



Business Intelligence Solution Providers
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An Introduction To Hyperion Financial Management

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Agenda :

- Fundamentals of Financial Consolidation
- Describe the features of Financial Management
- Describe the Hyperion products bundled with Financial Management
- Describe the product architecture
- Describe related Hyperion products



Hyperion Financial Management

Hyperion Financial Management is a financial consolidation and reporting application built with advanced Web technology, but used and maintained by the finance team. It provides financial managers the ability to rapidly close and report financial results, meet global regulatory requirements, reduce the cost of compliance and deliver confidence in the numbers.



What is Financial Consolidation

Financial Consolidation [The Merger of Two Enterprises]

: The combined financial statements of a parent company and its subsidiaries.
or

Because consolidated financial statements present an aggregated look at the financial position of a parent and its subsidiaries, they enable you to gauge the overall health of an entire group of companies as opposed to one company's stand alone position.

Business Intelligence

In another accounting context, financial consolidation refers to various processes that will streamline the internal financial reporting of a single company

- Consolidating financial data from diverse locations and across multiple general ledgers, performing multi-currency conversions, untangling outmoded spreadsheet based data collection processes, incorporating changes from reorganizations, mergers, and acquisitions.



- Consolidate data quickly from multiple general ledgers and multiple charts of account?
- Consolidate data from various business perspectives and by multiple structure versions (this year, last year, proposed)?
- Support local and multiple base currency reporting?
- Report on the impact of currency fluctuations (actual, forecast and budget rates)?

When do we need Financial Consolidation :

- Consolidated financial statements are required when there are two or more affiliated companies. When a parent company either directly or indirectly controls a majority interest of a subsidiary, consolidated financial statements must be presented. (Cash flows, and financial position of the combined entity)
- When one company acquires another company, a consolidated balance sheet needs to be prepared. The first step is to eliminate the effects of any inter-company transactions.



The problems - consolidating financial data from diverse locations and across multiple general ledgers, performing multi-currency conversions, and untangling outdated spreadsheet based data collection processes, incorporating changes from reorganizations, mergers, and acquisitions.

Financial Data Quality Management :Financial consolidation solutions can meet this challenge by streamlining data collection and integration from multiple sources, making the monthly close faster and more efficient while turning disparate data into useful, business critical information.



With Financial Management, you can:



Conduct in-depth analysis of key performance and operational metrics



Reduce your consolidation and reporting cycles 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



Financial Consolidation types

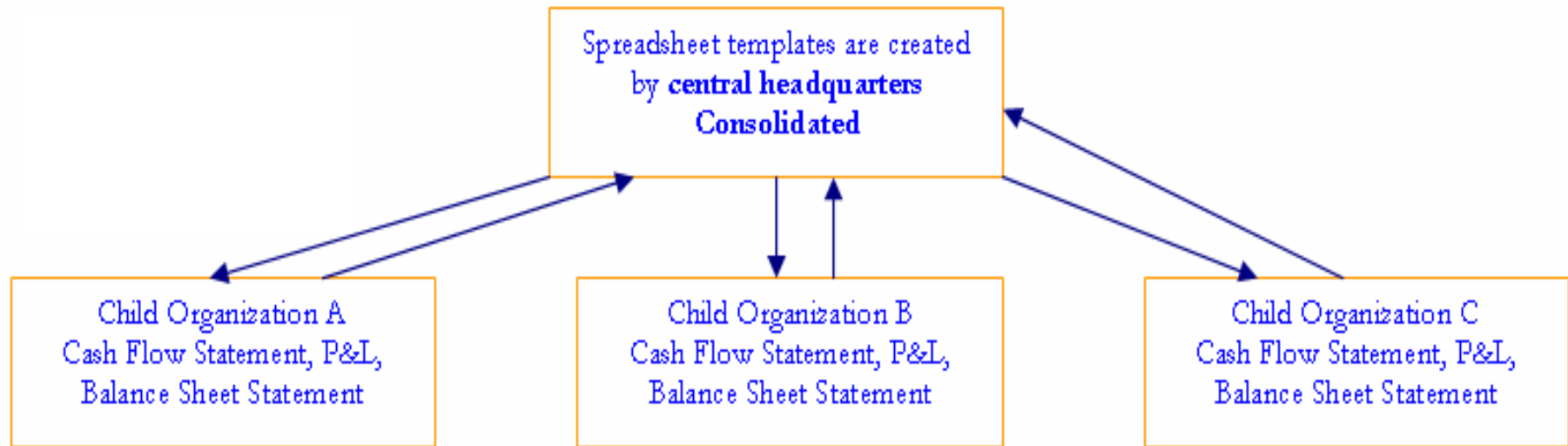
The Consolidation Module enables the user to generate the following Consolidated Financial Statements:

- Consolidated Balance Sheet

A balance sheet in which assets and liabilities of a parent company and its controlled subsidiaries are combined, thereby presenting balance sheet items for the parent and its subsidiaries as if they were a single firm.

