



White Paper

The Power of an Extensible CPM Platform

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### Introduction

Corporate performance management (CPM) is an enterprise-wide process that helps organizations meet their financial goals by linking their strategies to plans and execution across all divisions and departments. A unified, extensible CPM software platform is essential to efficiently and cost-effectively delivering on this vision while supporting timely and informed decision-making. Conversely, fragmented software approaches to CPM introduce risks, require manual data movement and multiple points of maintenance, and drive a high cost of ownership.

### The Issues with Fragmented Systems

CPM software solutions are typically purchased, set up and rolled out from the corporate Finance organization for planning, budgeting, forecasting, reporting and other analytical use cases. The meta data structures defined in the CPM applications (e.g., chart of accounts, organizational hierarchies) are usually based on corporate financial and management reporting requirements.

However, as the solution is rolled out and deployed at line-of-business levels, cases often exist where divisions, business units and departments need to plan and report at a lower level of detail vs. corporate. How is this handled? There are several traditional approaches to handling the more detailed needs for line-of-business planning and reporting that aren't accommodated by the corporate CPM system:

**1. Spreadsheets** – Business units often handle their operational planning and reporting in spreadsheets that include the additional level of detail needed. Then they summarize the data and load it into the corporate CPM application. This is a low-cost solution to the problem, but it requires a lot of manual data collection and manipulation. It's also prone to errors.

**2. Point software solutions** – In some cases, subsidiaries and business units of larger enterprises purchase their own CPM applications for planning and reporting, and deploy them to support their specific requirements. They will then extract summarized data from the point solution and enter, or load, this into the corporate CPM system. This approach provides more control than using spreadsheets, but still requires manual data manipulation to meet corporate reporting and planning requirements.

**3. Separate instances of the corporate CPM applications/suites** – Larger enterprises will often implement multiple instances of the corporate CPM applications/suite. Legacy CPM application suites themselves suffer from fragmentation and the need to move data between them. These additional instances are required to capture the level of detail needed to support operational planning and reporting requirements. Then a summarized view of this data is exported and loaded into the corporate CPM application/suite.

This approach (figure 1) provides more control than spreadsheets and offers some economies of scale in terms of software vendor standardization. But it requires additional software licenses and implementation/upgrade services. It also requires multiple points of maintenance with the need to replicate all dimensionality, reports, security and so on to deliver the operational relevance needed to support the unique granularity requirements of specific business units or business processes.

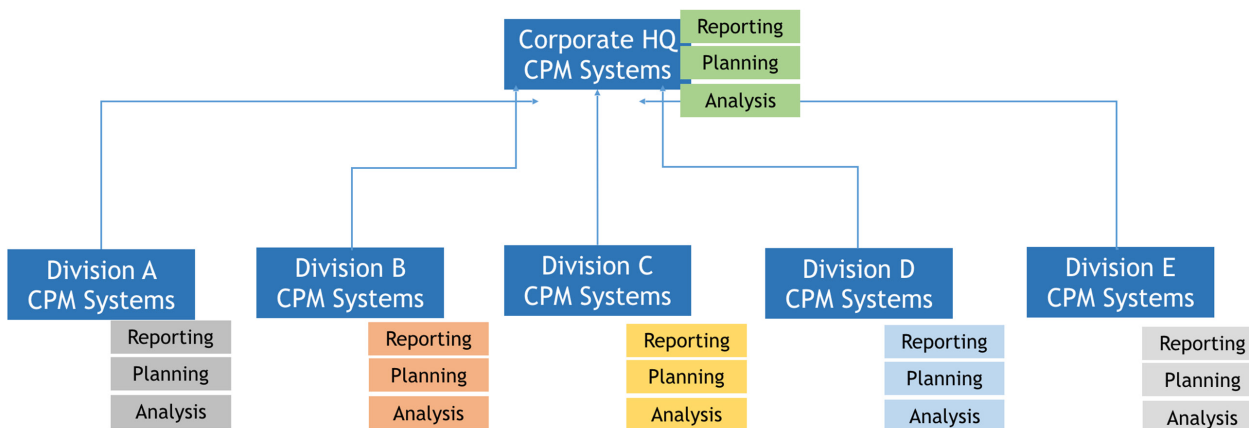


Figure 1 – Fragmented Approach to CPM

While each of these approaches has pros and cons, they all suffer from a huge drawback. When corporate Finance staff are reviewing consolidated financial results or plans, they have no visibility into the underlying operational details they often need to understand budget assumptions – or the reasons for various trends in actual financial results.

