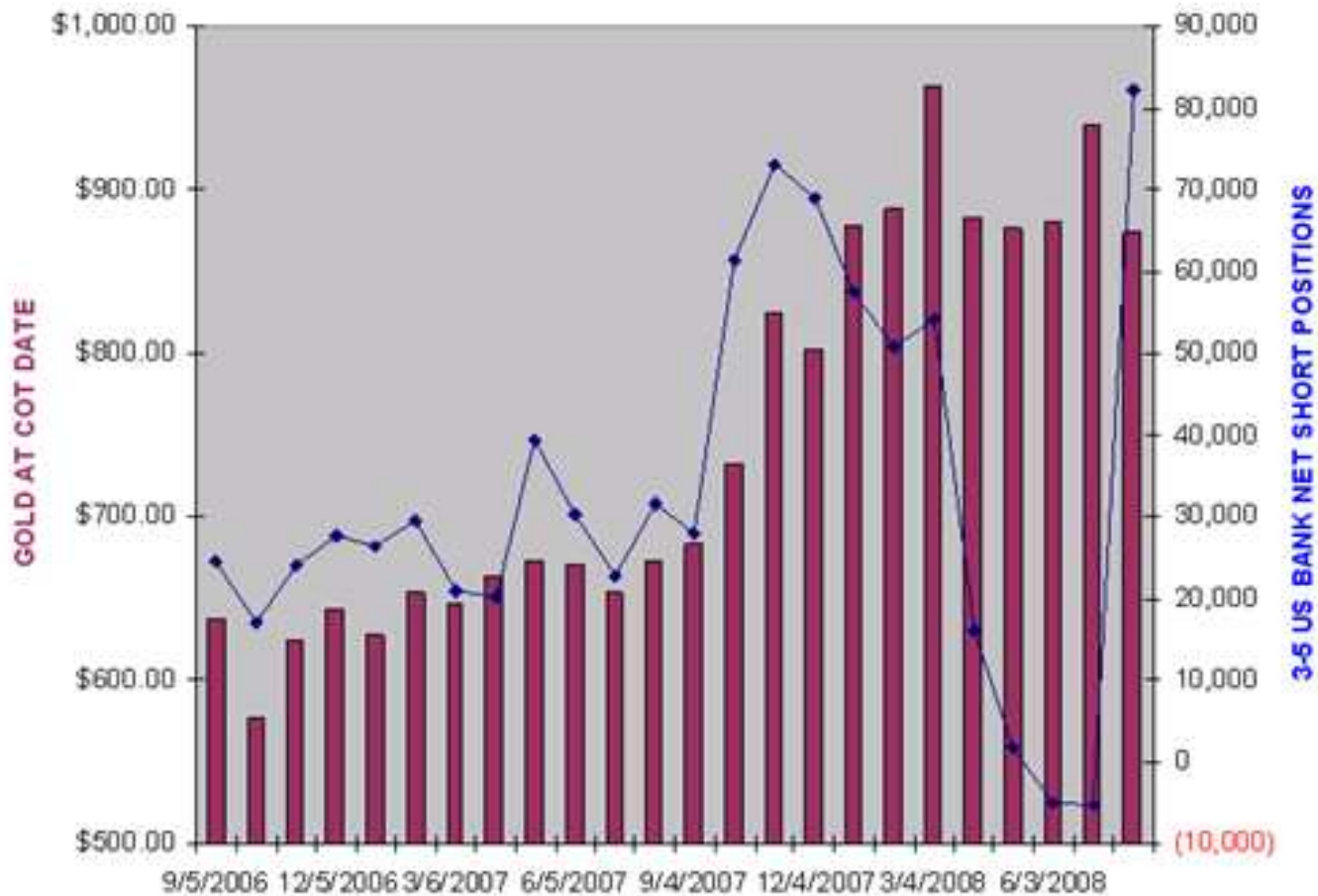


SEC – A brief Overview





SEC - Sample report





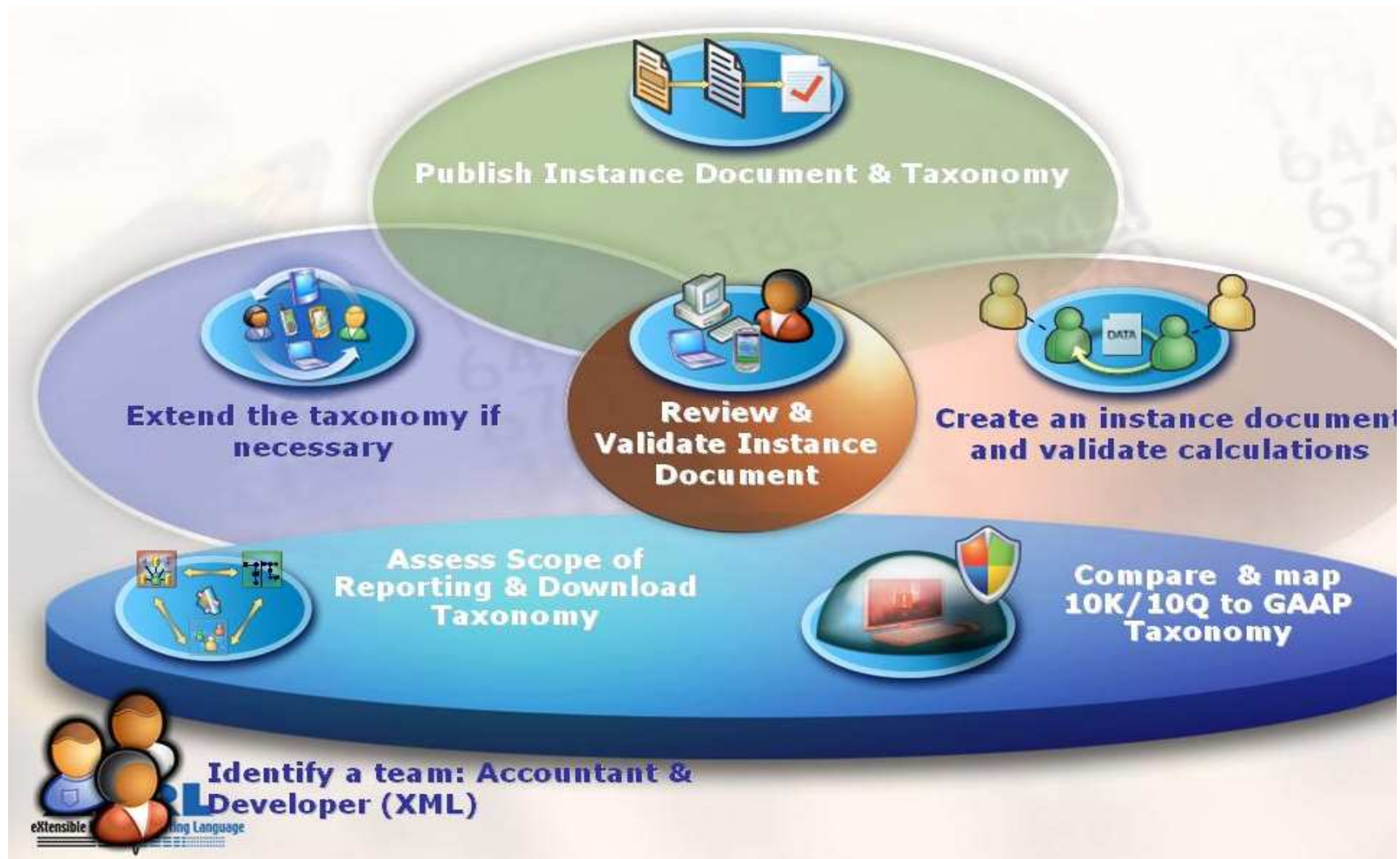
10K- 10Q

The **10-K** explains the company's business activities for the most recent twelve-month operating period. The *10-K*, which is required to be filed with the Securities and Exchange Commission (SEC) within 90 days of the company's fiscal year end, typically contains more detail than an annual report, such as more thorough operating and financial statistics, information on legal proceedings, and management compensation.