- Consolidated Trial Balance

- Consolidated Profit & Loss Statement

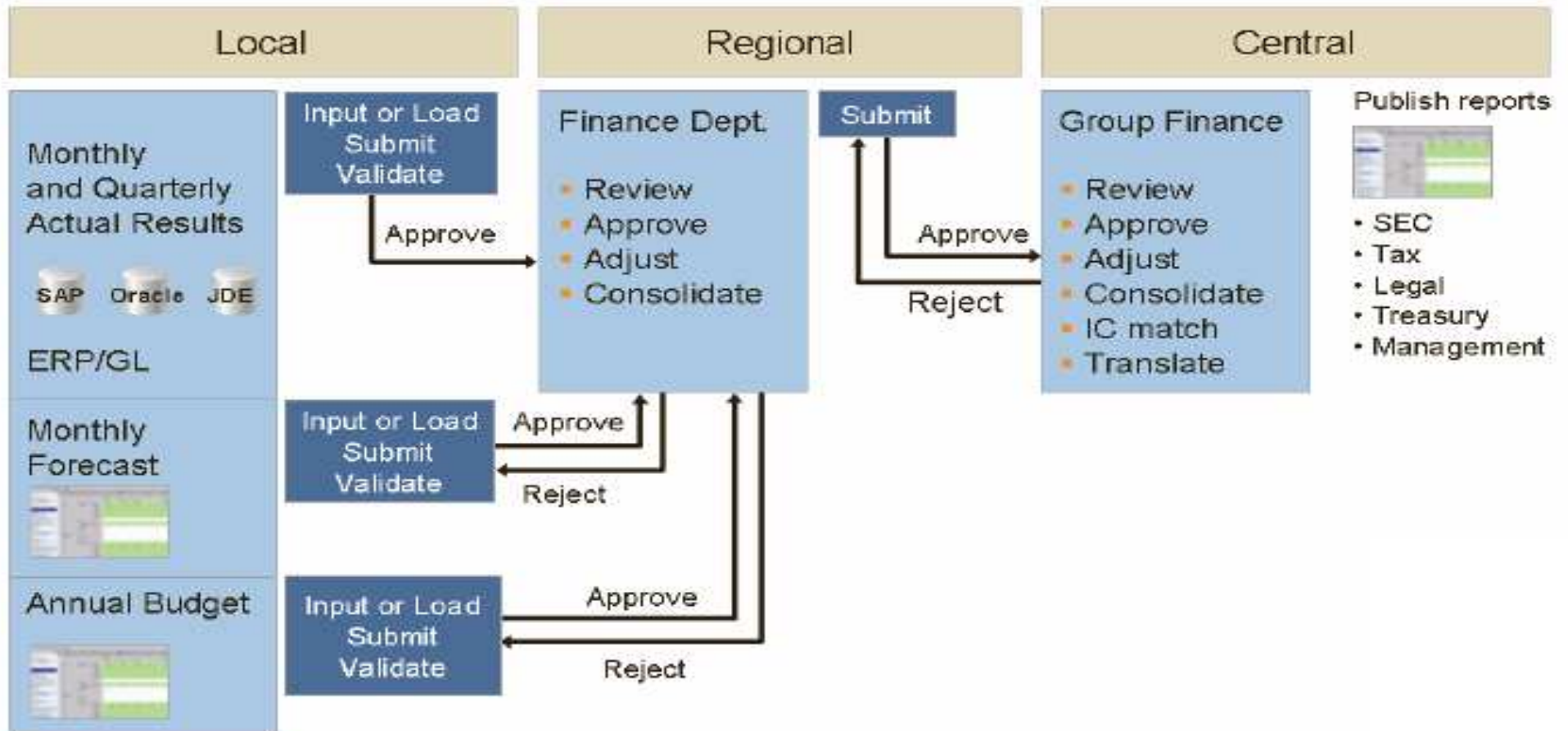


Spreadsheets

When the spreadsheet approach is used, spreadsheet templates are created by central headquarters and e-mailed to remote locations. Then, on a monthly or quarterly basis, these spreadsheets are updated and e-mailed back to central headquarters, where they are consolidated into a master spreadsheet—usually with complex macros. The only advantage of this approach is low cost because there is no software or hardware to buy. Everyone in the organization already has e-mail access and a spreadsheet application on the desktop.

