



ORACLE®

Managing in Turbulent Times

Tony Politano, Oracle Enterprise Solution Group

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Agenda

- The Rise of the Chief Performance Officer
- The 6 C's of the CPO
- Management Excellence Driving Performance
- Q & A



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The Natural, Unavoidable and Ambiguous



Turbulence = Natural

- Competition
- Governance
- Globalization
- Finance and Money Markets
- Political Change
- Disruptive Technology

. . . What's Next?



Performance Measurement = Unavoidable

- Revenue
- Margin
- EBITA
- Budget Variance
- New Student Enrollment

. . . Why not?



Ownership of Performance = Ambiguous

- Finance
- COO
- CEO
- CIO
- Sales
- Everyone
- Nobody

. . . Who?

Chief Performance Officer



Obama selects Zients as chief performance officer

The Associated Press

WASHINGTON - President Barack Obama on Saturday named Jeffrey Zients, a longtime management consultant, as chief performance officer to head an effort to streamline government and cut costs.

The selection of Zients comes after Obama's first choice for the newly created position, Nancy Killefer, withdrew in February over tax problems. Zients, a founder and managing partner of the investment firm Portfolio Logic, will also serve as a deputy director of the Office of Management and Budget.

Todd Duncan Joins Prospect Mortgage as Chief Performance Officer

SHERMAN OAKS, Calif., June 17 /PRNewswire/ -- Prospect Mortgage (www.MyProspectMortgage.com) has announced that Todd Duncan, a renowned motivational speaker, sales trainer and best-selling author, has joined the company to lead a comprehensive sales, leadership and time management training program designed to drive its national sales team to the highest performance level in the industry.



Voices » Tom Davenport » The Rise of the Chief Performance Officer

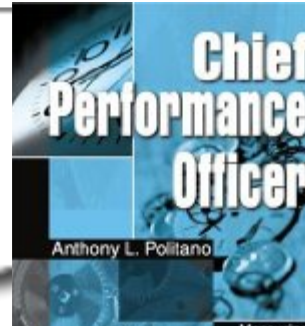
TOM DAVENPORT THE NEXT BIG THING

RSS Feed

The Rise of the Chief Performance Officer

10:39 AM Monday May 11, 2009

Tags: Execution, Knowledge management, Talent management



Wyndham Hotel Group Announces Executive Appointments

PARSIPPANY, N.J. -- Wyndham Hotel Group today announced several leadership appointments and promotions as part of its ongoing effort to be the company of choice for franchisees and guests.



Jim Alderman has been appointed executive vice president of development, responsible for growing the company's Wyndham Hotels and Resorts® flagship brand globally and its other brands outside of North America. He joined the company from Starwood Capital Group.

As chief performance officer, Daniel del Olmo will take the lead in setting the company's strategy and optimizing its performance. In this role, he will be responsible for developing and overseeing the Hotel Group's long-term growth plan. Del Olmo previously served the company as vice president of strategy and innovation.



Manfred Wimmer appointed Chief Performance Officer and CFO of Erste Bank

Following the decision by Peter Kisbenedek to return to Budapest and his subsequent resignation from Erste Bank's Management Board, the Bank's Supervisory Board has appointed Manfred Wimmer as Chief Performance Officer and CFO.

Manfred Wimmer (52), who has led the integration of Erste Bank into the Erste Group in a professional manner, while at the same time ensuring the achievement of financial targets, has an ideal background for this new role.

Chicago Public Schools Announces Executive Appointments

The announcement will lead to a more efficient, results-oriented organizational structure at CPS.

June 9, 2009 - Chicago Public Schools Chief Executive Officer Ron Huberman today announced the establishment of an executive team that heralds the beginning of a larger streamlining in the management of the nation's third largest-school system.

Chief Performance Officer

Sarah Kreamsner has been named Chief Performance Officer, a newly created role. Sarah will be responsible for creating a comprehensive performance management system.



What is a CPO?

- Single point of focus for performance management
- Cuts through the static in the data
- Provides a 'heads-up display' to Key Executive
- Data filtering and relevance
- Complements the COO role, who is managing operations

Source: Chief Performance Officer, A Politano



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The 6 C's of The Chief Performance Officer



Collector - Find data from all corners of organization

Data can be in many places:

- **ERP, CRM, SCM**
- **Data Warehouses, Data Marts**
- **Planning, Budgeting and Forecasting**
- **Departmental Databases**
- **Spreadsheets, Access**
- **External Sources – Partners, Syndication**

Source: Chief Performance Officer, A Politano

The 6 C's of The Chief Performance Officer



Consolidator - Put data into one logical place

Data must be Logically understood:

- Some data is right for *lift and shift*
- Other data is better fit for *stay and integrate*
- Many will be a hybrid
- Leverage your EPM Platform

Source: Chief Performance Officer, A Politano

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The 6 C's of The Chief Performance Officer



