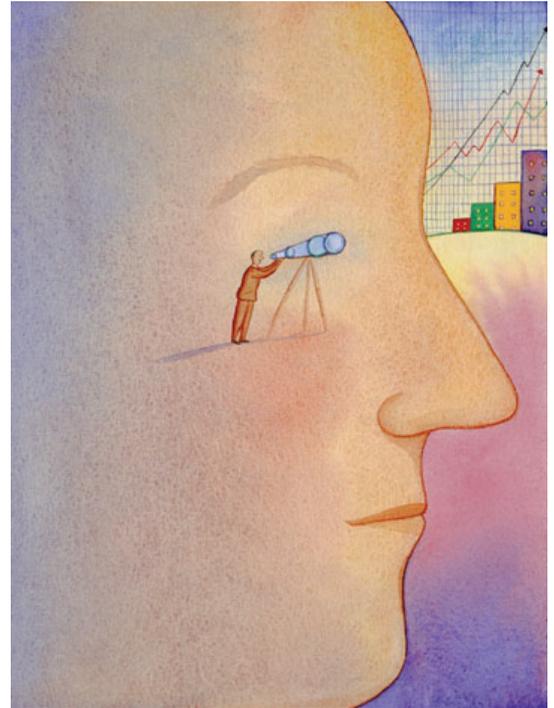


# IN UNCERTAIN TIMES ALL EYES ON STRATEGIC FINANCE

More than ever the CFO's office can dramatically assist companies to navigate safely through rough seas and prepare for future growth opportunities.

BY CHRISTIAN KOBEL



**S**ave costs, protect earnings, maximise cash flow, shape capital structure, refinance credit lines, but be mindful that competitive positions always change during down turn. With such a challenge, you need to be able to evaluate the full financial impact of alternate corporate strategies, while taking into account macro economics and capital-market information.

**Oracle Hyperion Strategic Finance (HSF)** is used by hundreds of successful companies around the world for:

- Working capital management**
- Debt refinancing**
- Restructuring scenarios**
- Investment benchmarking**
- Reforecasting of results**
- Divestment and M&A strategies**

and much more.

Oracle Hyperion Strategic Finance is the strongest corporate finance package on the market and provides unique out of the box functionality. Incredibly flexible and based on best of breed Corporate Finance, this solution gives to senior finance professionals a unique way to deliver fast, accurate and detailed decision information on all strategic scenarios.

Now you can drastically increase your bottom line with an accurate corporate strategy backed by Oracle Hyperion Strategic Finance.

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## Working Capital Management

Shareholders, boards, senior managers, investors & banks are pressing for more focus on working capital performance to raise cash. Finance departments need to react resolutely.

There are several compelling reasons for focusing on working capital performance over the long term. The first one is the rise in complexity of most businesses, with increased numbers of products, services, channels and markets. This often leads to additional inefficiency and poor process management.

“...accurate forecasting is key to successful working capital management and especially important for reducing the company's exposure to default risk.”

The second reason is the expansion and globalisation in wide ranges of high growth markets.

Growth in itself usually generates additional working capital needs and the finance department has to focus on how the cash flow generated in those markets flows back and is made available for further investments or returned back to shareholders.

In the short term, we can expect increased pressure from banks, analysts & investors to be placed on cash & working capital management. In uncertain times, great importance is given to the ability to generate positive cash flows, and debt holders want to be sure about the company's behavior in matters of target covenant reach.

Therefore, accurate forecasting is key to successful working capital management, and especially important for reducing the company's exposure to default risk (running out of cash). Inaccurate or untimely data will increase the insolvency risks and lead companies having larger fund reserves than required.

With Oracle Hyperion Strategic Finance, you can easily deploy a short term rolling forecast, based on latest actual for all significant business units of your company. Naturally, the consolidation function provides you with accurate figures for all regions or cash pools, up to group level.

Out of the box financial ratios are available at any level, providing you with additional insight into performance. Embedded covenants show the level and evolution of liquidity risks in all parts of your group.

## Debt Refinancing

Debt refinancing is a demanding challenge in uncertain times as the scrutiny of potential debt holders is increasing. Their confidence in a company's ability to stay solvent on all time horizons is based on realistic plans that accurately demonstrate sustainable cash flow generation and covenant reach under various scenarios and assumptions.

