SERVICE

Strategy
Infrastructure
Implementation
Upgrade & Migration
Managed Services
Training

SOLUTION

Planning & Forecasting
Financial Close & Consolidation
Master Data Management
Business Intelligence
Big Data

INDUSTRY

Consumer Products
Energy & Utilities
Financials
Healthcare
Industrials
Information Technology
Materials

Business Challenge

Headquartered in Tulsa, Oklahoma, SemGroup is a transporter of oil and natural gas through pipelines from refineries to end users, as well as a manufacturer and seller of asphalt. After emerging from bankruptcy, SemGroup implemented Oracle Hyperion Financial Management (HFM) and Hyperion Strategic Finance (HSF) to support financial close and consolidations as well as strategic long-range modeling.

Once HFM and HSF were successfully implemented and in use, it shone a light on the shortcomings of several key management activities for SemGroup's FP&A and accounting teams. Key challenges they were facing included:

- **Internal financial management reporting for actuals was extremely time consuming and manual.** Requests for different views of the data required extensive effort to pull the data, format, and send the reported results to senior leadership. New requests required a long delay to meet. The HSF and HFM applications were structured differently, so combining data for reporting and analysis took additional time.

- **Forecasting and budgeting for SemGroup and business units was Excel-focused and manually intensive.** The business unit (Rose Rock) spent over 80 percent of their time managing dozens of spreadsheets. In addition, spreadsheets from operational, corporate, treasury, and finance departments were needed to create each forecast and plan.

The spreadsheet-based planning process came with several challenges:

- Timeliness of the plan was difficult because the underlying drivers to support the plan process were not clear.
- Accuracy was hard to achieve because so many spreadsheets from corporate, treasury, and Rose Rock made it impossible to integrate the models.
- Data feeds were manual for all sources, requiring an extensive amount of time to pull and validate data.
- Sensitivity modeling was not possible with the vast number of spreadsheets.
- From a corporate perspective, the plan and forecast were never completely assembled centrally to be viewed by all. Feedback on the plan was email- and Excel-intensive and slow, making only a small number of iterations possible.

Solution

In response to these critical needs, SemGroup first engaged US-Analytics to implement a centralized Essbase application to support corporate financial management reporting and analysis needs from both the financial planning and treasury departments. The application and reports were implemented in 8 short weeks to provide immediate benefit to SemGroup leadership.

SemGroup then engaged US-Analytics to complete a roadmap for financial planning and a tool comparison, ultimately deciding to implement an Oracle Planning application to support its largest and most complex business unit (Rose Rock).

Key functionality of the Planning application included:

- **Automated data feeds** from operational, financial, and capital systems
- **Detailed drivers from all contributors of the plan** (corporate, treasury, insurance, finance, and Rose Rock) to support centralized visibility into the driver assumptions
- **Different scenarios** to provide versions of the plan for various users before they select a final plan
- **Detailed modeling for volume, rate, and revenue** for the different pipelines at SemGroup for this BU
- **Sensitivity modeling** using the centralized drivers and versions
- **Seeding and allocation capabilities** to minimize time required to calculate and spread baseline scenarios
- **One centralized repository for all planning and actuals history** in the format needed by operations and corporate planners
- **Ad-hoc analysis capabilities** with the planning and forecasting data

Results

The time needed to pull monthly management reports has been reduced from days to hours, now that the majority of activities have been automated. In addition, ad-hoc analysis has improved both in speed and data "dimensionality."

With the Planning application, users will now spend 20 percent instead of 80 percent of their time managing and creating the plan. Automated data feeds will provide immediate and reliable access to actuals as soon as they are available in a centralized repository. The standardization of the process, drivers, and allocations will provide greater insight for all users into the plan and forecasts and their assumptions. Lastly, modeling for different potential outcomes will be dramatically faster.

Now the SemGroup leadership will have time to evaluate the options and plans instead of running toward the finish line to manually create and maintain the plan in a disparate platform.

US-Analytics is a full-service Oracle Hyperion consulting firm helping the nation's largest and brightest companies bridge the gap between business goals and IT deliverables.

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US-Analytics

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