Condenser - Extract relevant performance data

Measure What Matters:

- Focus on metrics that are true KPIs
- Seek out cause and effect
- Model to the root cause
- Ensure traceability

Source: Chief Performance Officer, A Politano

The 6 C's of The Chief Performance Officer



Communicator - Right data to right people at right time

Pervasiveness is the key:

- **Get to the performance data to the people that need it**
- **Leverage integrated EPM platform**
- **Use latency as an advantage instead of a problem**
- **Consistency and traceability**

Source: Chief Performance Officer, A Politano

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The 6 C's of The Chief Performance Officer



Collaborator – Rally around the data and share insights

Make performance the DNA of the organization:

- Found it, Fix it
- Cross Line-of-Business Collaboration
- Predictive modeling

Source: Chief Performance Officer, A Politano

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The 6 C's of The Chief Performance Officer



Controller – Enforce governance, control and monitoring

Manage What Can Be Measured:

- **Governance is a top down process**
- **Stewardship is a bottom up process**
- **CPO controls from a middle-out perspective**
- **Explicit and implicit controls**

Source: Chief Performance Officer, A Politano

The 6 C's of The Chief Performance Officer



Collector - Get data from all corners of organization



Consolidator - Put data into one logical place



Condenser - Extract relevant performance data



Communicator - Right data to right people at right time



Collaborator – Rally around the data and share insights



Controller – Enforce governance, control and monitoring

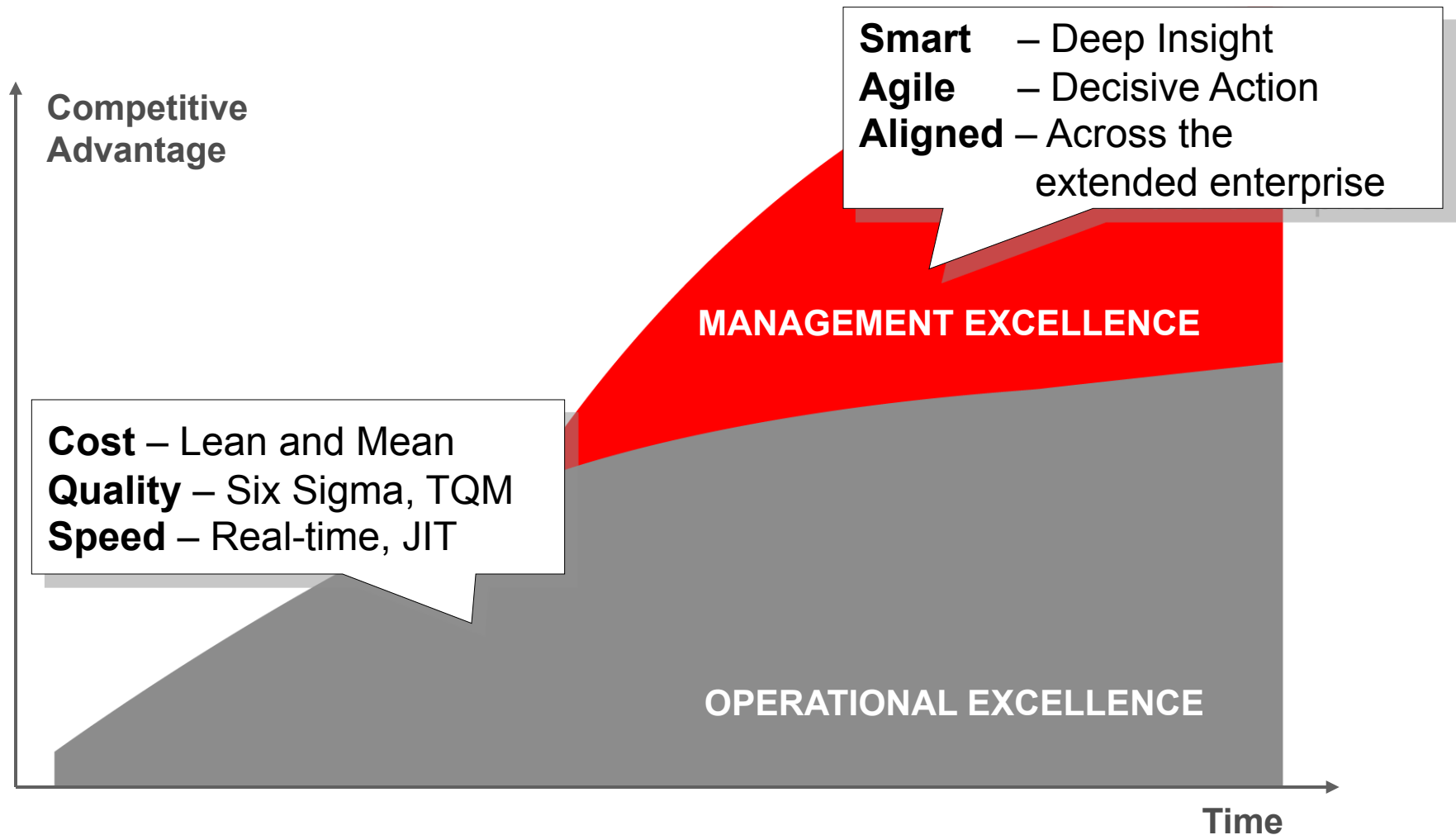
Source: Chief Performance Officer, A Politano



