Chapter 2 – Dimensions

1. Introduction

Now we can see the structure of dimensions of Oracle Hyperion Financial Management System.

There are 12 dimensions in HFM: each data must be loaded and analyzed by their combination.
Examples of dimensions are Entity, Account, Year, Period.

Each dimension consists of elements organized by hierarchical levels. The data entry can be made only on the “leaf elements” of each dimension, the so called “Base members” of the system. The upper level members, which have some children, are called "Parent"; on the contrary the “Descendants” are the elements of all hierarchical levels lower than a Parent. At the end “Children” elements are the first hierarchical level below the Parent.
An important concept of HFM is the “Point of View” (called “POV”): it defines the intersection of the 12 dimensions that we are using while analyzing a given data. It is mandatory to select the desired item for the navigable dimensions in all data forms or Management Reports; the other dimensions will have fixed elements already defined (in rows / columns or set in the “POV”).

Now we can look at the individual dimensions, starting from Scenario, Year, Period and View.

2. Scenario, Year, Period, View

The “Scenario” dimension is a uniform data container that defines the data type, such as final Actual or Budget. The Reporting application contains some main Scenarios on which final data are loaded:

- “ACT” (Actual) for Actual data;
- “BDG” for data relating to Budget;
- “FORE” for data relating to Forecast;
- “PLAN” for data relating to Plan of Medium-Long Term.

There are some Scenarios (“BDG_1”, “FORE_1” and “PLAN_1”) which contain pre-release versions of data uploaded by the Companies.

At the end there are technical support Scenarios used in operations, calculations or simulations like “ACT_CONT” – “Accounting Actual”, “BDG_CONT” – “Accounting Budget”, “ACT_STAT” – “Actual from Statutory” and “ACT_ALIAS” – “Actual with Alias”.

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**The “Year” dimension** contains the fiscal years. This dimension contains also foreseen and past years (historical data). In the running Reporting application and for the Actual Scenario data has been filled since the 2008 exercise. On the contrary for other Scenarios there has been data only starting from 2009.

**The “Period” dimension** represents a part of the “Year” dimension, as it allows to detail the reference period / month. Months are grouped by hierarchical levels organized by four quarters, two half year and full year.
The “View” dimension allows to display the data and to be in charge with its different frequencies. The most used values are “YTD” (“Year to Date”), that displays progressive / cumulated data starting from the beginning of the year; then there is the “Periodic” View, that shows a data related to a single period (month) in which it was loaded. There are also “quarterly view” (“QTD - Quarter to date”) and “half year view” (“HYTD - Half year to date”).

In the running Reporting application you must load P&L data (and its related “Other Information”) in Monthly / Periodic “View” only for Budget Scenario. Other kind of data must be loaded in YTD “View”.

Each Scenario is also associated with a “Default View”, the so called “<Scenario View>”. For all Scenarios the Default View is YTD.

When accessing your data through the “Management Reports” (as described in Chapter 7) you can select the combination of “Period” / month and “View” dimensions, in order to extract data for a specified period with the desired frequency (for example the progressive / cumulative data of Net Revenues - Sales of March is displayed by “March” month as “Period” dimension combedinated with “YTD” as “View” dimension, while the monthly data is viewed by the combination of “March” month as “Period” dimension with the “Periodic” as “View” dimension).
The “Entity” dimension represents Poltrona Frau Group’s organizational structure.

The “Base members” of this dimension are the individual “Legal Entity” / “Company” or "Organizational Units" (for example, a DOS / Store).

These elements are then aggregated to determine the consolidated data of the Group or of a sub-Consolidated or Segment, of Brand or Geographical Area.

