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THE **INFORMATION** COMPANY

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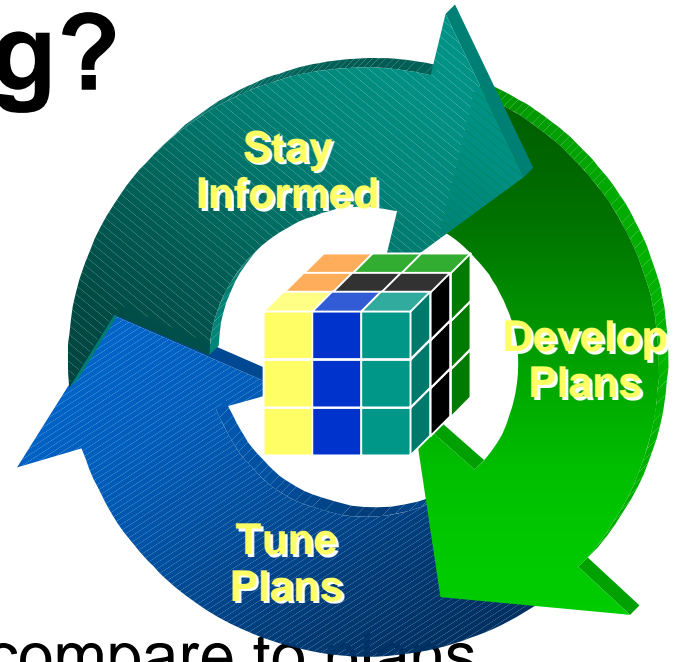
Oracle Enterprise Planning & Budgeting Customer Case Study Blue Coat Systems

Oracle Enterprise Planning and Budgeting:

Oracle Enterprise Planning and Budgeting controls the business processes of planning, budgeting, forecasting, monitoring, and analysis, integrating corporate performance management with personal accountability.

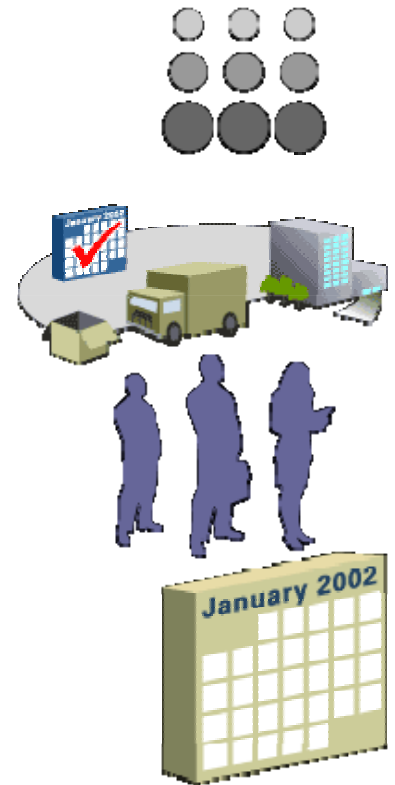
What is Planning and Budgeting?

- Creating financial plans for the future
 - Strategic plan
 - Annual plan
 - Budget
 - Forecast
- Monitoring how Actual results compare to plans
- Determining why Actual results are different
- Updating plans as unanticipated events happen



Why is Planning and Budgeting Difficult?

- Different types of planning throughout the organization
 - **Pipeline planning**
Revenues based on lead analysis
 - **Driver-based planning**
Materials cost based on planned output
 - **Compensation and benefits planning**
Salary costs based on headcount
 - **Project planning**
Phased revenues/costs based on milestones
 - **Capital planning**
Investment based on projected returns



Why is Planning and Budgeting Difficult?

- Budget process is administrated by Finance but budget itself is formulated by lines of business
- Complex: top down, bottom up, iterative, with targets
- Frequent mid-cycle changes in business and economic conditions and assumptions
- Inaccurate and insufficient data
- Hard to hold people accountable for past decisions, and hard to remember why those decisions were made

What Makes an Effective Planning and Budgeting Solution?