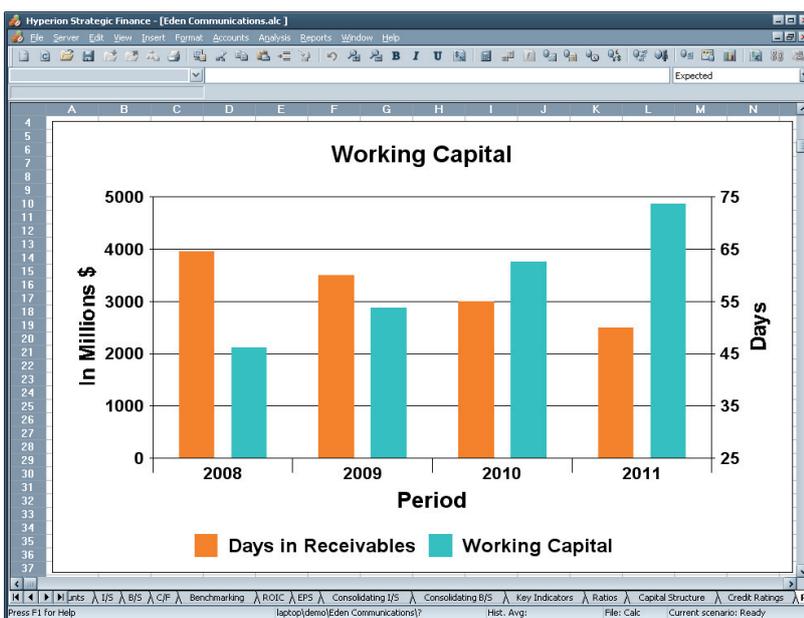


Figure 1: Working Capital and Days Sales Outstanding integrated for all parts of your group & automated rolling forecast on latest actual

For negotiating, Oracle Hyperion Strategic Finance helps you understand all consequences of new debts, changes in interest rates, calculation of cash flow implications, and lets you easily envisage all scenarios. Debt scheduler functionality is an exciting and sophisticated tool that allows users to create fixed - or variable-rate debt instruments, such as bonds and term loans - and update all financial statements accordingly - in just a few seconds. Whether you have monthly, quarterly, or any other time frequency for interest and principal payments, you can automatically obtain accurate calculations for the current portion of debt, accrued interest, and even the amortization of bond premiums, discount, and issuance expenses.

## Restructuring scenarios

Changing conditions and rising uncertainty in markets and prices suggests reevaluation of activities and products that the group is invested in. Measuring the value contribution of each business unit is made possible with Oracle Hyperion Strategic Finance and provides accurate insight about capital needs and shareholder value of all parts of your business.

Powerful scenario management lets you measure and forecast any change in the product portfolio by simply cutting & pasting business units inside the consolidation pane. You can easily model numbers derived from restructuring scenarios and yet maintain the overall consistency of your model.

## Investment benchmarking

It is well-known that it's impossible to manage properly what you can't measure. Measuring investments is a challenge if not carried out with appropriate methodology and in a global portfolio perspective. Oracle Hyperion Strategic Finance allows you to picture all your investments as if they were single objects. Then, you simply consolidate them with the rest of your company in specific investment consolidation scenarios. Thus allowing evaluation of global cash flow impact. The same principle can be applied to complete project portfolios, measuring each single contribution to value creation, cash flow needs and projected return. Each investment can thereby be benchmarked to any other and be aligned with corporate policies and investment hurdles.

## Reforecasting of results

Measuring the impact of changing economic conditions is made easy with driver based forecasting functions. A unique and powerful set of out-of-the-box tools, the "What-If Analysis" Toolkit allows you to create an unlimited number of scenarios, easily and by business unit.

Other capabilities let you evaluate any metric's sensitivity to key performance drivers and run periodic "goal-seek" checks to determine the performance level needed to achieve specific financial objectives.

Integrated Financial Statements let you compare, side by side all different strategic initiatives, and to find out consequences and opportunities. You can proactively

respond to any changing industry and macroeconomic circumstances and reforecast your plans based on latest actual. Impacts of macroeconomic changes must be outlined at the appropriate level of detail, so changes in commodities can be viewed in the same way

## Divestment and M&A strategies

When looking after investment/divestment strategies, valuation, timing and impacts on capital structures are key aspects that determine success or failure. In addition to embedded valuation methodologies such as DCF, SVA, DDM and others, Oracle Hyperion Strategic Finance ties all complex calculations together, measuring impacts on share price, dilution, accretion, capital structure and cash flow in a fully integrated statement.