Form *100Qs* a quarterly version of the *10-K*; however, it is less detailed and generally unaudited. The SEC requires publicly traded companies to file form *10-Q* within 45 days of the end of each quarter, except the final quarter, in which the *10-K* is filed.



10K- 10Q Process

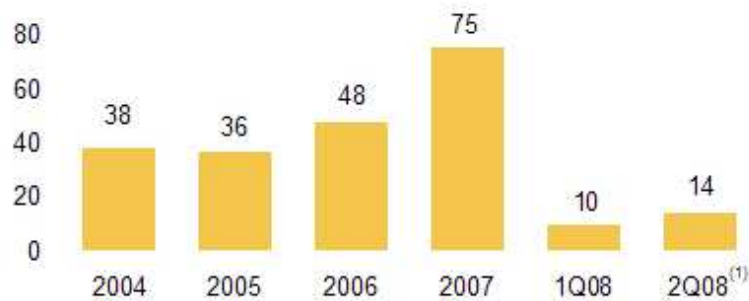




10K – 10Q

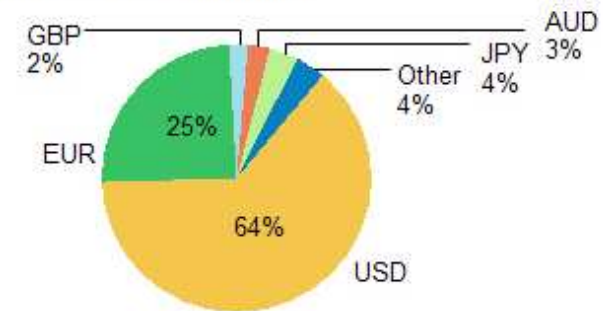
Long-Term Debt Issued

(\$Bn)