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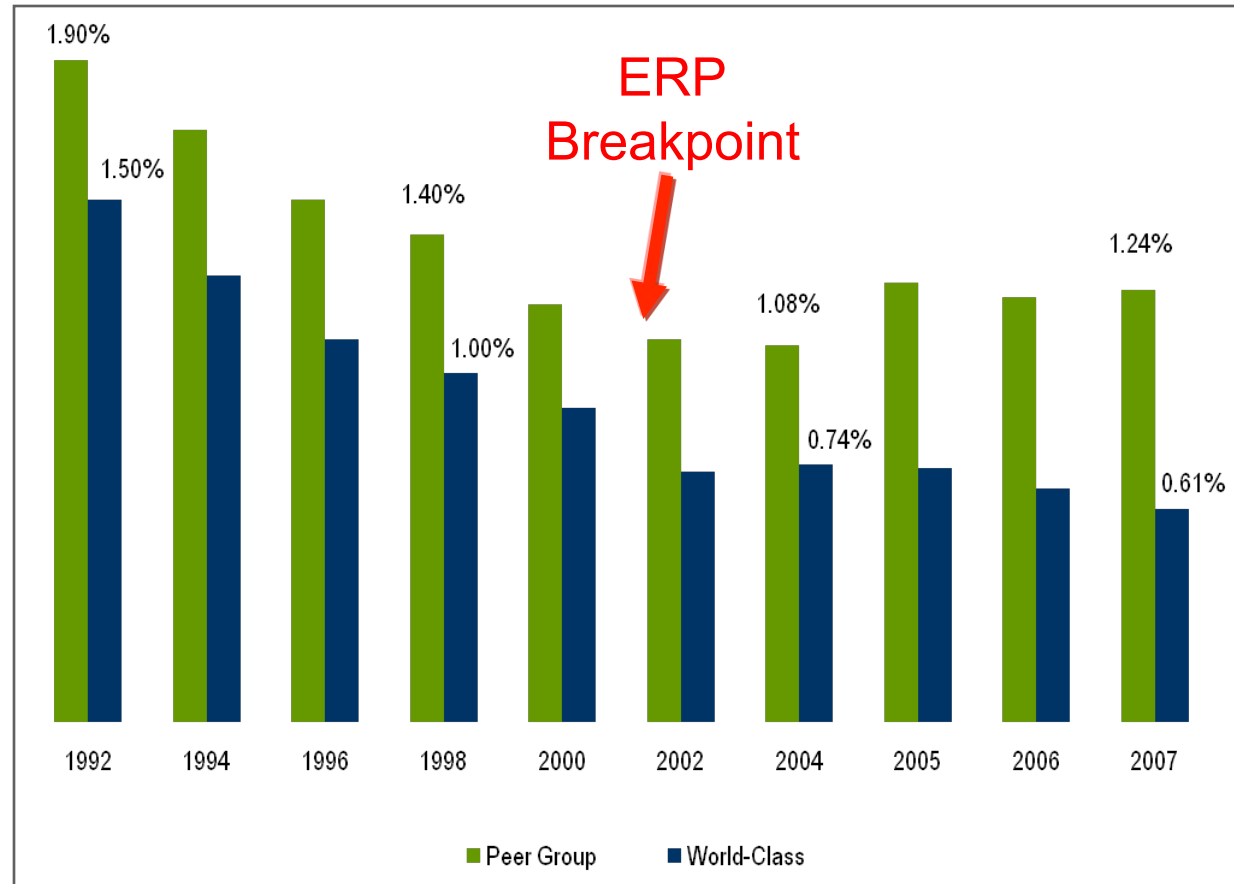
Management Excellence: The Next Competitive Edge



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World Class Finance Organizations Out Perform Peers in Both Effectiveness and Efficiency

- Finance cost is 50.8% lower than peer
- Require 54.2% fewer FTEs
- Spend 40.0% less time collecting and compiling versus analyzing data
- Have 65.7% fewer errors in customer invoices
- Have DSO that is 21.2 days shorter
- Operates with 44% fewer compliance staff and with 47% lower audit fees



Source: CFO Challenges and Opportunities in the Flat World, Hackett Group, November 2007

Today's Reality: Management Activities Are Fragmented



- Lack of business alignment
- Low predictability in performance
- Inconsistency in business decisions