### OneStream XF – a Unified SmartCPM™ Platform

OneStream Software provides a revolutionary CPM solution, the OneStream XF SmartCPM platform (XF stands for Extensible Finance). OneStream XF (figure 2) unifies and simplifies financial consolidation, planning, reporting, analytics and financial data quality for sophisticated organizations.

Deployed via the cloud or on-premise, OneStream is the first and only solution that delivers corporate standards and controls, with the flexibility for business units to report and plan at additional levels of detail without impacting corporate standards – all through a single application. We call this unique capability Extensible Dimensionality®.



*Figure 2 – OneStream XF SmartCPM™ platform*

The hallmark of a SmartCPM platform is the capability of having multiple solutions for actuals, budgets, forecasts, plans, reconciliations, profitability analysis and more – all living together in a single application. Each solution benefits from leveraging all that the platform offers. As a unified solution, OneStream XF eliminates risky integrations, validations and reconciliations between multiple products, applications and modules.

**The Secret Sauce: Extensibility**

No other corporate performance management (CPM) platform has the extensibility of OneStream XF. It is one of the big reasons this product is so different compared to other solutions in the market. So, what do we mean when we say extensibility? Extensibility is a unique capability of the OneStream XF Platform. It is the measure of the customer’s ability to extend a system. Or how easily can you add to what you have configured?

It is not utilizing “smart lists” or “alternate roll-ups” as with other systems. It’s not a workaround. It is part of the essence of OneStream. Things you configured for one purpose can be used for other purposes. It makes using OneStream for multiple needs (for example Actual and Budget reporting) not only possible, but easier to maintain and support vs. alternative systems. OneStream is extensible in three ways: application design, platform and implementation.

## 1. Extensible Application Design

Application design, the first and most-discussed way OneStream is extensible, has three parts: dimensions, cubes and workflows.

### Extensible Dimensionality®

Extensible Dimensionality is the easiest to understand. Let’s look at the chart of accounts dimension. In the example below (figure 3), Corporate has defined four accounts that roll into the Net Sales Account:

- **Operating Sales, IC Sales, Returns and Allowances, and Other Outside Sales**

However, the Manufacturing division needs to track Operating Sales at a lower level of detail. Here is what they’re tracking:

- **Third Party Sales, OEM Sales, Subassembly, and Parts Sales**

And the Services division track. Operating Sales differently. They track the following:

- **Management Revenue, Services Revenue, and Event Revenue**

In addition, for budgeting purposes, the Services division breaks down Event Revenue into Corporate Events and Non-Corporate Events.

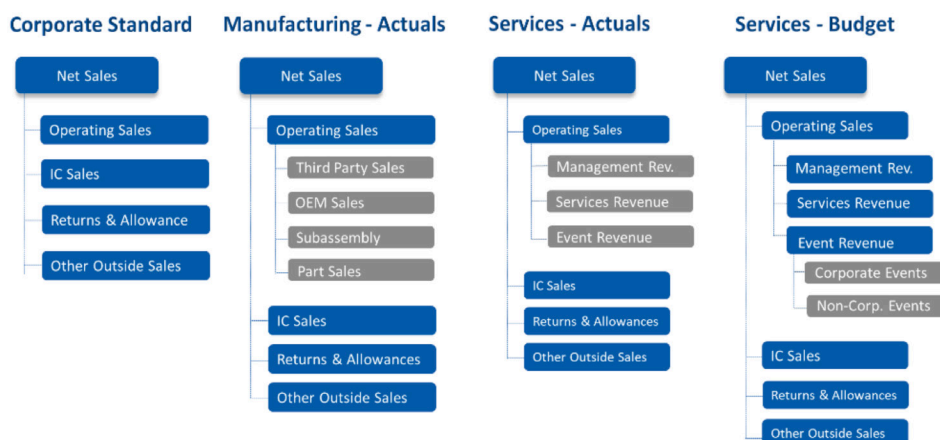


Figure 3 – OneStream XF Extensible Dimensionality

With the Extensible Dimensionality® feature of OneStream XF, all of this can be accommodated in a single application. While the Operating Sales account is a “base account” at Corporate, this becomes a “parent account” at the division levels, with more detailed base accounts rolling into it. In OneStream XF, you create the Operating Sales account once, then use it in different ways across the application.