Source: 10K, 10Q, and Earnings Conference Call

Long-Term Debt Outstanding



Source: Company Shelf Filings

Secured Financing

Equity Stock Loan

Fixed Income Repo

Weighted Average Maturity > 40 days

CP Outstanding

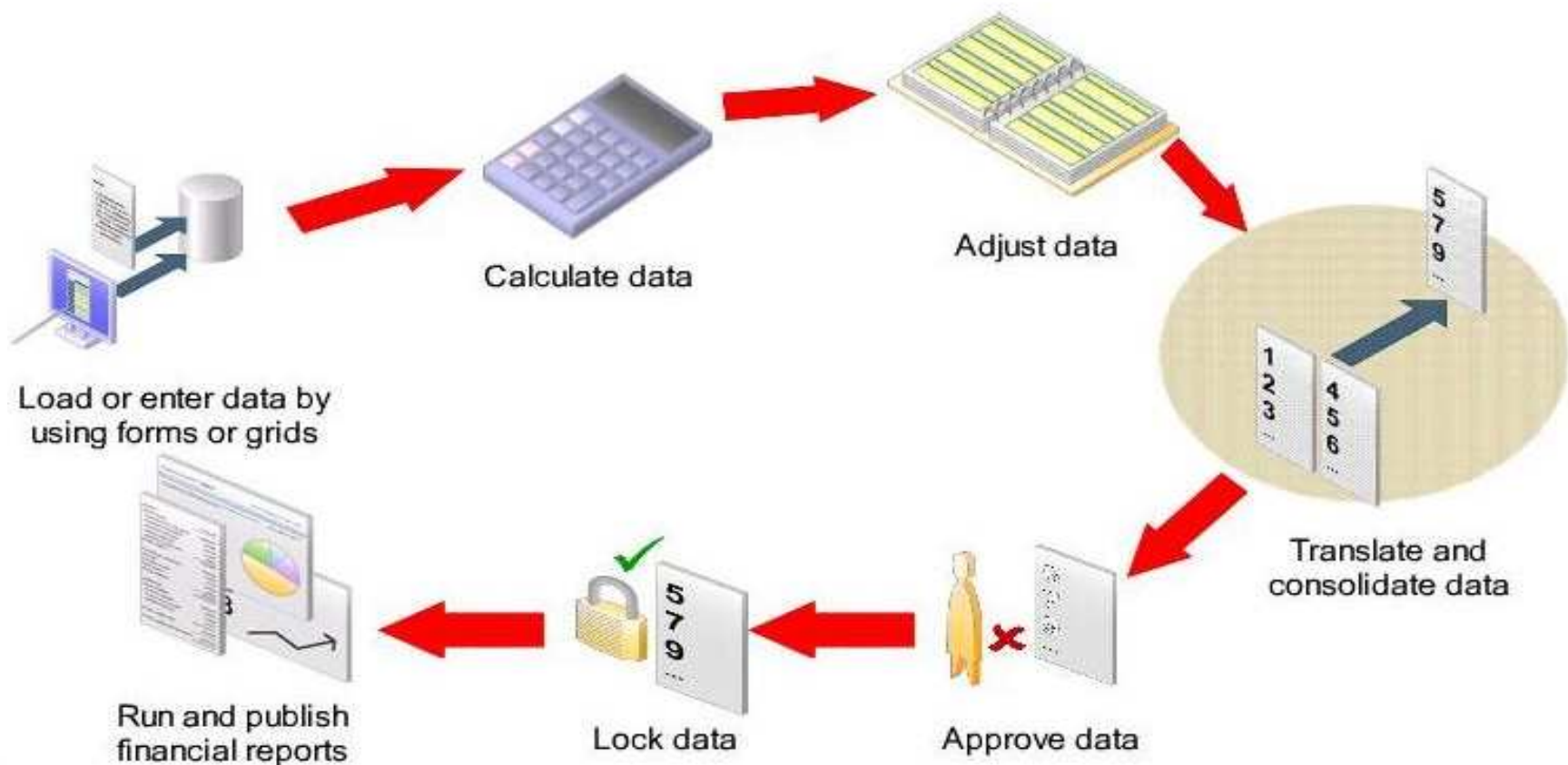
(\$Bn)





Financial Management Task

Financial Management tasks follow a typical task flow for a monthly cycle





Financial Consolidation

Consolidation is the period-end process of combining the financial results of separate subsidiaries with the parent company to form a single, combined statement of financial results.

Consolidation is the process of gathering data from descendants and aggregating the data to parent entities. Consolidation applying only to Entity dimension.

After loading or entering data into base level entities we run a consolidation for a selected **scenario** or **period** to aggregate data throughout the organization



What we can Consolidate

Chart of Accounts: Map any subsidiary chart of accounts structure into your consolidated parent, regardless of differences in the account structure.

Level of Detail: Consolidate detail transactions, detail balances, or summary balances.

Balance Type: Consolidate actual, average, translated, budget, and statistical balances.

Calendar: Use any accounting calendar for the parent set of books into which you consolidate your subsidiaries.

Currency: Maintain subsidiary sets of books in a different currency than your parent. Simply revalue and translate balances as needed before transferring consolidation data to your parent.