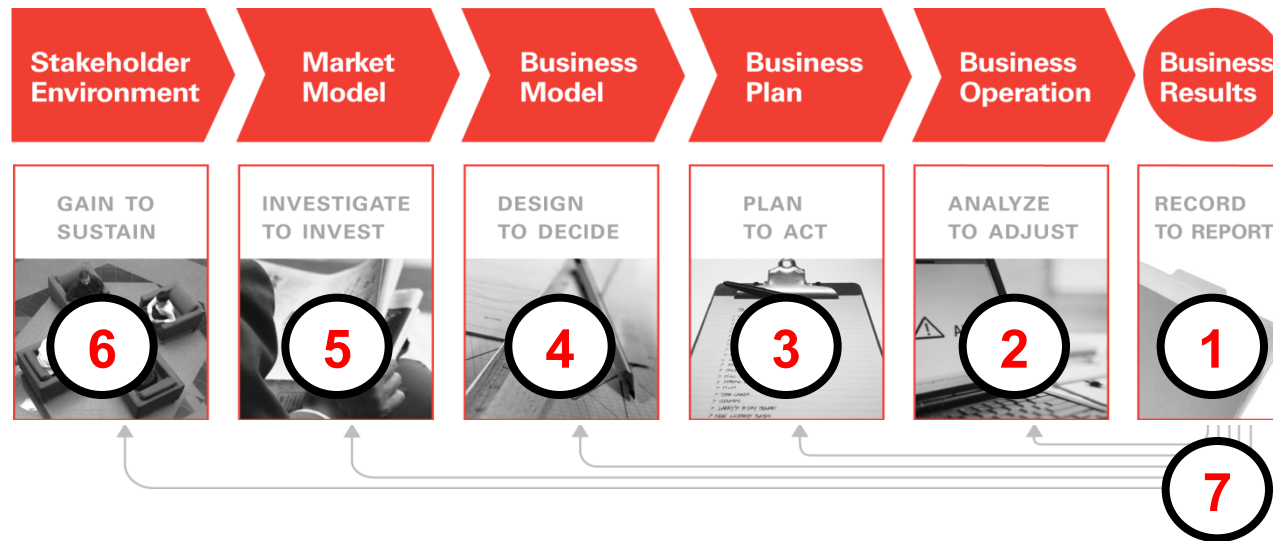


Is this the best way to work in difficult times?

Strategy to Success: Oracle's Framework for Achieving Management Excellence



The 7 Imperatives To Deal With The Crisis



1. Get insight... and share it
2. Monitor continuously
3. Plan flexibly
4. Rethink strategy
5. Invest and divest wisely
6. Build trust
7. ... and do all this in concert

Get insight... and share it

Imperative #1



Customer Successes



- World's leading aluminum producer
- Global consolidation across 58 LOB, 5 days
- Global forecasting, reporting for 1,000+ users
- World-class fast close



Record to Report is the management process for providing strategic, financial and operational feedback to all stakeholders inside and outside the organization, to understand how a business is performing.

Manages multiple acquisitions per year
Financial consolidations on top of SAP
Monthly close process down from 5
days to 2 or 3.



Monitor Continuously

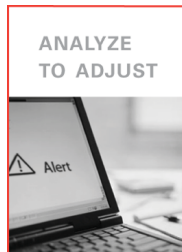
Imperative #2



Customer Successes

charles SCHWAB

- Sales Analytics to 1,700+ financial consultants
- 5-9% of analytic alerts result in new opportunities
- 2,400 hours/week time saved



Analyze to Adjust is the management process for analyzing trends and deviations -- and their root cause -- from an organization's goals in order to take corrective actions.

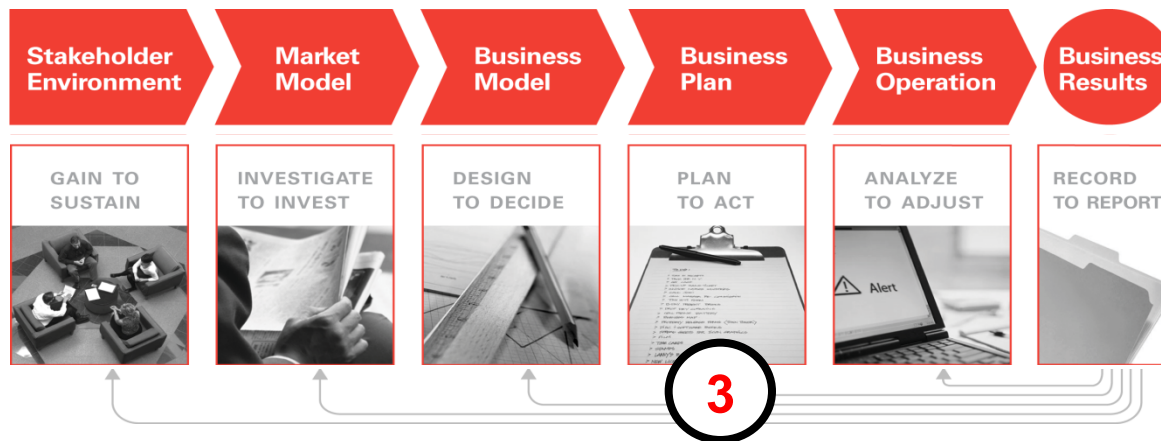
- Sales, Service, Marketing analytics to 1,250+ employees
- Enhanced sales productivity, increased customer responsiveness