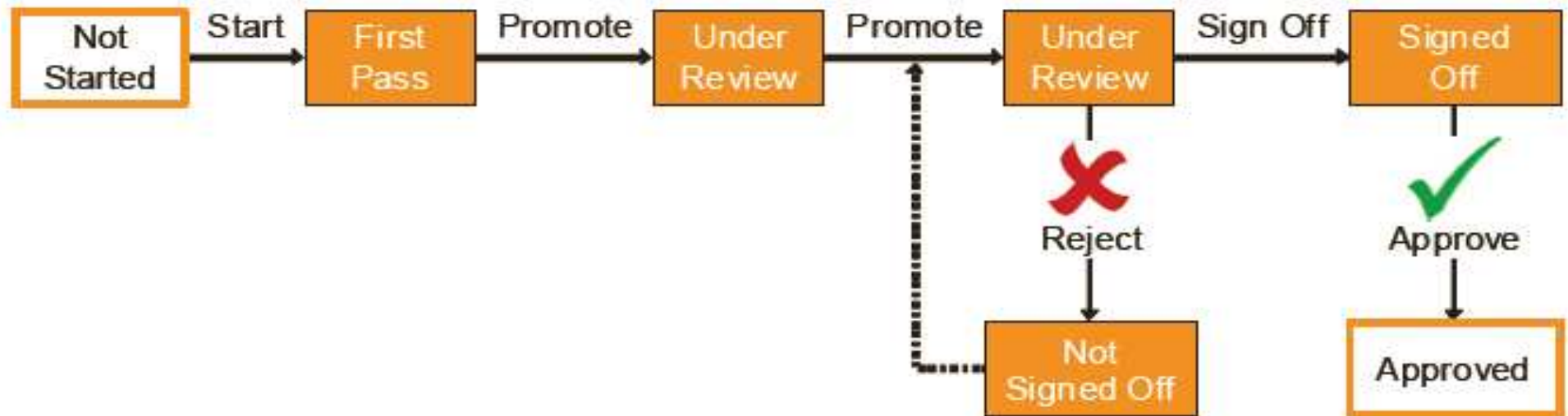


Financial Consolidation, Reporting, and Analysis





Financial Consolidation, Reporting, and Analysis





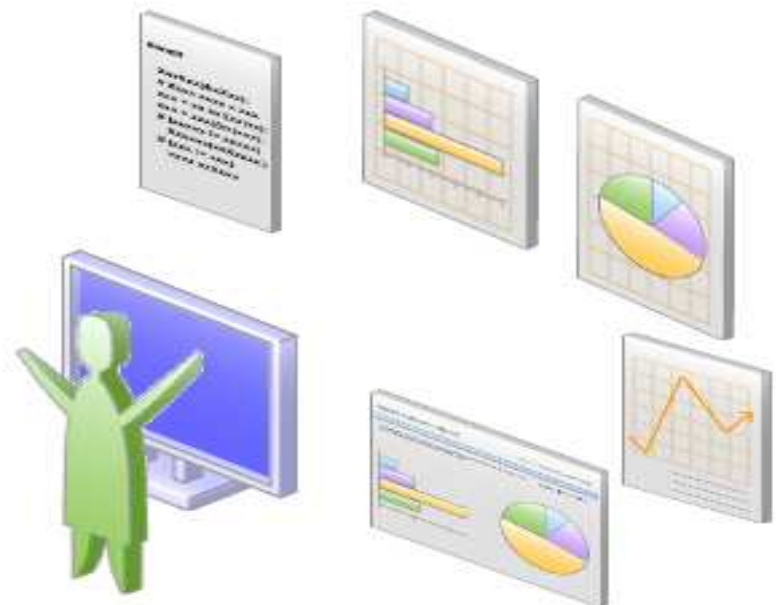
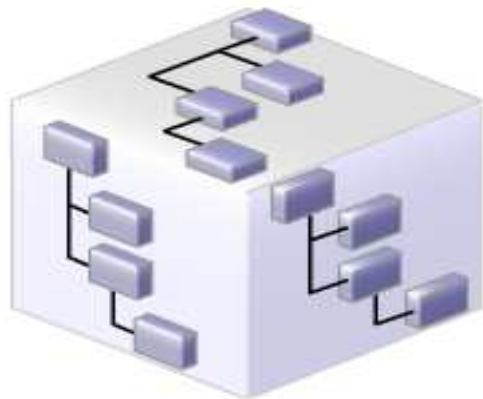
Multi-dimensional Processing

Multi-dimensional processing provides detailed analysis of your data.

Data is organized into **dimensions** based on your organization's analysis requirements, such as **Product Line**, **Market**, and **Geographical Region**.

These data points are organized into **data cubes**, and each intersection in the cube represents a specific data point.

This structure enables you to query and report on data much more quickly.





