

# REALIZING THE POTENTIAL FROM FINANCIAL ANALYSIS APPLICATION INVESTMENTS

*A STAR ANALYTICS BUSINESS WHITE PAPER*

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## THE EVOLUTION OF FINANCIAL ANALYSIS

In the mid to late 1990s we saw explosive growth in the Business Intelligence (BI) space; practically from the moment that Online Analytics Processing (OLAP) was defined, there was a need to build supporting business intelligence infrastructures around the analytic capabilities. Finance teams were leaders of the management reporting movement, as they readily recognized the value of this previously inaccessible information. Expanding upon the foundation of BI, Business Performance Management (BPM) offered a business process framework, with planning, financial consolidation and other financial analytic applications being supported by underlying business intelligence platforms.

In 2002, the Sarbanes-Oxley Act sent corporations across America scrambling to determine if they were in compliance with new regulatory requirements. Business processes were analyzed, documented, and many CFO organizations came to the realization that the data upon which their company was making key business decisions did not meet regulatory requirements. Critical financial information was stored in proprietary financial applications, and was never centralized for reporting and publishing purposes.

Today, Finance teams again find themselves in the role of business innovators as companies re-align and restructure in order to be agile and flexible when responding to rapid and dynamically-changing market conditions. With Enterprise Performance Management (EPM), the natural evolution of BI and BPM systems, we extend decision-making and accountability across the enterprise. EPM offers a holistic approach to business and management processes, and the framework for developing the ability to creatively respond to subtle business changes across the organization, and with all stakeholders in mind. Yet as we develop and evolve EPM systems, we encounter the same fundamental roadblocks within our financial applications: key information is not centralized, stakeholders have a historical rather than leading view of their operations, and governance is compromised.

## THE BUSINESS PROBLEM

While EPM systems provide the framework for a new way of approaching our businesses, the systems are only as effective as the management processes that are defined and the data that feeds the system. EPM systems require the confluence of data from across the business environment – between all stakeholders: customers, supply chain, organizational groups such as Production, Operations, Finance and Customer Service, investors, employees, regulatory bodies as well as across geographies. Information must be updated in near real-time in order to provide decision makers with an accurate reflection of the broad business ecosystem. The BI and BPM applications that were once the end-points of the information system have become silos of disparate data. What was created as a financial information solution has become the barrier to success; namely, that in creating many cubes scattered across the enterprise and with key financial data stored in proprietary applications, we are missing that single, comprehensive view needed to make good business decisions. After making strategic investments in financial analysis applications, companies are still not able to realize the full value of their investments.

*“The integration of data from across financial systems has risen to be a top priority as the information adequacy of finance organizations is not sufficient today.”*

Mark Smith  
CEO & EVP Research  
Ventana Research

Without an accurate and holistic view of enterprise financial information, it is impossible to have the perspective needed to make the decisions that allow us to respond quickly and appropriately to changes within the business environment. And when we cobble data together from disparate systems, we violate the basic principles of data governance and reporting that the government is now espousing. With the creation of these financial data silos, we have recreated the problems we set out to solve:

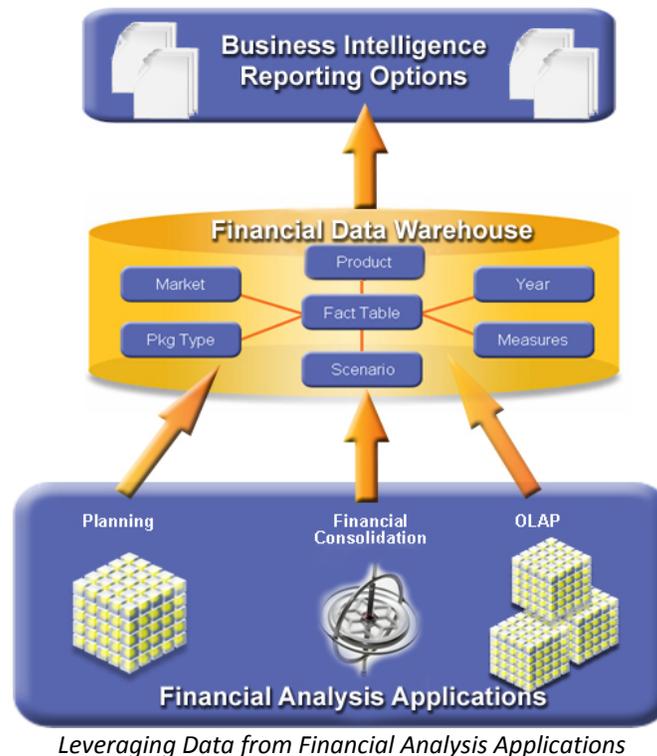
- ◆ Critical financial business decisions are impaired
- ◆ Views of financial information are often inaccurate, incomplete, and time-consuming
- ◆ Competitiveness may be undermined
- ◆ High risk of being out of compliance
- ◆ Difficult to refresh intra-day, providing only historical data views