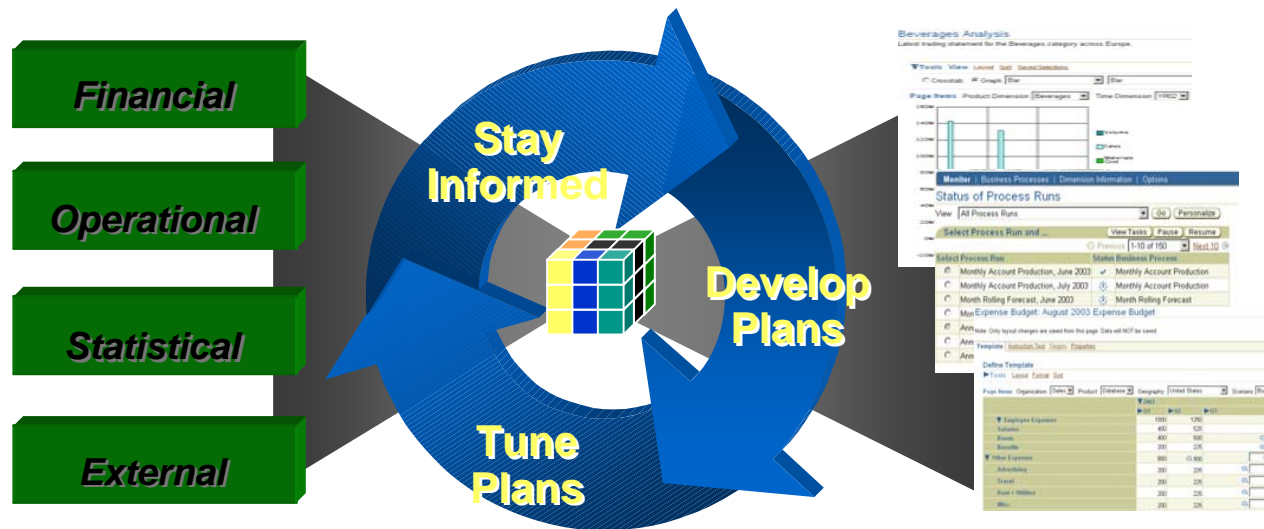
- Defines the planning process, the budget process, the forecast process centrally
- Automates the processes as much as possible
- Models the entire business, not just finance
- Reduces the administrative burden
- Increases the collaboration and communication
- Knows who is responsible for each area
- Reduces the cycle time
- Seeds each round of the forecast from Actuals to date
- Alerts exceptions and analyzes variances

***Oracle Enterprise Planning and Budgeting
provides the most integrated Corporate
Performance Management solution,
enterprise scalability, and the lowest TCO.***

Oracle Enterprise Planning and Budgeting

- Integrate with General Ledger
- Open interface for any data source
- Configurable schema

- Business Process driven
- Budget collection
- Workflow Notifications



- Data scoping by user
- Responsibility hierarchies
- Data processing maps

- Reporting and Analysis
- Exception Alerts
- Text annotations

Key EPB v1 Supported Features

- Distributed Reporting and Forecasting
- Driver Based modeling
- Control and tracking of processes
- Exception monitoring and reporting
- Variance analysis across all dimensions
- Multi-dimensional analysis and reporting
- Automation and process management
- Complex security and data access requirements

New Features in Release 2

Usability Enhancements

- Import data from Excel
- Professional quality reporting
- Budgeting in multiple currencies
- Additional calculation templates

Scalability Enhancements

- Improved security management
- Business areas
- Improved business process management
- SQL access to shared data

Blue Coat Case Study

- Blue Coat Overview
- Business Pains & Needs
- Evaluation & Selection Process
- Implementation Details – Phase 1
- Blue Coat's Experience
- Looking Forward – Phase 2

About Blue Coat Systems

- Founded 1996 as CacheFlow
- Became Blue Coat (NASDAQ: BCSI) in 2002
- #1 Worldwide leader in proxy appliances (IDC)
- **Over 20,000 proxy appliances shipped worldwide to more than 3,500 customers**
- Existing Oracle Applications user
 - GL, MFG, OA, FA, AP, AR
 - Planning to implement HR
- Headquartered in Sunnyvale, California
 - 450 employees
- Worldwide presence
 - 9 locations in EMEA
 - 9 locations in APAC