Plan Flexibly

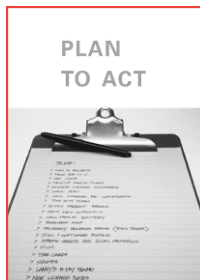
Imperative #3



Customer Successes



- Detailed competitive benchmark for 32 countries
- Sales analysis down not only by model but by sales channel, fuel type, chassis type, etc.

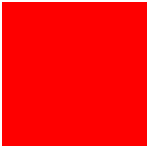


Plan to Act optimizes capital and resource allocations across the organization in order to effectively execute its strategy. This process involves budgeting, planning and forecasting.

- 6mo rolling forecast by retailer per item
- Match purchasing with forecast
- High ratings from retailers
- Close partnership with BestBuy

OLYMPUS

Your Vision, Our Future



Rethink Strategy

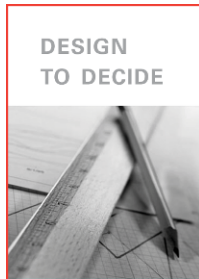
Imperative #4



Customer Successes



- Test permutations of enrollment strategy; out-of-state vs in-state, class number, retention data
- Overall view of balance sheet based on enrollment, research programs, inflators, cost of capital



Design to Decide is the strategy formulation management process for designing the business infrastructure and partner network to deliver value to customers in the most profitable way.

- Lost investment-grade credit rating, credit rating back to investment grade
- Simulate capital structure and cash flow
- 3% accuracy in net income projection





Invest and Divest Wisely

Imperative #5



Customer Successes



- Accelerate assessment and integration of acquisitions
- Test scenarios for their impact on performance
- Set earnings guidance for Wall Street

INVESTIGATE
TO INVEST



Investigate to Invest is the management process for identifying, evaluating and creating the most attractive market opportunities that generate the highest returns.

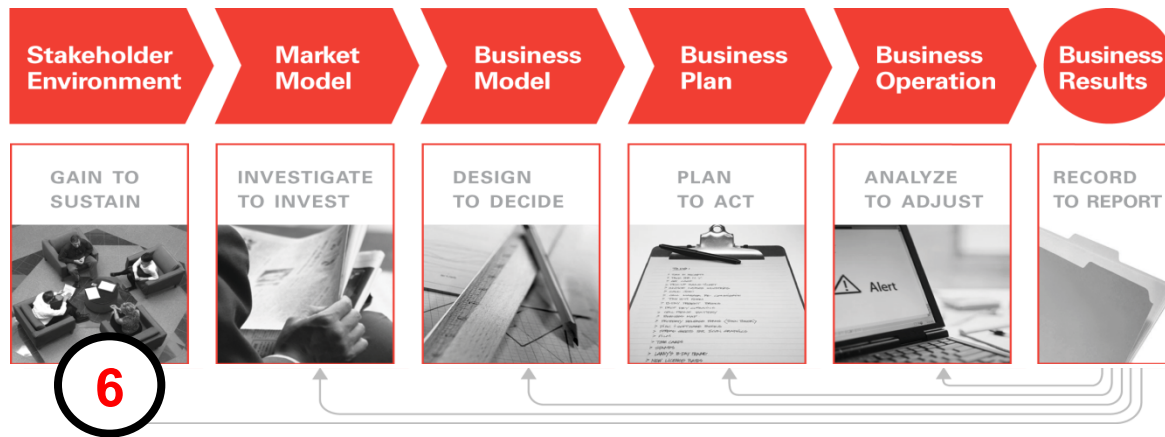
- 3-month strategic planning cycle
- 5-year plan for earnings and share price
- Simulations on store openings and closures





Build Trust

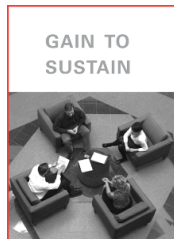
Imperative #6



Customer Successes



- All KPIs available on City's web site
- Alignment of KPIs across 40+ city services
- Based on continuous improvement



Gain to Sustain ensures that the business gains all the necessary contributions from its stakeholders to drive business performance, while meeting the required stakeholder expectations.

