About Agilysys Corporation

Agilysys is a leading technology reseller with annual revenues of over $640 million. Agilysys provides innovative IT solutions to corporate and public-sector customers, with special expertise in select markets, including retail and hospitality. The Company uses technology – including hardware, software and services – to help customers resolve their most complicated point-of-sale and IT data center needs.

The business is a high volume, low margin business that resells hardware, software and services. Key components of their product mix include Sun, Oracle and other industry leaders. Senior management, in a critical need to improve margins, reduce costs and improve profitability, needed the ability to easily view and analyze margin and profitability by product, by supplier and by customer.

Agilysys' Business Challenge

Throughout the course of business and Agilysys decision processes, financial metrics at a summary and detailed level were not readily available for management review due to the heavy manual effort necessary to produce reporting. Agilysys faced a significant knowledge challenge in that invoice detail, gross revenue, product cost information and customer information each resided in different data sources. In order to provide management with reports, users needed to manually consolidate data from different areas, which was time consuming and inaccurate.

Agilysys' Return on Investment from Oracle BI Application

Agilysys is able to change the way its business segments are run. Agilysys' Oracle BI dashboards deliver pertinent knowledge directly to key decision makers on a daily basis thus allowing a focus shift *to managing the present and future rather than simply viewing the past.*

Dynamic drilldowns give flexibility and deeper detail to executives when needed, while the dashboards provide the critical "at a glance" information they need on a minute to minute basis. For the super user experience, Oracle Answers serves as a robust and intuitive tool for translating system data into the business information demanded by upper level management.
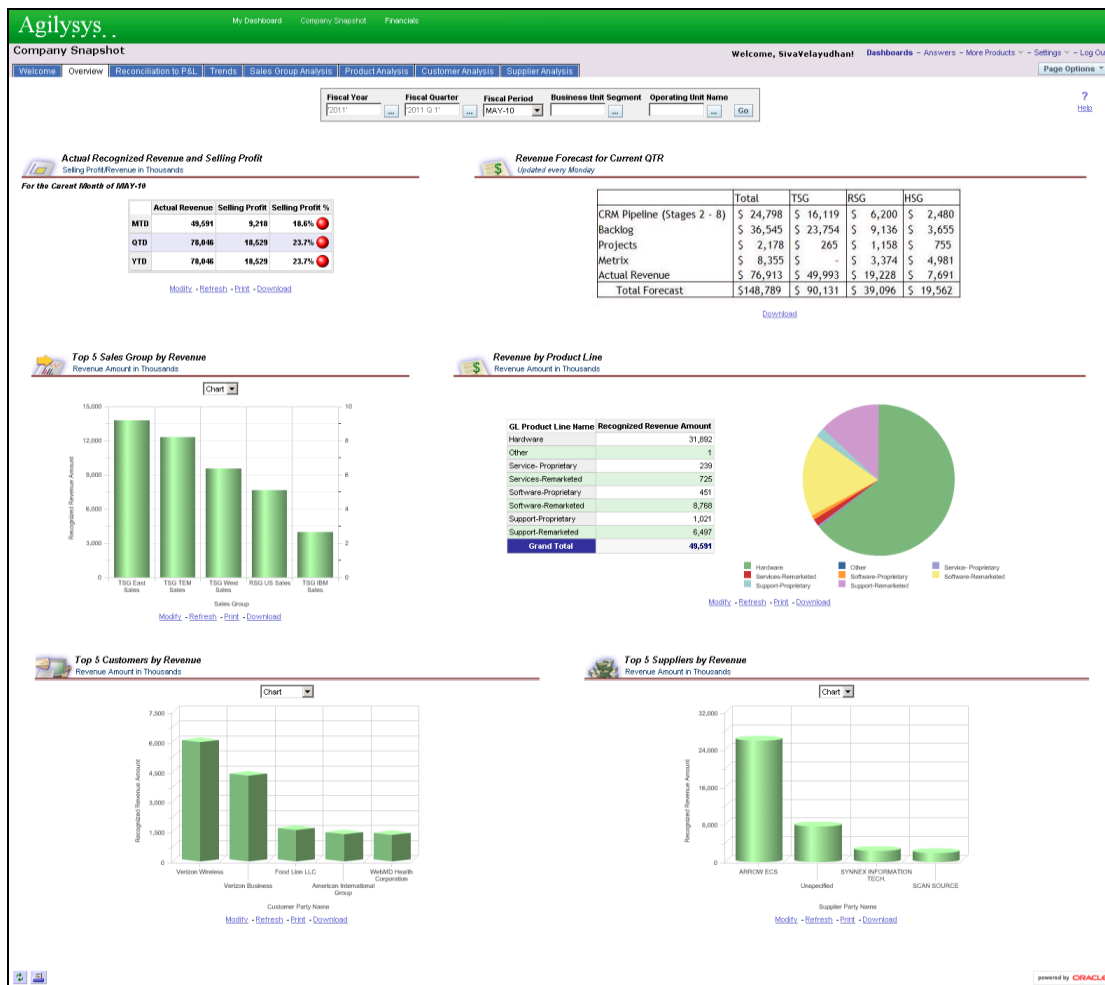
The implementation of the Oracle Business Intelligence platform has allowed management to shift their focus from managing the business based on experience and "gut checks" to leveraging analytics to improve margins and reallocate capital to improve bottom line and top line performance.