Account Names	2010 Ad-Hoc	2010 Analyst Consensus	2010 Var (\$)	2011 Ad-Hoc	2011 Analyst Consensus	2011 Var (\$)
1040.00.200 Labor Costs	236	209	-27	261	231	-31
1040.00.300 Operations and Maintenance	191	170	-22	200	176	-24
1040.00.400 Other Variable Costs	147	130	-17	162	143	-18
1040.00.000 Cost of Sales	4'940	4'575	-365	5'217	4'826	-390
1070.00.000 Gross Profit	4'310	3'829	-480	4'544	3'820	-724
1080.00.100 Selling Expense	787	698	-89	824	731	-94
1080.00.110 Administrative Expenses	690	612	-78	708	626	-81
1080.00.120 Miscellaneous G&A Expenses	489	434	-55	499	442	-57
1080.00.200 General & Administrative Expense	1'179	1'045	-133	1'207	1'069	-138
1080.00.300 Other Operating Expenses	3	3	0	3	3	0
1080.00.400 Corporate Expenses	38	34	-4	38	34	-4
1080.00.000 SG&A Expense	2'007	1'780	-227	2'072	1'836	-237
6430.00.960 EBITDA	2'303	1'849	-454	2'472	1'984	-487
1110.00.000 Depreciation Expense	406	318	-88	428	355	-73
1115.00.000 Amortization Expense	4	0	-4	4	0	-4
1160.00.000 Other Revenues & Gains	23	23	0	23	23	0
1200.00.000 EBIT	1'916	1'554	-362	2'063	1'653	-410

Figure 2: Side by side analysis of different scenarios

You can reschedule dynamically the time frame of the divestment or the acquisition by using the "Deal Period" feature. It lets you simulate what effect mergers, acquisitions, or divestitures will have on your company, and is based on the timing of the individual transaction. Thus ensure that the integrity of your model is always preserved.

“ When looking after investment/divestment strategies, valuation, timing and impacts on capital structures are key aspects that determine success or failure. ”

“Faced with a major liquidity crisis, we urgently needed to recapitalize our balance sheet for 2003. A significant challenge was the fact that our existing financial software tools weren’t really up to the task. When we looked at the tools available on the market to help us, we found Hyperion Strategic Finance was the only product capable of handling our simulation requirements.

There was really nothing else comparable.”

Barton Champness, Head of Financial Planning, The ABB Group

#### ALL-IN-ONE CORPORATE FINANCE BEST PRACTICES

Integrated Financials  
Standard Valuation Methods:  
Accounting Based Valuations  
Cash Flow Discounting  
SVA, DDM, EP & Others  
100% Custom Valuation Methods  
Cost of Capital (WACC)  
Profit & Performance Analysis  
Ratios Analysis  
Value Build & Value Drivers  
Capital & Debt Structures  
Value @Risk

#### POWERFUL OUT OF THE BOX FUNCTIONALITIES

Multiple Model Consolidation  
Consolidation Intelligence  
Understand & Control Model Logic  
Analyze Trail Feature  
Create M&A Simulations  
“Deal Period” Functionality  
Cash Flow Implications of Debt  
Debt Scheduler  
Optimize Capital Structure  
Funding Options  
Scenario Management  
“What-If” Analysis Toolkit  
Predictive Modeling  
Monte Carlo Simulation & Stochastic  
Driver Analysis

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Swiss company  
Operating since 15 years  
Leader in Strategic Finance  
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Innovative Tax Management Solutions

**Satisfied customers are your best proof of success**

#### **TOGETHER FOR SUCCESS**

Your company is unique, and so are your needs!  
Our staff has experience supporting the latest financial solutions for managers, departmental heads, finance or tax directors.  
Our consultants will be there every step of the way, providing training and knowledge to your team. From financial models to software customization, solution rollout and beyond.

#### **FINANCE FIRST**

We are firm believers that software solutions are a means and not an end. Hence, PebbleAge will keep your business as the main driver, and tailor finance software to suit 100% of your specific requirements.

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**WHEN IT'S ABOUT ORACLE STRATEGIC FINANCE, IT'S ABOUT US**