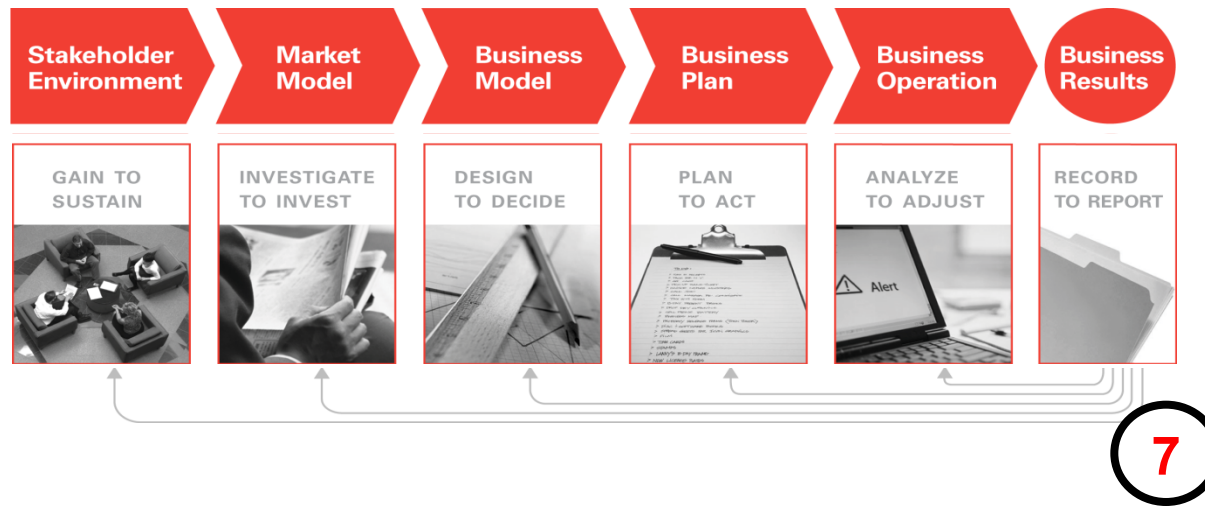
- Deliver BI to 1M merchants about marketing performance
- Ability to understand what ads are successful, and where to run them





... And Do All This In Concert

Imperative #7



Management Excellence Delivered

GAIN TO SUSTAIN



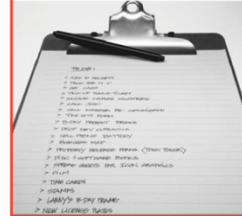
INVESTIGATE TO INVEST



DESIGN TO DECIDE



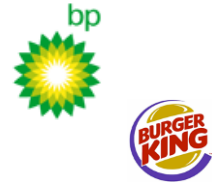
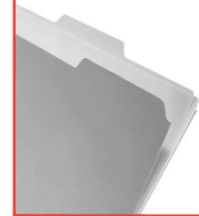
PLAN TO ACT