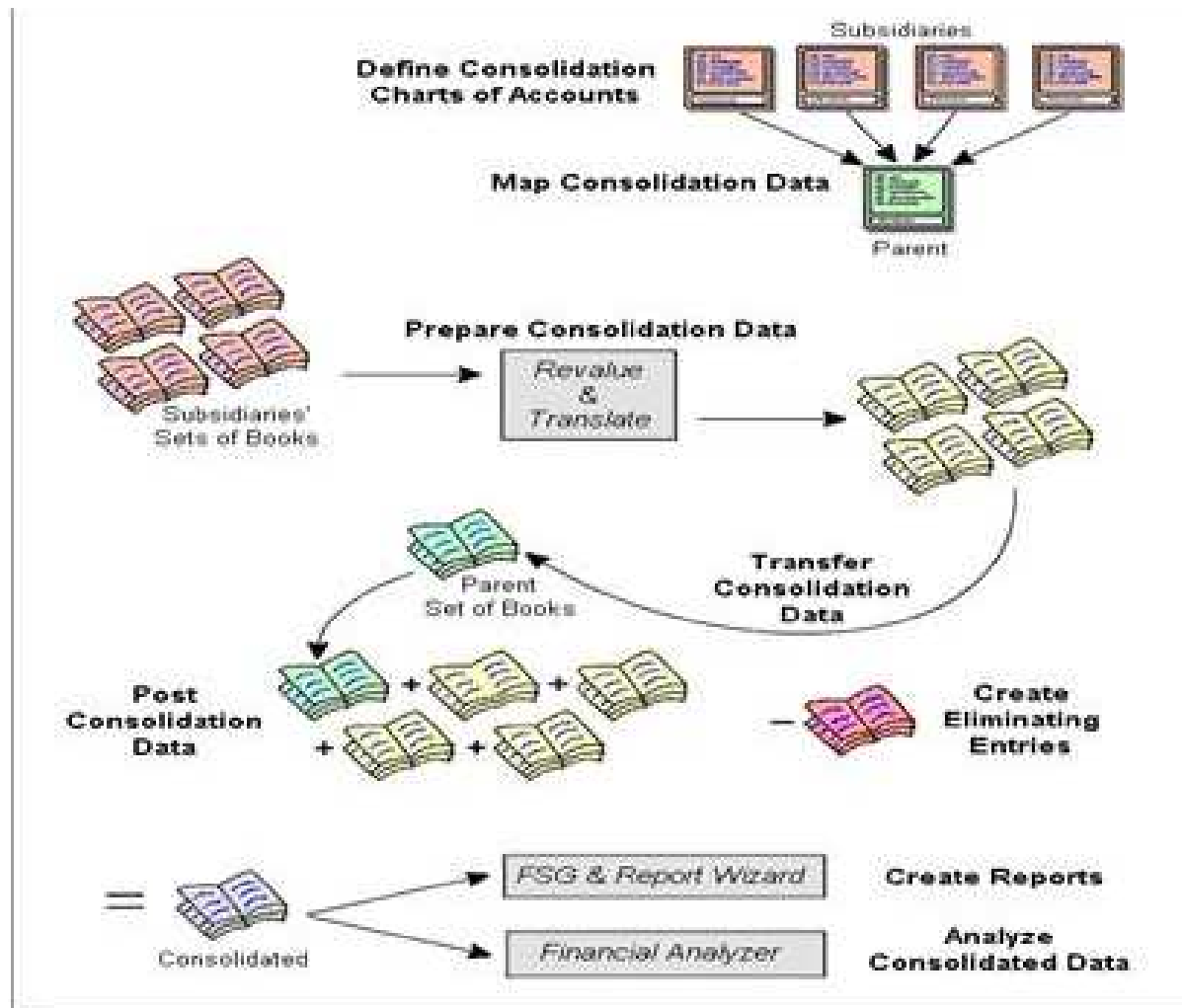


Steps to perform consolidation

- Map Consolidation Data.
- Prepare Consolidation Data.
- Transfer Consolidation Data.
- Review and Post consolidation JE.
- Generate and review eliminating Entries.
- Report on Consolidated balances.
- Analyze Consolidated Results.



Steps to perform consolidation





Financial Consolidation

Consolidate < Click to continue.

Connecticut	
Administration East	6000
Marketing East	5000
Development	4000
East Sales	5000