*When we cobble data together from disparate systems, we violate the basic principles of data governance and reporting.*

## THE VALUE OF CENTRALIZED FINANCIAL INFORMATION

The first step to resolving these issues is to centralize financial data. By centralizing critical financial information within a standard-based financial data warehouse, we create a framework to support management processes, and manage and monitor stakeholder requirements and activities. As the need for financial data access grows within the organization, a centralized financial architecture can extend and scale to meet those needs while maintaining a process that ensures data availability, quality and transparency. A centralized financial data warehouse:

- ◆ Provides the framework for making strategic business decisions in real time
- ◆ Improves data governance
- ◆ Ensures data quality
- ◆ Reduces the risks of financial non-compliance



Star Analytics' Star Integration Server® provides a key integration solution designed to support and extend the role of financial analysis applications within the enterprise. Leveraging your existing investments in source financial applications, Star Integration Server provides a reliable, continuous and real-time flow of financial data from these source applications into a central financial data warehouse. It provides a unified and up-to-date view of customer, operational, and financial activity, providing your organization with:

- ◆ The ability to make strategic business decisions using near real-time data
- ◆ Improved data governance
- ◆ Accurate, quality data from a single version of the truth
- ◆ Confidence in the source for your published reports, reducing the risk of financial non-compliance

## STRATEGIC DECISION-MAKING IN REAL TIME

Using intelligent extraction processes where only changed data is exported from the source financial system and into the financial data warehouse, near real-time data access is available to user communities. The rapid extraction process eliminates the need to take applications off-line for backup, so business stakeholders worldwide always have the most up-to-date financial information available. Users can make the best, fact-based decisions possible within a fast-changing business environment because they have constant access to their accurate, critical financial data.

## IMPROVING DATA GOVERNANCE

Whether initiated to improve data visibility to external stakeholders, improve regulatory compliance, or increase financial agility, a sound data governance strategy requires the establishment of processes and procedures to monitor and measure data across the enterprise.

*“Data governance encompasses the people, processes and technology required to create a consistent, enterprise view of an organization’s data.”<sup>1</sup>*

With as much data as exists in any company, a key component of the data governance project is to provide a consistent method for ensuring that accurate and appropriate information is available to decision-makers at all levels. Star Integration Server provides repeatable, auditable processes for centralizing financial information from disparate financial applications. By providing consistent data extraction processes, consolidation of information from source systems, audit information, and security for financial information, Star Integration Server plays an important role in the overall data governance of an organization.

## ENSURING DATA QUALITY

As important as data access is to business users, there is the equal need to ensure the quality of the data being used for financial reporting and analysis. They need a consistent, auditable data extraction process and system that ensures end users have access to only the appropriate data for their individual roles.

Users must be confident that they are viewing a single, accurate version of the truth that is consistent across every data refresh. And because the data is stored in a standard repository, they can access that information from the reporting tool of their choice.

## REDUCING THE RISK OF FINANCIAL NON-COMPLIANCE

In an age of strict regulatory compliance requirements, company officers need the assurance that your financial reports are compliant:

- ◆ Centralized financial information
- ◆ Automated, consistent data extraction processes
- ◆ Documentation and audit details of data movement into the financial data warehouse

With a transparent view of the financial information flow, confidence in the quality of the financial data, and knowledge of its hierarchies, relationships, and security, you have the security that the necessary controls are in place to help avoid the risk of financial non-compliance.

