INNOVATION

FSN

Innovation Showcase
2018

OneStream Software

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The Modern Finance Forum

ONESTREAM
GET BACK TO BUSINESS

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Dear Colleagues,

FSN's Innovation in the Finance Function Survey 2018 is one of the largest surveys of its kind covering responses from than1,000 senior finance professionals worldwide. It is the first time that there has been an in-depth study of attitudes to innovation in the finance function and it reveals startling insights about the appetite for finance innovation, including the impact of culture, attitudes to risk, organizational politics, style of project investment and levels of confidence in measuring return on investment. (You can download a free copy of the full report and analysis here).

The research shows unequivocally a strong link between innovation and performance. Those organizations that are early adopters of technology or invest in innovation in a balanced way across the enterprise outperform organizations that are diffident and risk averse. These leading finance functions close their books faster, produce more accurate financial forecasts and are less tied to legacy systems and traditional ways of working.

Regional differences, especially between economically advanced and developing nations colors attitudes to where investment is most needed in the finance function. Nevertheless, wherever finance professionals reside and no matter how sophisticated their investment plans, all agree that the number one priority for innovation is around the need for better business insight.

Yet earlier FSN research, (The Future of the Finance Function 2017) highlighted that only 6% of CFOs understand the technologies available to them. Only 37% know what solutions are available in the market and only 25% of CFOs have the time to investigate opportunities for technology innovation. Determining the innovations that will help companies achieve better business insights is the first step on their journey.

With this in mind, FSN has created the "Innovation Showcase", an opportunity to bring to the attention of hard-pressed finance professionals what we consider to be leading innovations in core finance processes that could materially improve the way you work both now and in the future. Our work this year covers ten leading vendors and in this document, we showcase the work of OneStream Software, a leading CPM (Corporate Performance Management) vendor.

We hope that you find the innovations set out in this document thought-provoking and interesting. But above all we hope that the contents will inspire you to explore innovation in your own organization and discuss with colleagues how you can leverage these developments to take your finance processes to the next level.

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INNOVATION SHOWCASE

THE ONESTREAM SOFTWARE INNOVATION SHOWCASE

Innovation has been at the core of OneStream's approach since the very beginning, driven by its founders who have a long history of financial software innovation. Before co-founding OneStream, Tom Shea, a veteran of the financial reporting software industry, founded UpStream which was acquired by Hyperion and became the Hyperion Financial Data Quality Management (FDQM) product. OneStream co-founder Bob Powers, invented, architected, implemented, and led the development organization for Hyperion Financial Management (HFM) in addition to leading development for all financial applications at Hyperion.

It is this deep background in financial system engineering combined with a chance to do it all over again that spurred the development of OneStream. Having learnt what worked and didn't quite work the first time around, the founders sought to overcome many of the commonplace barriers to smooth financial reporting and planning in sophisticated organizations by using their formidable domain knowledge to create a completely fresh approach.

In this showcase we highlight three major innovations, namely; Extensible Dimensionality®, the XF MarketPlace, and what OneStream calls "Smart CPM™" (corporate performance management).

Innovation 1: Extensible Dimensionality®

From the very start, OneStream's founders wanted to solve a widespread problem within the CPM market – the issue of the divergent requirements for business units and the corporate center. In earlier generations of CPM software, disparate business units that needed to budget or plan at their unique and relevant levels of detail would often be forced to manage this in separate products and applications in order to preserve local reporting requirements without jeopardizing the overall budgeting or consolidation requirements at the center. Inevitably, compromises meant that local reporting entities often lost out to the more pressing needs of the corporate center.

OneStream has eliminated the historic tension between the corporate center and reporting units by removing the need to build and maintain separate applications to accommodate specific business unit reporting requirements. Its Extensible Dimensionality® allows business units to develop their own budgets and financial reporting to suit the level of granularity they need, within a single instance of the OneStream environment, while also rolling this data up into the standard central information required at the center.

The premise of Extensible Dimensionality is flexibility. Complex organizations are in a constant state of flux and their CPM system must be able to change as the company changes, for example, adding new accounts, cost centers or products as the need arises. OneStream currently has a market-leading 18 dimensions, 10 of which are predefined and 8 of which are custom dimensions. Integrated financial data quality management tools enable direct integration with any open ERP/GL system or any other internal or external source, and specialized migration tools allow meta data to be drawn in quickly from older generations of CPM solutions.

Extensible Dimensionality is innovative because it allows organizations with complex structures to satisfy local and central information requirements without compromise and to change sympathetically with the business as the organization changes shape or grows. It also provides corporate Finance and other executives complete visibility into business unit detail as they analyze summarized financial results- with drill down capabilities into the operational details, and through to transactional systems.

Innovation 2: The XF MarketPlace

All businesses are inherently different which is why a single piece of software can never be all things to all people. Progressive vendors know they must continually update and improve their service to meet the diverse needs of their customers. Sometimes though, universal upgrades aren't enough and specialized solutions are required for specific situations. Recognizing that these specialized solutions may benefit a number of customer organizations OneStream has opened up the availability of these unique solutions and made them available for download by customers and partners via their innovative XF MarketPlace.

Modeled on an app-store, customers can select the solutions they need, quickly download them onto their existing OneStream CPM system, configure and deploy them to address new requirements, without having to resort to in-house development, spreadsheet workarounds or integrating third-party software.