Financial Consolidation





Financial Consolidation – Sample Report

2	Consolidated income statement for the 2008 financial year			
5	in €m	Notes	2008	2009
6	Traffic revenue	3)	19,998	17,568
7	Other revenue	4)	4,872	4,852
8	Total revenue		24,870	22,420
9				
10	Changes in inventories and work performed by the enterprise and	5)	178	119
11	Other operating income	6)	1,969	1,571
12	Cost of materials and services	7)	-13,707	-11,553
13	Staff costs	8)	-5,692	-5,498
14	Depreciation, amortisation and impairment	9)	-1,289	-1,204
15	Other operating expenses	10)	-4,946	-4,269
16	Profit from operating activities		1,383	1,586
17				
18	Result of equity investments accounted for using the equity method	11)	-22	223
19	Result from other equity investments	11)	42	131
20	Interest income	12)	202	177
21	Interest expense	12)	-374	-371
22	Other financial items	13)	-427	-133
23	Financial result		-579	27
24				
25	Profit before income taxes		804	1,613
27	Income taxes	14)	-195	-356
28	Profit from continuing operations		609	1,257
29	Profit from the discontinued Leisure Travel segment	15)	-	503
30	Profit after income taxes		609	1,760
31				
32	Minority interests		-10	-105
33	Net profit attributable to shareholders of Lufthansa AG		599	1,655
34				
35	Basic earnings per share in €	16)	1.31	3.61
36	Diluted earnings per share in €	16)	1.30	3.60

Ready



Financial Consolidation

The screenshot shows a software interface for financial consolidation. At the top, there are navigation controls: Scenario: Actual, Year: 2005, View: Periodic, Value: <Entity Currency>, and a partially visible 'Ac' button. Below this is a table with columns for Entity, Period, and January. The table contains the following data:

Entity	Period	January
Geographical.UnitedStates		CN ND
UnitedStates.California		CN ND
California.1000		NODATA
California.Plant1		OK
California.WestSales		OK

To the right of the table, a context menu is open, listing several options: Cell Information..., Cell Text..., Consolidate, Calculate Contribution, Consolidate All With Data, Consolidate All, Lock, Source Transactions..., and Destination Transactions... The 'Consolidate' and 'Consolidate All With Data' options are highlighted with orange boxes.

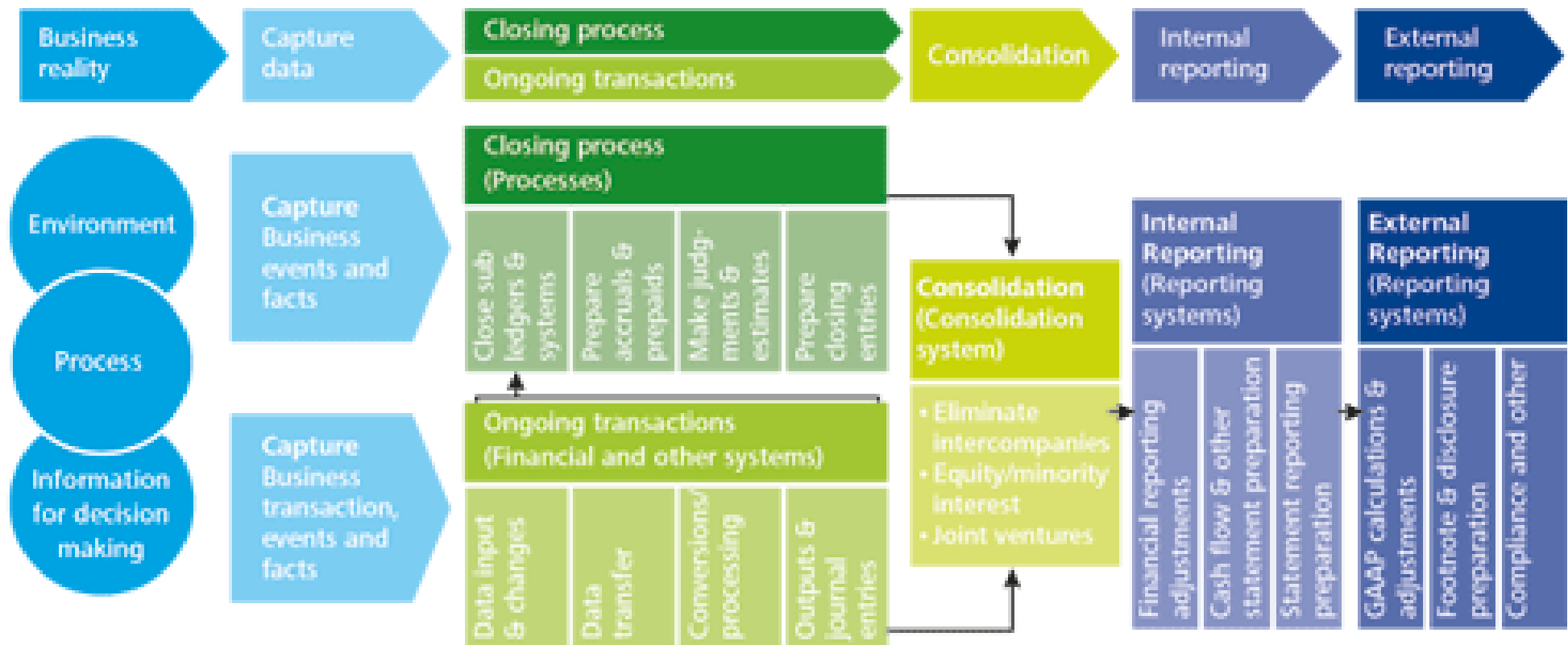
When you consolidate an entity, the process are required for the descendants of the entity run automatically.