ANALYZE TO ADJUST



RECORD TO REPORT



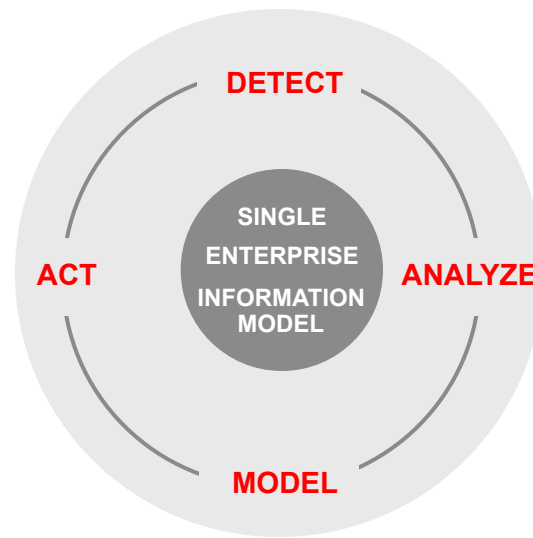


Oracle's Integrated Analytic Solution

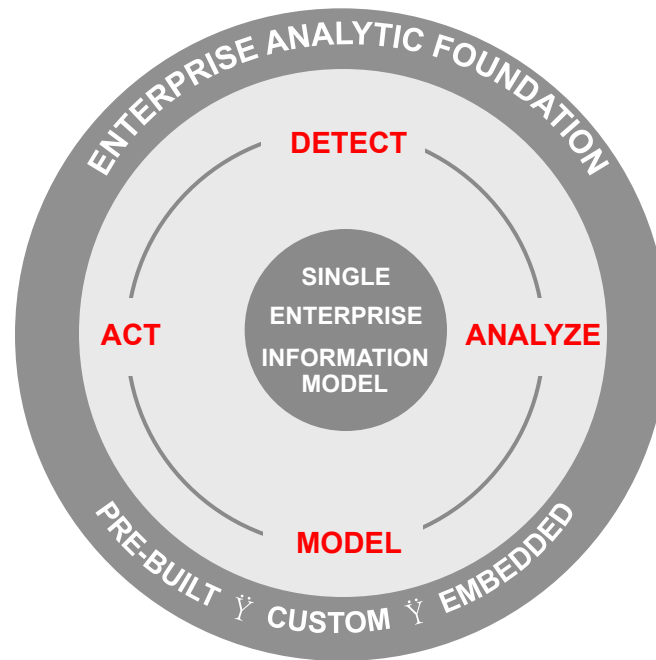


SINGLE
ENTERPRISE
INFORMATION
MODEL

Oracle's Integrated Analytic Solution



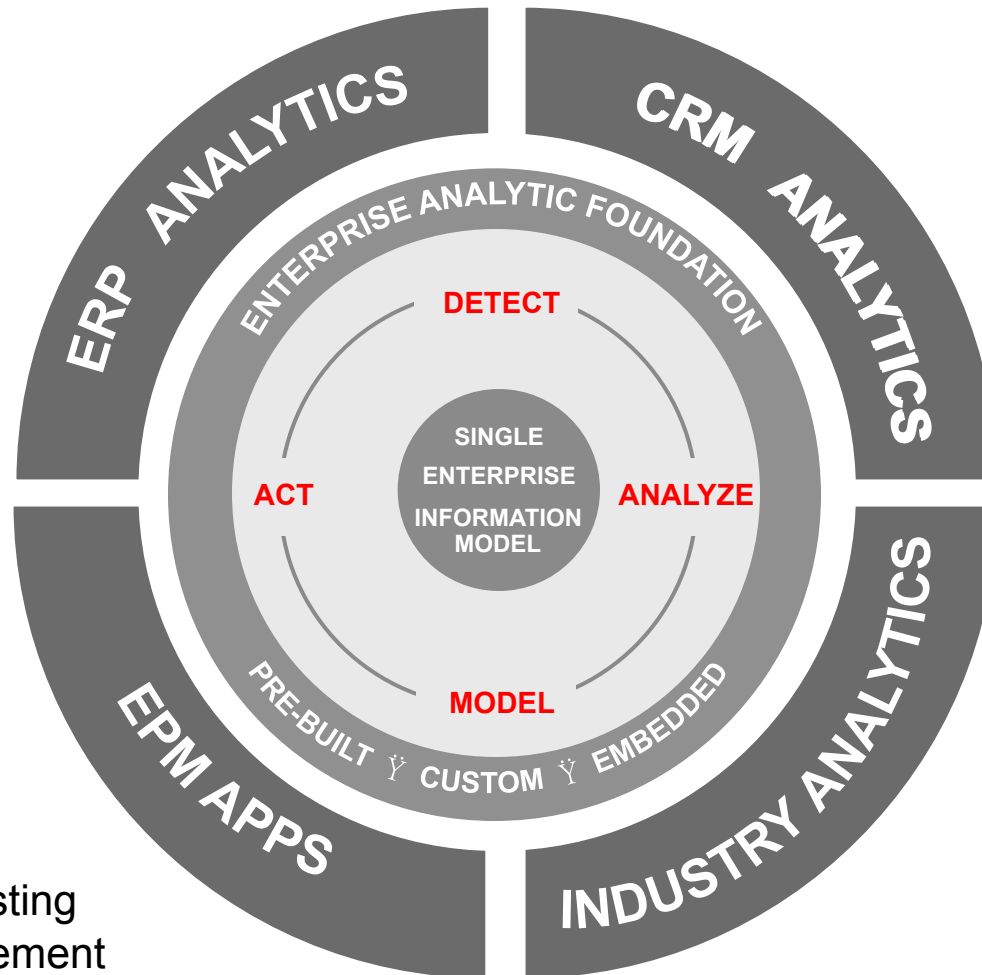
Oracle's Integrated Analytic Solution



Oracle's Integrated Analytic Solution

- Financials
- HR
- Procure & Spend
- Projects
- Supply Chain
- Order Mgt
- Logistics

- Scorecard
- Strategic Planning
- Financial Close
- Planning & Forecasting
- Profitability Management



- Sales
- Marketing
- Service
- Contact Center
- Price
- Loyalty

- Financial Services
- Communications
- Healthcare
- Retail

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Comprehensive BI Applications

Complete, Prebuilt, Best Practice BI Solutions



Sales	& Contact Center	Marketing	Order Management & Fulfillment	Supply Chain	Financials	Human Resources
Pipeline Analysis	Customer Propensity	Campaign Scorecard	Order Linearity	Supplier Performance	A/R & A/P Analysis	Employee Productivity
Triangulated Forecasting	Customer Satisfaction	Response Rates	Orders vs. Available Inventory	Spend Analysis	GL/Balance Sheet Analysis	Compensation Analysis
Sales Team Effectiveness	Resolution Rates	Product Propensity	Cycle Time Analysis	Procurement Cycle Times	Customer & Product Profitability	HR Compliance Reporting
Up-sell/ Cross-sell	Service Rep Effectiveness	Loyalty and Attrition	Backlog Analysis	Inventory Availability	P&L Analysis	Workforce Profile
Cycle Time Analysis	Service Cost Analysis	Market Basket Analysis	Fulfillment Status	Employee Expenses	Expense Management	Turnover Trends
Lead Conversion	Service Trends	Campaign ROI	Customer Receivables	BOM Analysis	Cash Flow Analysis	Return on Human Capital