Solutions already exist in the XF MarketPlace for 'Account Reconciliations', 'Close Management', 'Reporting Compliance' (IFRS 16/ASC 842), 'People Planning', 'Capex Planning', 'Cash Planning' and 'Thing Planning', the latter being a pre-built component for detailed driver-based planning on anything, like project planning or SKU level planning. Users of the MarketPlace simply choose the most relevant applications to add to their OneStream platform. And because these solutions are written to the same design and development standards as the core CPM platform, the approach greatly reduces the risks and timescales associated with adding specialized functionality.

Currently all the solutions in the XF MarketPlace have been built by OneStream, but partners are also now adding to the collection of solutions. These partner developed solutions must conform to development guidelines and a certification program. This promises to bring even more choice for customers in the future.

The XF MarketPlace solutions already available include a combination of productivity tools, specialty planning tools, financial close tools and compliance solutions. Often, they draw on datasets outside of the core CPM remit, and this could provide a helpful boost to the availability and advantages of non-financial data within CPM processes.

FSN's surveys on the future of the finance function and on planning, budgeting and forecasting have all highlighted the substantial advantages of including a wide range of non-financial data to improve insight when generating forecasts, plans and budgets. But the obstacle has often been the integrity of data derived outside of the strict finance processes, as well as its traceability.

The range of financial and non-financial data being delivered into the system is growing as the number of solutions grow. For example, information about lease contracts and people management can now be drawn into planning models and reporting scenarios and used to uncover more accurate insight across the business.

Innovation 3: SmartCPM™

Central to the concept of SmartCPM is the ability to handle multiple requirements in a single application, extend and grow as companies add business units and new data dimensions, and draw on and analyze multiple dimensions without constraint. Deployable on-premise or in the cloud with full interoperability, OneStream's unified environment provides the platform for these capabilities through data blending, scalability, interchangeability and machine learning.

Relational Data Blending:

The flexibility of the unified environment extends to its core analytical processes, which can seamlessly blend data at varying levels of granularity, without overloading the analytical engine (the 'cube') with detail.

It allows companies to bring very detailed transactional data (frequently held in a relational database environment) into this analytical 'cube', offering up granular insights that are frequently lost when CPM systems only focus on the central corporate financial requirements. But crucially, the relationship between granularity and overview is bi-directional so that finance professionals can drill back to relational source data within OneStream, then back to source systems or forwards to consolidated numbers as needed. This relational data blending capability is leveraged in some of OneStream's XF MarketPlace solutions such as People Planning and Lease Accounting.

Smart Scalability:

When an organization scales up, extra business units or operational dimensions can be easily added into the unified environment. For organizations that deploy via the cloud, OneStream XF Cloud leverages the Smart Cloud platform of Microsoft Azure, enabling user organizations the flexibility to 'scale with the burst', or draw more capacity during times of greater demand.

This is especially important because financial consolidation, budgeting and forecasting are particularly prone to peaks and troughs of demand at month-end, quarter-ends and year-ends. Now, these demand changes are managed as they occur, but machine learning techniques are being introduced by OneStream which, based on usage data, will anticipate these peaks and troughs, and automatically adjust processing capacity to suit each organization's needs for truly autonomous CPM scalability.

Interchangeability:

The cloud may appear to already be ubiquitous for all software applications, but many companies still want the option of an on-premise solution. OneStream's vision of a SmartCPM platform enables their customers the choice of either, by offering full interoperability of on-premise and cloud deployment. Its customers can choose to switch from one to the other, in most cases in just a matter of hours.

Experimenting with Machine Learning:

Machine learning is on everybody's lips but many instances and examples in the finance function are experimental. Vendors will play a leading role in developing the full potential of machine learning and OneStream is at the forefront of Machine Learning innovation. Presently, it is capitalizing on its stage engine data integration capabilities by pulling in new data sources at low levels of granularity, integrating it with a machine learning engine and then bringing it back into the CPM environment to leverage its analytic capabilities to inform predictive models and forecasts and compare them to actuals and traditional forecasts.

About OneStream Software

OneStream Software provides a revolutionary corporate performance management (CPM) solution that unifies and simplifies financial consolidation, planning, reporting, analytics, and financial data quality for sophisticated organizations. Deployed in the cloud or on-premise, OneStream XF 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.

The OneStream XF MarketPlace features downloadable solutions that allow customers to easily extend the value of their CPM platform to quickly meet the changing needs of finance and operations. We are driven by our mission statement that every customer must be a reference and success.

For more information, visit: OneStream Software

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Methodology

All of the products which have been showcased by FSN are extremely complex and sophisticated and in all cases have taken many man years of development effort. FSN has independently desk reviewed publicly available information (for example, websites, customer testimonials, videos, demonstrations, technical details and white papers) about the organization and its products. We have then identified independently three areas that we consider to be differentiating and interesting innovations to bring to the attention of the FSN Modern Finance Forum on LinkedIn and discussed their development history, the ideas behind their creation and their direction with senior members of the management team. As such, this document is not a product review, and neither is it an exhaustive list of all the innovative ideas in the product. It simply represents what we consider, in our experience of the market, to be great examples of innovation in finance processes.

About FSN

FSN is a global publisher of thought leadership, research and "must-have" content for CFOs and senior finance professionals around the world. FSN's highly popular and active Modern Finance Forum on LinkedIn has a membership of more than 51,000 readers in more than 23 countries and across every major industry segment. It is also the publisher of the popular www.fsn.co.uk website and regularly holds networking dinners and events for its members.

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