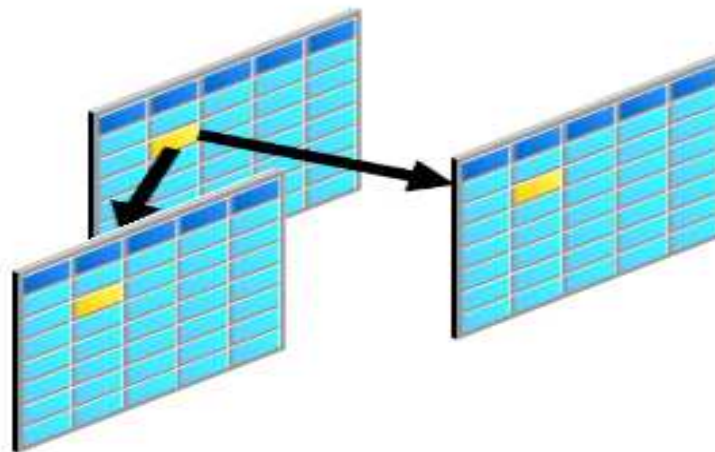
Transactional versus Multi-dimensional Processing

Financial Management uses **multidimensional** processing.

This is different from the **transactional** processing that Enterprise Resource Planning (ERP) systems use.

Transactional processing is designed to store and retrieve transactional information as quickly as possible. Transactional data is usually stored in relational tables consisting of **rows** and **columns**. These tables are linked together by using **primary** and **secondary** keys.

This type of processing is good for quickly storing and retrieving data. However, because the data is stored in separate tables without hierarchy or relationship,





Financial Consolidation, Reporting, and Analysis

Financial Management enables highly efficient collection and consolidation of data from diverse sources. It includes these features:

- Process management for tight control of the review and approval process
- Data validation
- Currency translation to support multiple local currencies
- Automatic eliminations for intercompany transactions

Financial Management is designed for large-scale, centralized Web deployment. You can use Financial Management to consolidate data from diverse general ledger systems and locations around the globe.



KEY FEATURES

- Global consolidation features
- Scalable web architecture
- Smart dimensionality
- Complete audit trails
- Powerful reporting and analysis tools
- Robust data integration **FDQM**



Financial Compliance

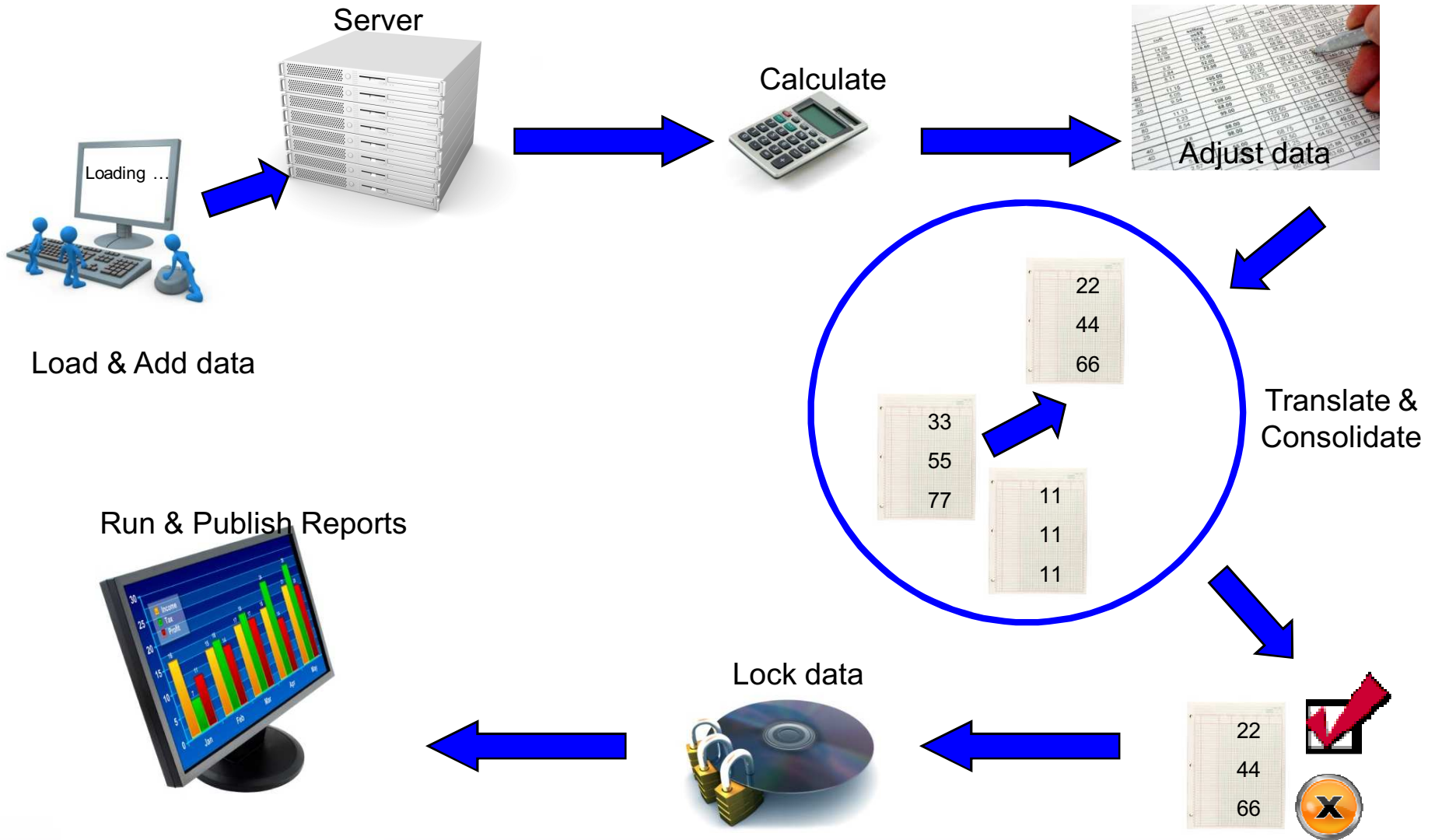
In Sarbanes Oxley 404 scenario, it is important to keep some things in mind which help in the overall controls in the financial closing process.