In the running Reporting application there are the following “Parent members” / consolidated:

- GROUP – Poltrona Frau Group’s Consolidated;
- CASSINA – Perimeter Cassina Consolidated which includes Brand Cassina Companies and Cassina Divisione Luci Companies;
- SGM_BRD – Brand sub-Consolidated / Segments (FRAU, CASS, CAPP, ALIAS, OTHER);
- SGM_GEO – Geographical Area sub-Consolidated / Segments (Italy, EMEA, Asia & Oceania, Americas);
- Main Legal Entities – sub-Consolidated of the main italian Legal Entities of the Group (Poltrona Frau Spa, Cassina Spa and Cap Design Spa);
- Poltrona Frau Group (PFG) North America which includes two Entities / Companies - Cassina USA and CAP USA;
- DOS – DOS (Stores) sub-Consolidated;
- DOS_BRD – Brand DOS (Stores) sub-Consolidated;
- DOS_GEO – Geographical Area DOS (Stores) sub-Consolidated.
The “ICP” dimension includes all Entities / Companies defined “Intercompany (Partner)” by the System Administrator.

The “Base members” of this dimension have the same encoding and description of “Entity” dimension. For “Third Parties” transactions you have to use the Intercompany element “[ICP None]”.

This dimension has two “Parent members”:

- “[ICP Entities]” that includes all Intercompany transactions;
- “[ICP Top]” that includes both “Third Parties” transaction and “Intercompany (Partner)” ones.

The “ICP” dimension identifies “Intercompany Partner” detail for the accounts that can foresee transactions involving both Third Parties and Group Companies.

The “Base members” of this dimension have the same encoding and description of “Entity” dimension.

You should use the “[ICP None]” Intercompany element to indicate “Third Parties” transactions. This dimension has two “Parent members”:

- “[ICP Entities]” that includes all Intercompany transactions;
- “[ICP Top]” that includes both “Third Parties” transaction and “Intercompany (Partner)” ones.
4. **Account**

The “Account” dimension defines the chart of accounts for the application.

This dimension is organized in a hierarchy that allows to obtain calculated accounts, subtotals or margins until the final results (at the level of the P&L data).

For financial accounts (in currency), you must make the data entry in thousands of the local currency of your Company (the so called “<Entity Currency>”).

The Costs must be booked in absolute value (without “-”).

Custom dimensions provide additional detail for accounts.

The **“Account” dimension** defines the “Charts of Accounts” for the application used by the Group Management Control. The accounts are divided into different sections (such as Profit and Loss) and they are organized in hierarchical levels. The data entry can be made only on the “Base members” of the accounts which are then aggregated to determine calculated accounts, subtotals or margins until the final result (at the level of the P&L data).

The main indicators collected in the running Reporting application are related to:

- Net Revenues (Sales);
- Profit & Loss (P&L);
- Balance Sheet;
- Warehouse Detail;
- Capex Details;
- Other Details (such as Direct Labour);
- Technical accounts (such as Exchange Rates).

The amounts of all Financials accounts (in currency) must be entered in thousands of the local currency of your Company (the so called “<Entity Currency>”).

The P&L Cost’s accounts are currently charged with a positive sign.

For each account can be required some dimensional details (such as the Custom2 / Business) that are defined in custom dimensions, in addition to the Intercompany detail if expected by the account type.
5. Custom Dimensions: Brand, Business and Geographical Area

There are 4 **“Custom dimensions”** that are closely related to the “Account” dimension. These ones define dimensional details for each account section. This implies that, where applicable, the accounts must be loaded with their required detail [for example “Custom 2 / Business - Strategic Business Unit (SBU)” has to be chosen for all accounts].

Now we can see how the first three Customs are defined in the running Reporting application:

**The current “Custom1” dimension** contains “Brand” detail:

- The “Base members” of this dimension include main Group Brands (such as FRAU Brand, CASSINA Brand, CAPPELLINI Brand, etc). There is also a generic or neutral Brand element (“[None]” code) that is used when Brand detail is not expected or not available;
- All these Brands are scored in the “BRANDTOT” code that defines the Total Brands amount (including the generic or neutral “[None]” element);
- Brand detail has always been required for “Net Revenues – Sales” data. Soon it will be required also for “Profit and Loss” data.
The current “Custom2” dimension contains “Business / Strategic Business Unit (SBU)” detail:

- The “Base members” of this dimension include some characteristic Group Strategic Business Units like “RETAIL” (Residential), “CONTR” (Contract), “CAR” and some indivisible Business areas such as “OH” (“Overheads”) and “GROUP”;
- All these Business areas are scored in the “SBUTOT” code that defines the Total Business Areas amount.