“Making the Web Good for Business”

Business Pains & Needs

- Prior system was home grown and too difficult to maintain
- Prior system involved many Excel workbooks and worksheets for data collection
- Data movement from Excel into MS SQL Server with OLAP extension to aggregate
- Limited visibility and reporting capability
- FP&A performs most of the work rather than functional managers
- Managers feel lack of ownership of their numbers

Business Pains & Needs

- Improve visibility and reporting
- Prepare quarterly rolling 12 month budgets and monthly forecasts for the current quarter
- Get more fully engaged functional managers in the process
- Simplify data management and control

Evaluation & Selection Process

- Fall 2004
 - Begin the search process to improve the budgeting and actuals review process with a cross-functional team of roughly 10 people
 - Explored Cognos, Hyperion, OutlookSoft and Oracle through an in depth analysis of functionalities (budgeting, planning, reporting, off-line feature, etc.) and systems requirements
 - Narrowed search down to Oracle and OutlookSoft

Evaluation & Selection Process

- In 2005
 - Selected Oracle EPB and started implementation with the Oracle Consulting Group
 - EPB Production build July 2005
 - Target Roll-out in October 2005

Evaluation & Selection Process – Why EPB?

- Architecture
 - Multi-dimensional extension of relational database
 - No new database technologies to support
 - Pre-defined data schema
 - Extensible to future analytic applications
- Ease of Use
 - Minimal IT production support, FP&A manages the application
 - Fully browser based
 - Many pre-defined calculations and functions, no programming

Evaluation & Selection Process – Why EPB?

- Integration
 - A member of the Oracle Applications family
 - Maintenance of key elements in Oracle Financials
 - Leverage existing structures
 - Pre-built links to transfer data
 - Drill through to detail
 - Leverages Oracle workflow

Implementation Details – Phase 1

- Analysis and forecasting of Operating expenses
 - Payroll Forecast
 - Capital Spending
 - Discretionary Expenses
 - Allocations
- Budgets and forecasts are done in single currency
- Data is downloaded to an Excel spreadsheet while updates are done in EPB while connected to the network
- Oracle Fixed Assets module integrated for depreciation forecasts

Implementation Details – Phase 1

- Automation and process management of business cycles, periodic forecasts, planning activities, management reporting and analysis by designing a workflow based on the security features
- Budgets are prepared at the cost center level for the relevant accounts and aggregated with approvals up the organization
- Variance analyses across time, function, account and organization
- Month-end, quarter-end, year-end management reporting and analysis

Implementation Details – Phase 1

- Hierarchy structure is complex with 6 dimensions:
 - Time
 - Account
 - Division
 - Department
 - Entity (Company & Location)
 - Cost Center (Company, Division, Location, Department)
- Time, Department and Account hierarchies are maintained through Oracle GL via the OGL link.
- Entity and Cost Center hierarchies are maintained in EPB (Schema Admin under Dimension Admin)

Blue Coat's Experience

- The right planning and budgeting application for Blue Coat as Oracle Financials users
- Successfully built out the budget, forecast model and reports in the production environment
- FP&A and IT organizations attended one week of training on the full product
- Front end is better than expected; intuitive, easy to use and full of predefined features
- Puts control of the whole process in the hands of FP&A.

Blue Coat's Experience

- Two years (FY04 & FY05) of actuals and budget data are uploaded into EPF and populated into EPB
- Existing fixed assets by cost centers have been uploaded and populated into EPB
- Security needs set for user and responsibility
- Challenges experienced in creating Business Processes, however, these were speedily addressed

Looking Forward – Phase 2

- Revenue budgeting and forecasting (Fall 2005)
- Employee data extracted from Oracle HR (Fall 2005)
- Upgrade to EPB Version 2 release in Fall 2005
- Multi-currency budgeting and forecasting (V2)
- Off-line feature – the ability to upload and download budget/forecast information with MS-Excel and to work off-line without having to connect to the network (V2)
- GL link extensions and drill down capability to the transaction detail level in Oracle GL as a patch to (V2)



Oracle Applications Strategy

PROTECT. **EXTEND. EVOLVE...**

**The Value of Your
Software Investment.**

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