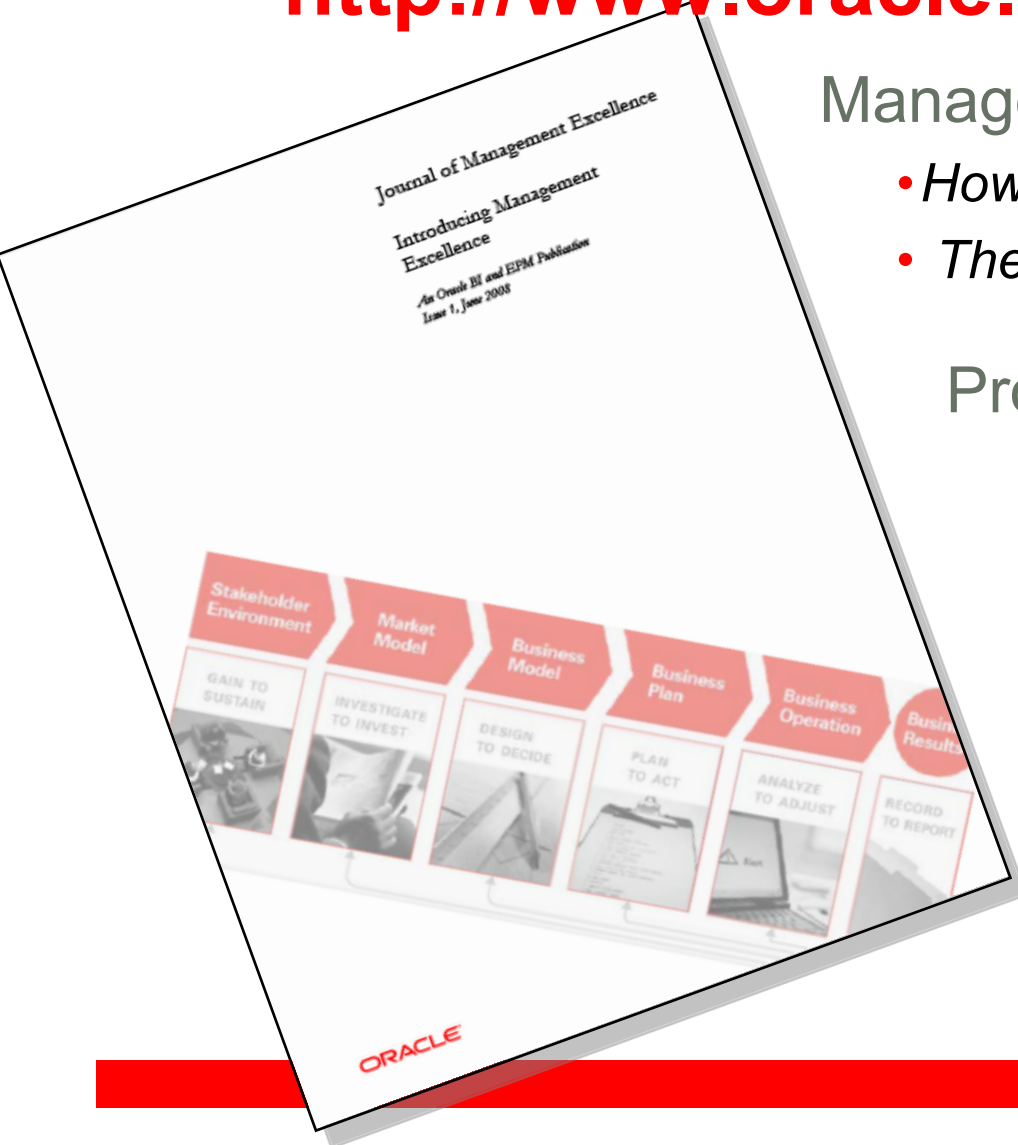
Prebuilt adapters. **ORACLE** PeopleSoft. **SIEBEL** **SAP** Other Operational & Analytic Sources

Oracle BI Suite Enterprise Edition Plus

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Further Reading

<http://www.oracle.com/epm>



Management Excellence White Papers:

- *How Tomorrow's Leaders Will Get Ahead*
- *The Metrics Reloaded*

Profit Online Podcast

- *Beyond Competitive Advantage: EPM and Management Excellence*

Publications

- *Journal of Management Excellence, Issue 1 - 4*

CPO Information

www.ChiefPerformanceOfficer.com
www.tonyfromjersey.com



Oracle Enterprise Performance Management
drives Management Excellence

making organizations

Smart

Agile

Aligned

ORACLE