Moreover, reports, rules and security related to the Operating Sales account do not need to be recreated or modified. Because the corporate standard chart of accounts and dimensions are shared as business users extend these dimensions for their unique needs, these dimensions always roll up to the standard. This alleviates the need for offline spreadsheets, point solutions for business units or multiple instances of a CPM application across business unities.

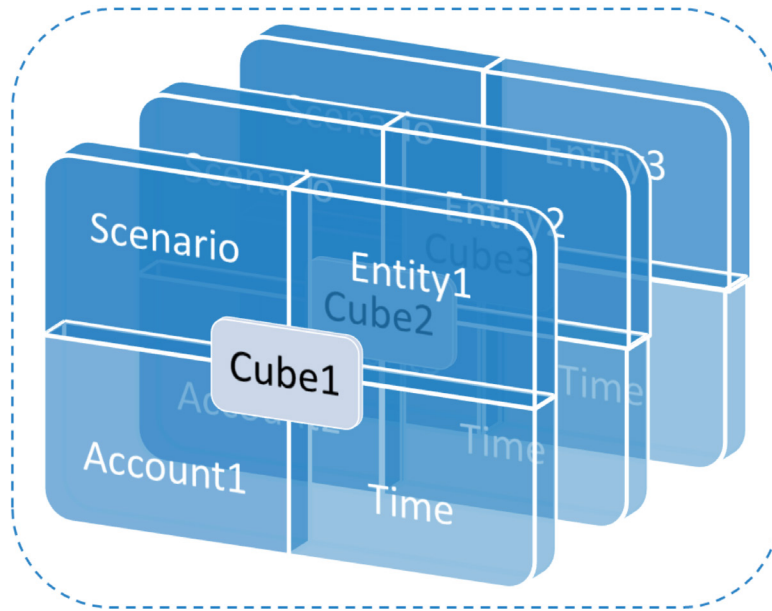
It also means that there is never a need to integrate, validate, or reconcile data or metadata between products or applications to compare actual vs. budget (or whatever the extended dimension). This greatly reduces complexities of a CPM implementation and deployment while delivering a system that is easier to learn, use and maintain. This is a unique advantage of OneStream, one that enables it to handle the requirements of large, global enterprises in a single application – often replacing multiple instances of legacy systems, point solutions and spreadsheets.

### **Extensible Cubes**

During an implementation of OneStream, when we sit with clients and talk to them about their dimensions, we try to look at the dimensions both by function and scenario, and help clients organize their dimensions. These dimensions are organized into one or multiple models or virtual “cubes,” which are logical groups of dimensions created for organizing data for planning, reporting and analysis purposes (figure 4).

Virtual cubes in OneStream are different from the physical cubes created in other products, such as Oracle Essbase. OneStream virtual cubes provide a logical view of data, where one top level cube can be extended with sub-cubes that naturally live, work, consolidate, calculate and report together. This is different than a physical cube, which replicates data and requires constant updates as the underlying data changes. The virtual cubes provide a logical set of data that can instantly be compared at any level of commonality across entities and scenarios – without any data movement, integrations or multiple points of maintenance.

In OneStream, we can create as many of these virtual cubes as needed to support the client’s business requirements with different subsets or combinations of dimensions used across cubes. Customers often require several different cubes for tasks such as financial reporting, tax reporting, budgeting and other tasks.



*Figure 4 – OneStream XF Extensible Cubes*

### **Extensible Workflows**

All user activity in OneStream is organized into workflows. OneStream allows organizations to define workflows for different types of processes – such as collecting and consolidating financial results, collecting and entering data for the annual budget, collecting and entering data for a quarterly forecast, and so on.

For example, OneStream allows customers to define one workflow structure for the Monthly Actuals data submission process, then replicate it for the Budget Scenario or Year-End Reporting. Customers can extend the workflow to require alternate data connections, forms, reports, confirmations and certification requirements. This greatly simplifies the process for end users. They only see what they need to see when they need to see it. However, it's all in one structure for simplified maintenance and support. All the components that are used in the workflows can also be shared (figure 5).