1. Has the management documented the entire financial closing process in sufficient detail from data collection to final report making.
2. Have control activities been documented which define the controls relating to the financial closure process.
3. Has a risk assessment been conducted to assess the inherent risks in the closure process.
- 4 How and by whom is the financial closure process monitored. How is completeness of the process determined.
5. How are communication procedures defined which ensure a smooth financial closure in a timely manner.

The users of a company's financial statements —investors, lenders, and management—wish to see accurate results from the latest reporting period as soon as possible



HFM Lifecycle Overview





Financial Management

- What are the challenges we are facing?
 - An increasing desire to have continuous, comprehensive planning and reporting
 - The challenges/struggles of making (external) **GAAP-based financial reporting** mesh with (internal) fund accounting-based reporting
 - The systems we have/are putting in are not all that conducive to this **type of reporting** (for fund accounting, for higher education)



Financial Management

Product Components

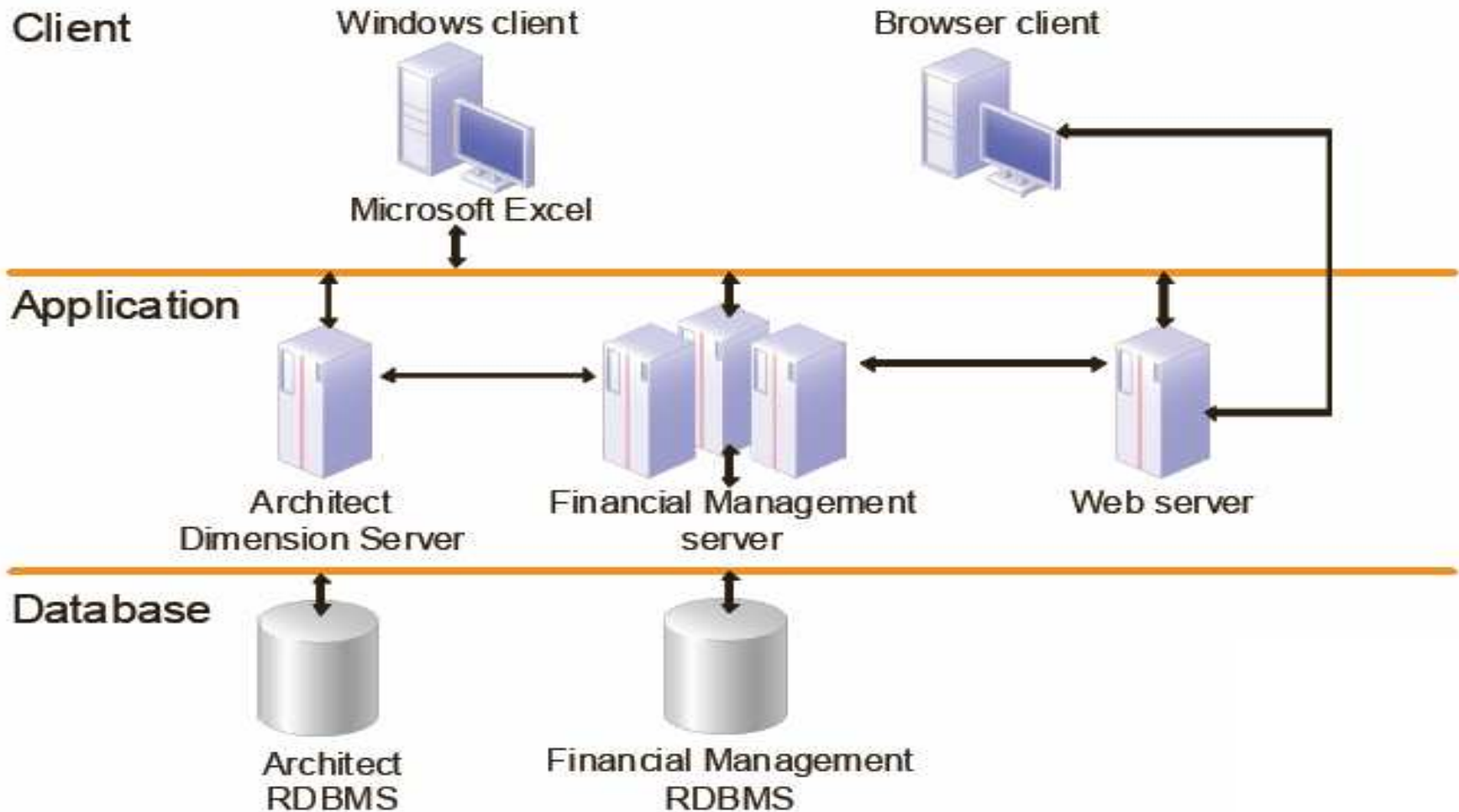
- Financial Reporting
- Smart View for Office
- Shared Services