The Business detail is required for all types of financial accounts (in currency).
The current “Custom3” dimension is used to provide details concerning the Geographical Area.

In the current Reporting application, this detail is required only for “Net Revenues – Sales” accounts. For all other accounts (such as for P&L data) the Geographical Area is not required so you can use the generic or neutral “[None]” element.

Geographical Area dimension’s elements include main Countries (for example Italy, Germany, etc.) grouped into some major macro areas that are Italy, EMEA, Asia & Oceania (Total Far East) and Americas.

All these Geographical Areas are scored in the “WORLD” code that defines the Total Geographical Areas amount.
6. Custom 4 / Nature and Value

The current “Custom4 / Nature” dimension defines the detail of records nature. This dimension has been applied to all accounts in the “Charts of Accounts” for the application.

The main elements of the “Custom4 / Nature” dimension are:

- “[None] - Input”: it is the generic or neutral element that exactly coincides with the data entered by each Company;
- “CA001 …CAXXX”: these elements - contained in the “Company Adjustments” (“CompAdjs”) hierarchy - are the dimension codes that must be used during the writing and booking of a “Journal” (“Entity / Company adjustment”). Each code corresponds to a type of writing (for example “CA002” indicates an adjustment due to the “Financial Leasing - IFRS reclassification”, etc.);
- “T_ADJ - Aggregate”: it is the total sum of entered data and any Journals (Adjustments);
- “TOTC4 - Consolidate”: this element is the sum total of all the previous Natures including those technical ones relating to manual consolidation writings and automatic eliminations.
The “Value” dimension is closely related to “Entity” dimension. It is a system dimension used to save data in different stores based on the Entity / Company currency and on the phase of the consolidation process that is being analyzed. Each Company has to load its amounts in thousands in its own local currency.

- The amounts entered by the Web Data Entry Forms (the so called “WDEF”) have to be loaded in the “<Entity Currency>” element. The Value “Entity Currency Adjustment” (“<Entity Curr Adjs>”) element has to be used if adjustments are booked and posted through writings / Journals (“Entity / Company Adjustment”) in local / Entity currency. The “Entity Currency Total” (“<Entity Curr Total>”) element gives the sum of “<Entity Currency>” and “<Entity Curr Adjs>” elements.
- Other Value dimension elements are populated by the system in the execution of the consolidation process, including the currency conversion (“<Parent Currency>” or “EUR”) to convert all the amounts of foreign Companies in EURO and the Contribution calculation of each Entity / Company to the Group consolidated or to an individual sub-Consolidated;
- When accessing your data thought the Management Reports (as described in Chapter 7), you can view your Entity / Company details both in the local currency (“<Entity Currency>”) and in the consolidation currency (“EUR”).
### Custom 4 and Value

<table>
<thead>
<tr>
<th>Custom4</th>
<th>Entity Currency</th>
<th>Entity Currency Adjustment</th>
<th>Entity Currency Total</th>
<th>Parent Currency or EUR (only for foreign Entities / Companies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>None - Input</td>
<td>Given input in local currency</td>
<td></td>
<td></td>
<td>Given input translated to Euro</td>
</tr>
<tr>
<td>Company-Adj</td>
<td>Journal adjustment in local currency</td>
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<td></td>
<td>Adjustment amount translated to Euro</td>
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<tr>
<td>T-Adj – Aggregate</td>
<td>Input +/- Adjustment in local currency</td>
<td>Input +/- Adjustment in local currency</td>
<td></td>
<td>Input +/- Adjustment translated to Euro</td>
</tr>
<tr>
<td>TotC4 - Consolidate</td>
<td>Input +/- Adjustment in local currency</td>
<td></td>
<td></td>
<td>Input +/- Adjustment translated to Euro</td>
</tr>
</tbody>
</table>