**CASE STUDY: SYMANTEC INTRODUCES BEST PRACTICE BUSINESS PROCESSES**

Symantec Corporation, recognized as the leader in protecting computers with world-class antiviral and backup software technology and employing more than 17,000 people globally, combines best practice business processes with centralized, compliant data to help maintain their leading edge as the fourth largest independent software company in the world.

Symantec needed to synchronize data between its Oracle Hyperion applications and data warehouse for reporting and to ensure SOX compliance. The objective was to automate these processes easily and cost-effectively, while ensuring data security and providing an audit trail. Their environment included purpose-built operational planning and consolidation applications that propagated independent data repositories, isolated from Oracle Data Warehouse; while their Oracle environment was SOX compliant, their Hyperion applications were not. Prior to using Star Analytics, they were manually moving Hyperion application data, and had very limited Hyperion financial data in the Data Warehouse.



*A Model for Success: Integrating Disparate Data into a Centralized Financial Data Warehouse*

Using Star Integration Server, the company created a two-way flow of data, coupling its Hyperion BPM systems with operational data in a data warehouse. Star Integration Server allows seamless, reliable and automated sharing of data between the company's Hyperion Financial Management and Planning applications, as well as supporting its data warehouse and reporting capabilities.

With the implementation of Star Integration Server, Symantec was able to:

- ◆ Dramatically reduce SOX compliance costs
- ◆ Lower total cost of ownership across financial applications
- ◆ Ensure that users have access to the right information at the right time at all levels of the organization
- ◆ Expand reporting capabilities across corporate standard tools: Business Objects®, Hyperion Intelligence®, and Microsoft Excel®

*"Star Integration Server is an affordable software package that provides a two-pronged solution - increased performance for financial applications, and lower total cost of ownership."*

Jeff Brobst  
VP of Financial Planning & Analysis  
Symantec

## CREATING VALUE WITHIN YOUR LARGER BUSINESS ECOSYSTEM

Companies have already made great investments in financial analysis applications. Now how do we leverage those applications to create a scalable, integrated architecture that will meet the next decade's requirements for true enterprise performance management, while supporting the processes and procedures that ensure regulatory compliance and transparency? As we expand our analytical capabilities into operations, supply chains and a broader financial ecosystem, and place real-time demands upon our data accuracy, we need a framework that will support and grow with our business needs.

Companies such as Symantec are proving the model for success. Their innovative approach to financial system design ensures high application availability, consistent data across all systems, and nearly zero maintenance. By combining best practice business processes with a technical infrastructure that gives them the insights needed to rapidly respond to changes in their market, Symantec maintains their position as a world market leader.

Star Analytics provides a unified view of customer, operational, and financial activity so that decision makers across the organization have a leading view of the business. Using Star Analytics solutions to leverage existing investments in financial analysis applications, you can extend the value of your applications while resting assured that key financial data is in a framework that scales to meet future requirements for extended analytics.

*Extend the value of your applications while resting assured that key financial data is in a framework that scales to meet future requirements for extended analytics.*

## CONTACT US

For more information about Star Analytics, or to download a free metadata-only version of Star Integration Server, please visit our Web site at [www.staranalytics.com](http://www.staranalytics.com), contact us by phone at 650-539-4600 or by email at [info@staranalytics.com](mailto:info@staranalytics.com).

## ABOUT STAR ANALYTICS

Star Analytics is a leading provider of enterprise software solutions designed to fill integration and deployment gaps in Business Intelligence (BI) systems. Its Star Integration Server flagship product ensures a reliable, continuous and real-time flow of financial data from Oracle Hyperion Essbase, Planning, and Financial Management (HFM) to other relational-based BI technologies. It ensures that business intelligence applications are well-integrated with existing applications, providing a unified view of customer, operational, or financial activity to lower the Total Cost of Ownership and increase Return on Investment (ROI).

*Star Integration Server is a registered trademark of Star Analytics, Inc. All other trademarks acknowledged.*