- Calculation rules are run for all descendants of the entity for the period being consolidate and for all prior periods
- If the data for the children & parent entities are in different currencies the data is translated based on the exchange rate.
- Intercompany transaction between entities are eliminated at their first common parent.
- Data is consolidated from base level entities to parent entities.



Financial Closing

The financial close and reporting process





HFM : Advantages

Improve Close Cycle Times

Hyperion Financial Management can reduce consolidation and reporting cycles by days or weeks. By minimizing your finance team's need to enter, check, and double-check actual results, you increase the time spent on forward-looking activities.



HFM : Advantages

Reduce the Cost of Compliance

Hyperion Financial Management delivers one version of the truth through the Web, thereby improving your internal and external transparency. Now, you can reduce and replace manual control procedures with automated and preventative controls that ultimately reduce your processing and auditing costs.



HFM : Advantages

Gain In-Depth Operational Insights Easily

With Hyperion Financial Management, you can combine financial and nonfinancial results to gain insights into performance metrics. You can determine new sources of profitability at company, product, brand, and customer levels.



HFM : Advantages

Reduce Control Risk with Complete Audit Trails and Other Controls

Hyperion Financial Management reduces “control risk” with complete audit trails, workflows, internal review and certifications, controls, and validations so you can be confident in your numbers. Features include an Intercompany Transaction Matching module and expanded text-handling and document attachment capabilities.



HFM : Advantages

Identify and Report on New Sources of Profitability and Cash Flow

The Smart Dimensions feature lets you identify and report on new sources of profitability and cash flow at all levels - corporate, cost center, product, brand, customer, and channel.



HFM : Advantages

Perform Versatile Scenario Management

Hyperion Financial Management offers you flexible what-if scenario management so you can dynamically consolidate and report on all financial budgets, forecasts, and plans. Then, as assumptions and facts change, you can easily and quickly produce new statements and views of results.



HFM : Advantages

Powerful, Easy-to-Use Reporting and Analysis Tools

Leveraging Oracle's business intelligence reporting and analysis tools, Hyperion Financial Management is complemented by a production report writer, graphical online query tools, and a Microsoft Excel interface—all designed for use by the finance team as well as self-service access by line management.



HFM : Advantages

Financial Consolidation and Reporting Features

Hyperion Financial Management provides intercompany eliminations, multicurrency translations, and minority interest calculations, delivering them quickly and cost-effectively out of the box. It also incorporates U.S.-GAAP (generally accepted accounting principles), IFRS (International Financial Reporting Standards), and local statutory requirements to ensure report accuracy and compliance.



HFM : Advantages

Web-Based Architecture Gives Anywhere, Anytime Access

Hyperion Financial Management software's Web-based architecture lets users input, consolidate, and access global financial information quickly, easily, and securely from any location using a standard browser. Relational data storage ensures that your mission-critical data is available to users anywhere at any time.



Business Intelligence Solution Providers
Specialized in creating talent resource pool

THANK YOU

To learn more about hyperion please visit
<http://learnhyperion.wordpress.com>