Financial Management comes bundled with three products that extend its capabilities:

- Financial Reporting is a reporting and charting tool for Web or print distribution of financial reports.
- Smart View for Office is a spreadsheet add-in based on Excel for reporting and analysis.
- Shared Services enables user provisioning and sharing of metadata and data among Financial Management applications or between Financial Management and other products.



Financial Management Architecture



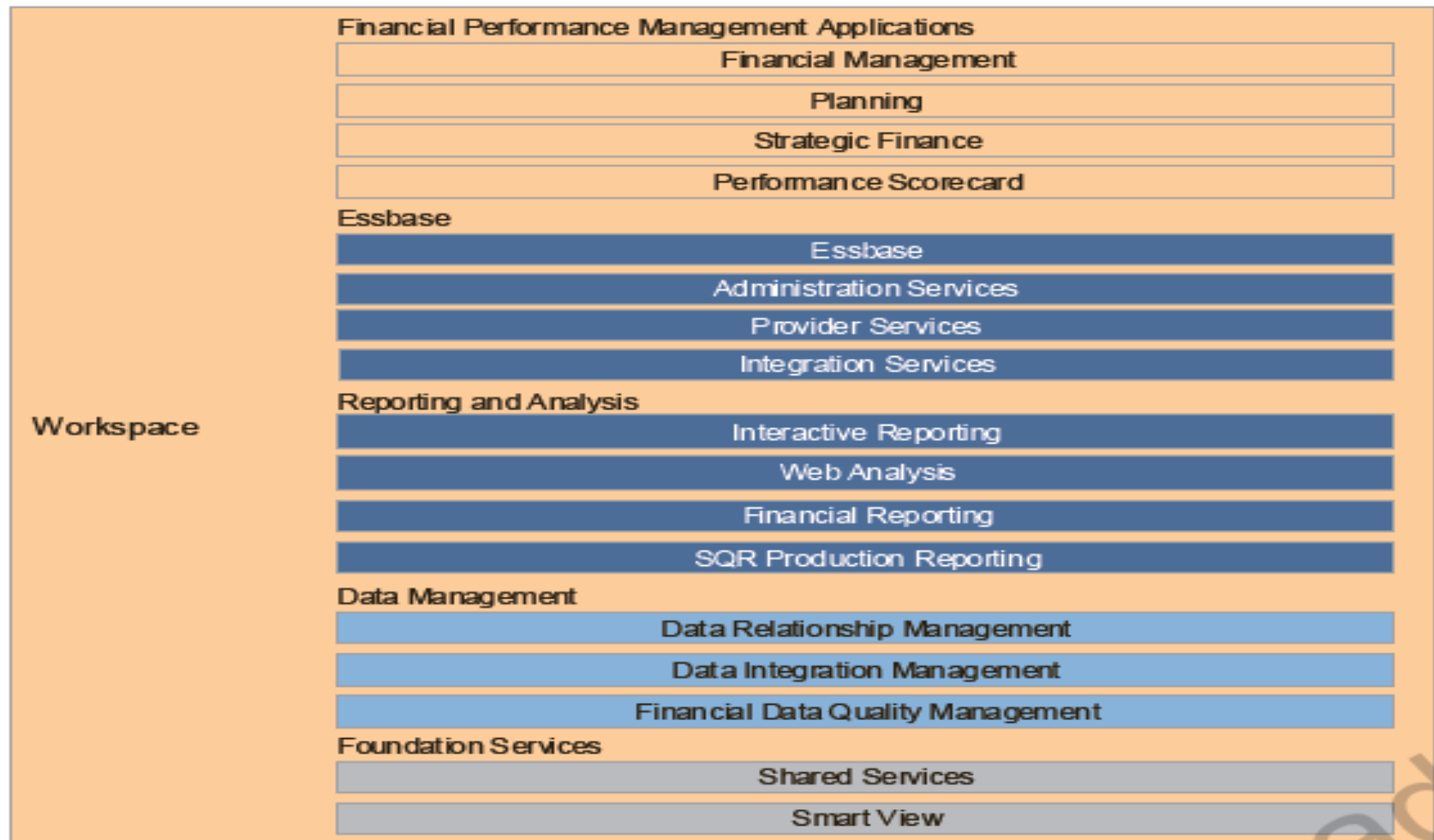


Related Hyperion Products

- Essbase
- Web Analysis
- Financial Data Quality Management



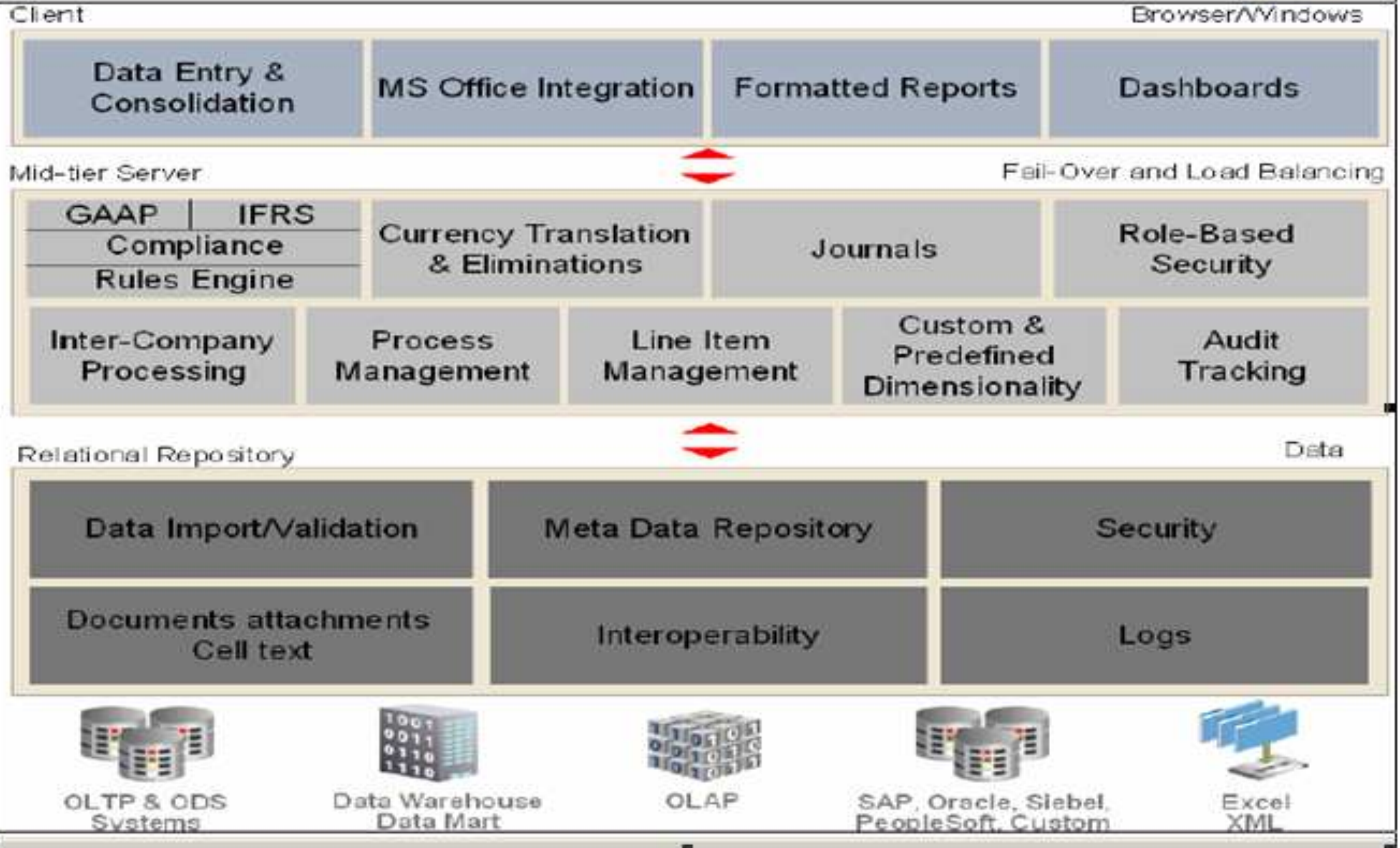
Hyperion Product Components





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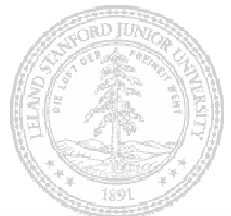
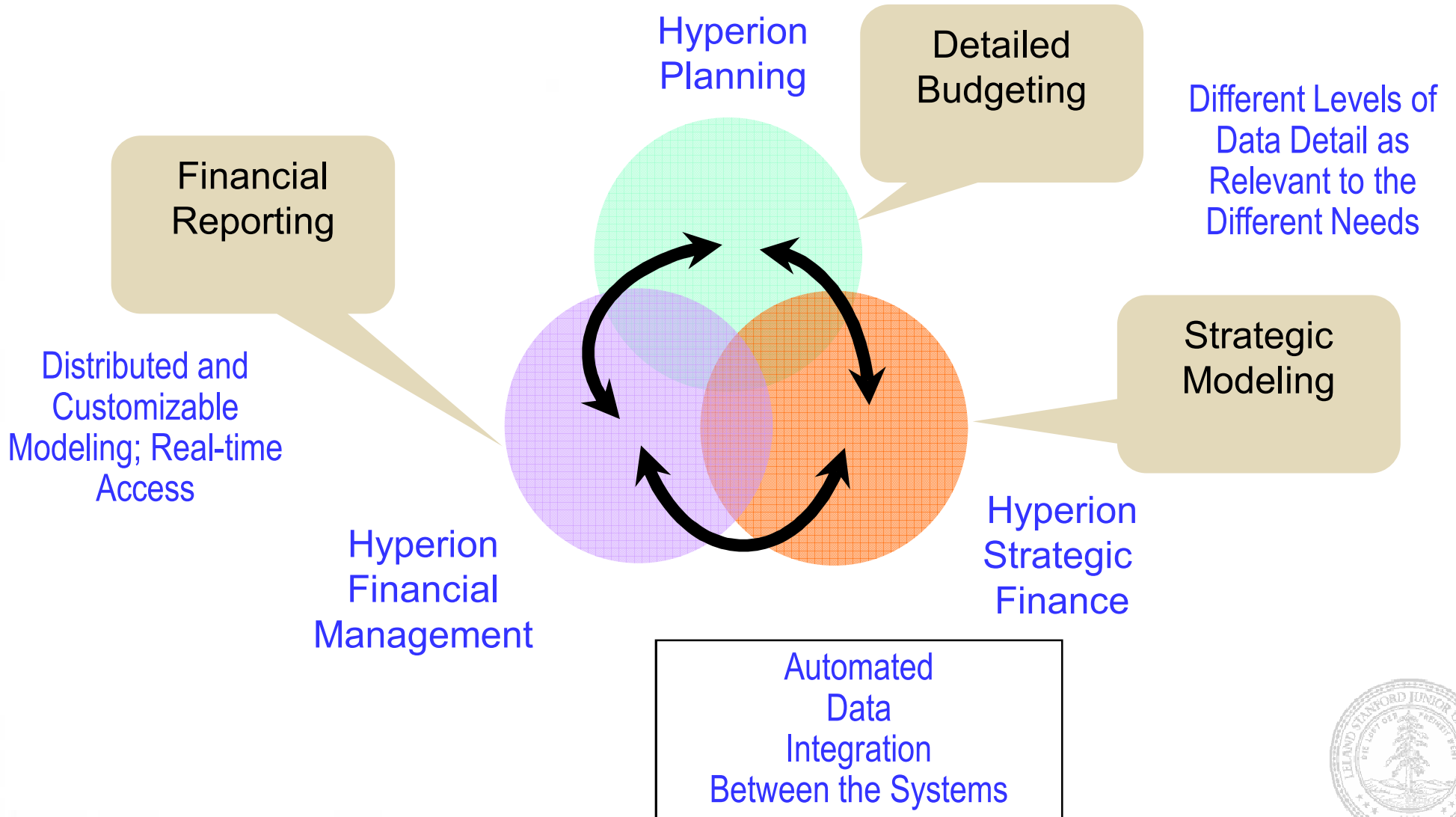


HFM Artifacts

- Management, legal, and tax reporting
- Complex currency translations
- Intercompany and minority interest eliminations
- Complete audit trails
- Journal adjustments
- Multidimensional analysis
- Cash flow reporting
- Extensible Business Reporting Language (XBRL) reporting



Using Hyperion Tools to Integrate





In Next Session We'll Learn

- Application Fundamentals.
- Types of Application\
 Classic Application and EPM Application
- Creating Application



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THANK YOU

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