



# Consolidations and Close in Oracle's EPM Cloud

Reduced Costs and Improved Processes



This company offers design and contract manufacturing services for wiring systems and electronics to the automotive industry. Based in Finland, the company has production facilities in Brazil, China, Estonia, Finland, Germany, Lithuania, Mexico, Poland, Serbia, Russia, and USA.

## Challenge

Profitability, like most companies, is one of their key goals and metrics. Therefore, the company continuously improves its operations and seeks new opportunities for growth. Besides creating value for shareholders, profitable growth creates a sustainable basis for the business by maintaining motivated personnel and a reliable supplier base, and thus ensuring competitiveness and increased customer satisfaction into the future.

One area of opportunity the company desires to achieve is to modernize the office of the CFO. In 2014, the company moved to a Cloud general ledger (GL) system. Knowing that the Cloud environment can reduce spending on infrastructure and capital costs, as well as decrease resources and implementation time, the company chose to move their current consolidations and reporting solution to Oracle® EPM Cloud™.

Additionally, the company realized they needed a partner who was a leader in financial management compliance solutions and Oracle EPM Cloud. They turned to Key Performance Ideas, an Oracle Gold Partner and the nation's leading Oracle EPM Cloud implementation partner.

## Solution

Key Performance Ideas implemented Oracle EPM Cloud for the company and leveraged the Data Management™ module to transform and load GL data. The solution contains all the necessary dimensions (Accounts/Statistics, Entities, Intercompany Partner, Departments, Currency, Data Source, 12 Monthly Periods, 2 Years of history/2 Years forward looking, 14 Scenarios including Actual, Budget, and monthly Forecasts, and multiple Versions) required for their monthly close process.

The solution was built to provide automated intercompany eliminations utilizing Calculation Manager Business Rules. Advanced functionality, like non-aggregating intercompany offset accounts, are also populated during the elimination process to ensure that all intercompany

## Benefits Achieved

### The Oracle EPM Cloud solution includes:

- *Data Management module to transform and load GL*
- *Smart View for critical management reports*
- *Financial Reporting to monitor cash flow*

items fully offset or are properly identified and brought to the attention of the corporate accounting staff. Data Forms were created for input of manual topside adjustments and monthly reporting journal entries. The company is also leveraging Smart View™ and Financial Reporting™ for critical reports and analysis, including Monthly Management Reporting (MMR), Summary Balance Sheet, Summary Income Statement, Trial Balance, Functional (currency) Trial Balance, Trended Cash Flow, and tax reporting. Additionally, variance reporting, previously a manual effort, is now easily accomplished due to budgets being loaded and consolidated within the new solution.

Key Performance Ideas also improved the company's budgeting process. The company had prepared budgets—both USD and other local currency, and translated those budgets using one rate. They were also manually completed in Excel, making eliminations and consolidations extremely time consuming. With Key Performance Ideas' support, the company can now prepare budgets in local currency and apply different rates to different months, as needed. Eliminations and consolidations are now performed automatically and quickly through business rules. The process is flexible enough to allow for values or FX rates to be modified and re-translated, eliminated, and consolidated in one efficient step. Both their balance sheet and income statements are budgeted in this new procedure, streamlining the process and making significant positive impacts to the entire budgeting cycle.

The company's Finance Team and Key Performance Ideas partnered throughout the design and implementation process. As a result, the company's Finance Team gathered a better understanding of their close process and has identified opportunities for improvement, including how to eliminate manual cash flow calculations and adjustments, and how to complete the load and consolidation of data without additional external administrative support.

Just as previously completed in an on premise solution, the company continues to provide their financial managers the ability to complete their monthly close process and report financial results. They are able to maintain regulatory filing to GL audit trail and they continue to have confidence in their numbers. In addition, by moving to the Cloud, the company has also been able to reduce costs in capital and IT resources.

Oracle EPM Cloud for Consolidations and Reporting has:

- Created economies of scale by streamlining infrastructure and IT management of hardware, software updates
- Improved IT's ability to focus on innovation and Finance's ability to own the close process
- Mobilized the consolidations and reporting process by giving Finance Team members access nationally
- Minimized upkeep and maintenance and reduced glitches in hardware malfunction
- Enhanced flexibility in managing future corporate growth
- Increased their ability to stay ahead of the curve and modernize their office of finance
- Streamlined the entire budgeting cycle



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