The combination of the two dimensions described above, “Value” and “Custom4 / Nature”, allows different types of data displaying. We offer a summary of the most frequent case studies that can be helpful in your data accessing, especially in the use of the Management Reports:

- The “<Entity Currency>” element of Value dimension refers to local currency data of the Entity / Company. In particular, this Value is used to make or test the data entry on the specific Custom4 / Nature for the input (the generic or neutral “[None]” code). The “T_ADJ / Aggregate” and “TOTC4 / Consolidate” elements of the Custom4 / Natures crossed with the same Value will display the same amount;

- The “<Entity Curr Adj>” element refers to local currency data of the Company, but relating to Entity adjustment records booked through writings / Journals (“Entity / Company adjustments”). In this case you have to select an element of Custom4 / Nature that includes the code of the “CA” (“CompAdj’s”) hierarchy (for example “T_ADJ / Aggregate” or “TOTC4 / Consolidate”);

- In the “<Entity Curr Total>” Value you can view local currency data of the Company, inclusive of both the data entry and possible writings / Journals (Company adjustments) made. For the correct data displaying, you should select the “T_ADJ / Aggregate” or “TOTC4 / Consolidate” as elements of the Custom4 / Nature;

- For foreign Companies, you can display the conversion of their data in EURO, by selecting “<Parent Currency>” (or “EUR”) Value or “<Parent Curr Total>” (or “EUR Total”) Value crossed with different Custom4 / Natures. For example, “<Parent Currency>” Value crossed with the specific Custom4 / Nature for the input (“[None]” code) displays the data entry in EURO. Likewise, changing the intersection with the other elements of Custom4 / Natures, you can still see the effect of writings / Journals in EURO by selecting specific Custom4 / Nature for Company adjustments (with “CA” code contained in the “CompAdj’s” hierarchy), or the total amount (data entry +/- Company adjustments) by selecting the “T_ADJ / Aggregate” or “TOTC4 / Consolidate” elements of Custom 4 / Nature.

We can see a numeric example: the Entity U.S. “018 - CAPP - CAPP USA” enters on system 217.40 KUSD of Rents. Then it writes a Journal (Company adjustment) to increase this cost for 7.478 KUSD.
The rate used to convert from USD to Euro is 1.37.

Correctly merging Values and Custom4 members, the Company will be able to find the following results:

- 217,4 kusd in “<Entity Currency>” Value and “[None] - Input” as Custom4 / Nature;
- 7,48 kusd in “<Entity Curr Adjs>” Value and “Company Adjs” as Custom4 / Nature (it is contained in “T-ADJ / Aggregate”);
- 224,88 kusd in “<Entity Currency Total>” Value and “T-ADJ - Aggregate” or “TOTC4 - Consolidate” as Custom4 / Nature;

in “<Parent Currency>” or “EUR” Value, choosing the different Custom4 - Natures, the Company will be able to find:

- 158,82 keuro by selecting “[None] - Input” as Custom4 / Nature;
- 5,47 keuro by selecting “Company Adjs” as Custom4 / Nature (contained in “T-ADJ - Aggregate”);
- 164,38 keuro by selecting “T-ADJ - Aggregate” or “TOTC4 - Consolidate” as Custom4 / Nature.

<table>
<thead>
<tr>
<th>&lt;Entity Currency&gt;</th>
<th>&lt;Entity Curr Adjs&gt;</th>
<th>&lt;Entity Curr Total&gt;</th>
<th>&lt;Parent Currency&gt; or EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>[None] - Input</td>
<td>217,40</td>
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<td>158,92</td>
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<tr>
<td>“Company adjs”</td>
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<td>7,48</td>
<td>5,47</td>
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<tr>
<td>(contained in “T-ADJ - Aggregate”)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>“T-ADJ - Aggregate”</td>
<td>224,88</td>
<td></td>
<td>164,38</td>
</tr>
<tr>
<td>“TOTC4 - Consolidate”</td>
<td>224,88</td>
<td></td>
<td>164,38</td>
</tr>
</tbody>
</table>