*Figure 5 – OneStream XF Extensible Workflows*

## **2. Extensible Platform**

OneStream is truly an extensible platform, and it's realized through the XF MarketPlace solutions. The OneStream XF MarketPlace features downloadable solutions that allow customers to easily extend the value of their CPM platform to meet the changing needs of Finance and Operations. Examples of OneStream XF MarketPlace solutions (figure 6) that are already available and in use by customers include People Planning, Capex Planning, Cash Planning, Account Reconciliations, Sales Planning and over 40 others. The power of this is realized by enabling the rapid development and deployment of new solutions by customers.



Figure 6 – OneStream XF MarketPlace Solutions

For example, using the OneStream XF platform, the development team at OneStream built an Account Reconciliation solution in a few weeks, then demonstrated it to customers. This has taken other companies years of work. What makes this possible? The OneStream XF platform was already built and provided many capabilities that could be leveraged by the Account Reconciliations solution, such as data integration, validations, workflows, reporting, dashboards and audit trails.

So just as iPhone developers can create new solutions for the App Store that leverage many capabilities of the platform, OneStream and its partners can rapidly develop new solutions for the XF MarketPlace, that users can download, configure and deploy to their users. And all without teams of consultants and months of work.

As a result, the OneStream XF MarketPlace has grown rapidly to over 40 solutions. This is not just a group of prebuilt models or sample applications like other companies. The XF MarketPlace has fully functioning solutions that help our customers to extend their investment in the platform and quickly add new capabilities. This is only possible because of the extensibility of the OneStream XF platform.

### 3. Extensible Implementations

Software implementation consultants know that projects go faster when there are fewer unknowns and less risk. When organizations deploy point solutions, or separate modules of a CPM suite, or separate instances of legacy CPM applications at different business units, they need to start each implementation

Because OneStream is a unified platform that supports multiple requirements (e.g., consolidations, planning, reporting, data quality, analytics), each phase of the implementation builds on prior phases. For example, while it might take six months to configure, test and deploy OneStream for financial consolidations and reporting, a 2nd phase project focusing on budgeting might only take 6-8 weeks.

The budgeting project requires so much less time because it's re-using much of what was already configured for consolidations, including the chart of accounts and entity structures; financial cube and workflows; security definitions; and end-user training.

### The Benefits of Extensibility

The power of selecting an extensible SmartCPM™ platform like OneStream is clear. Customers are eliminating spreadsheets, point solutions and multiple instances of legacy applications across multiple business units. They're replacing them with a single, centralized CPM solution that can support corporate standards – with the ability to extend the solution to address the more detailed planning and reporting requirements of line-of-business operations. The benefits are many:

- Standardization across the enterprise
- Single version of the truth for financial and operating results
- Single point of maintenance
- Lower cost of ownership
- Fast implementation of new solutions
- Fast and low-cost upgrades
- Streamlined planning and reporting processes

Moreover, it supports increased insights and improved decision-making with the ability for corporate staff to drill from summarized corporate plans and results, right into the underlying operational details. This provides rapid insights that enable better, faster business decisions. Here are some examples of how customers have leveraged the extensibility of OneStream to consolidate multiple systems:

- A global shipping and transportation company used OneStream to eliminate 11 instances of Hyperion Financial Management (HFM), as well as Planning, Essbase and Strategic Finance
- The **Carlyle Group** used OneStream to eliminate HFM, FDM, and SAP planning and a homegrown HR planning system
- **AFL** used OneStream to eliminate HFM, Blackline and Excel spreadsheets used for planning
- **Printpack** used OneStream to eliminate Hyperion Planning, Essbase and Excel spreadsheets used for financial consolidation, reporting and capex planning

## Conclusion

Embracing and maximizing the potential of CPM requires an enterprise-wide approach. In order to support the CPM requirements of corporate and line-of-business operations, many large organizations have taken a fragmented approach with disconnected spreadsheets, point solutions or multiple instances of legacy CPM products. This approach has introduced risk, requires manual data integration and multiple points of maintenance, and has been costly to maintain, manage and upgrade.

A unified, extensible software platform is essential to efficiently and cost-effectively supporting enterprise-wide CPM while supporting timely and informed decision-making. OneStream XF delivers on this vision with an extensible design, extensible platform and extensible implementations that leverage the power of re-use as the CPM solution is extended and deployed across subsidiaries, divisions and departments. Hundreds of OneStream customers are already reaping the benefits. When are you going to take the leap?

To learn more, visit [www.onestreamsoftware.com](http://www.onestreamsoftware.com) or contact your local OneStream representative.