There are 100 users for the application including *the entire Agilysys Executive team* consisting of:

- Martin Ellis President and Chief Executive Officer
- Kenneth Kossin, Senior Vice President and Chief Financial Officer
- Curtis Stout, Vice President and Treasurer, the *Executive Sponsor* for the project
- Tony Mellina, Senior Vice President, General Manager - Technology Solutions Group

The feedback from **Agilysys' Executive Team** (has been that the business impact of this application is so high that they have asked the Agilysy IT team to immediately start the next phase of the implementation instead of waiting the standard two months that Agilysys waits to evaluate new applications.

Solution Demonstrates the Strength of Oracle's Technology

At Agilysys, OBIEE has been rebranded as **OASIS** – *O*ne *A*gilysys *S*tandardized *I*nformation *S*olution. The solution uses OBIEE's Common Enterprise Information model to address executive management's emphasis on a 'single source of truth' for reporting and the business decision process.
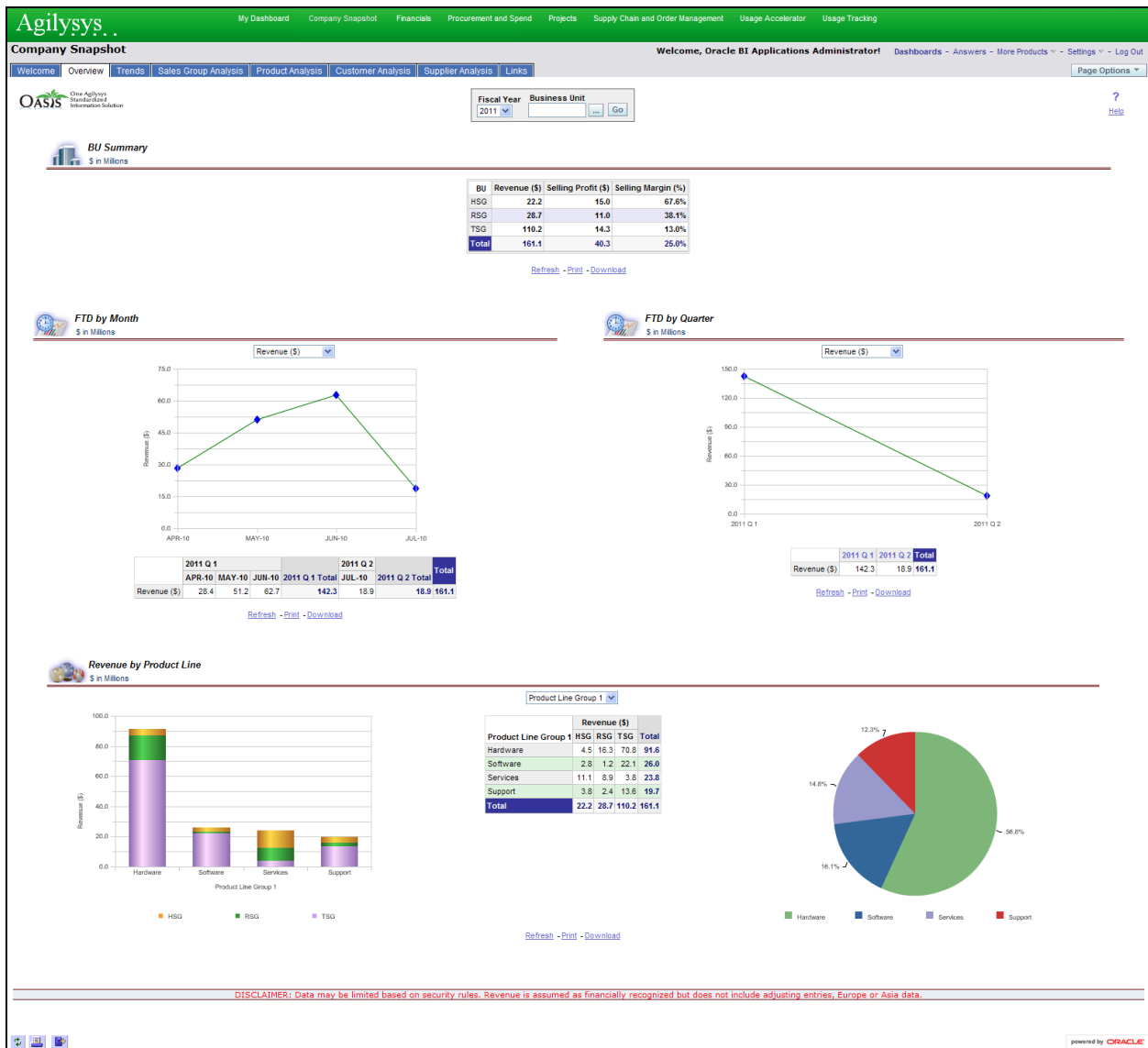
Agilysys has standardized on Oracle technology and leveraged the industry leading capabilities of the following Oracle products to implement this solution:

- Oracle Business Intelligence Enterprise Edition 10.1.3.4.1
- Oracle Financial Analytics 7.9.6.1
- Oracle Database 10g
- Oracle eBusiness Suite 12.1
- Oracle Application Server 10g

In addition to meeting the required functional needs, the application *exceeded* the customer's performance requirements for every dashboard by leveraging and customizing the Oracle Financial Analytics aggregate tables and using KPI's methodology and best practices for OBIEE and Oracle BI Applications dashboard performance.

The solution also leveraged Oracle Database 10g' features for Data Warehousing such as bit-mapped indexes and star join transformations.

At a technical level, Agilysys internal developers and business analysts felt confident in the data integrity and consistency that the solid ETL mapping structure of Oracle Fusion Middleware is able to provide.

Agilysys also plans to integrate its existing Oracle Hyperion product application into a future performance management application.

Expertise of KPI Partners in implementing the solution

After an extensive competitive evaluation, Agilysys selected KPI Partners, an Oracle Certified Partner and Oracle BI Pillar Partner, to meet their critical need for accurate and timely information. A brief summary of the implementation project is as follows:

- Duration: 5 months
- Start date: January 2010
- Completion date: May 2010
- Average KPI Team size: 4 consultants led by a BI Architect
- Application Status: In Production
- # of Users: 100 including the entire Agilysy Executive Team (CEO, CFO, VP and Controller, Business Unit leads)

Phase One of the implementation process focused on the creation of a custom subject area that brings together invoice, revenue, cost, and projects data to allow for analysis of selling margin. Detailed invoice/project number information needed for incentive compensation purposes serves as a foundation for summary financial dashboard metrics. Special attention was paid to the flow of deferred and recognized revenue/cost in order to accurately reveal a daily snapshot of the Agilysys financial profit and loss condition by areas, such as company segment, sales group, product, customer, and supplier. In terms of commission, additional cost calculations were necessary to reflect deal-based pricing critical for measuring operations in the resale portion of the business.

The KPI team needed to build a "Common Enterprise Information Model", leveraging Oracle BI Applications architecture to analyze the Billing, Cost (Recognized/Deferred), Revenue (Recognized/Deferred) and Margin, across multiple Oracle eBusiness Suite R12.1 modules (i.e. Order Management, Projects, Account Receivables and Procurement and Spend) and non-Oracle applications (i.e. Metrix Service Application)) .

Oracle Financial Analytics stars were used to capture Billing, Revenue and Cost information and were customized to allow cross dimensional analysis by the following key business entities:

- Legal Entity
- Operating Unit
- Business Unit
- Cost Center
- Product/Product Categories
- Sales Rep
- Customer Invoice Details(Invoice Number, Invoice Line Number, Customer PO Number)
- Project Number
- Application Source (e.g. Projects, Order Entry, Metrix, Service Contracts).
- Customer/Customer Acct (Bill To Acct, Ship to Acct, Bill To loc , Ship to Loc)
- Supplier
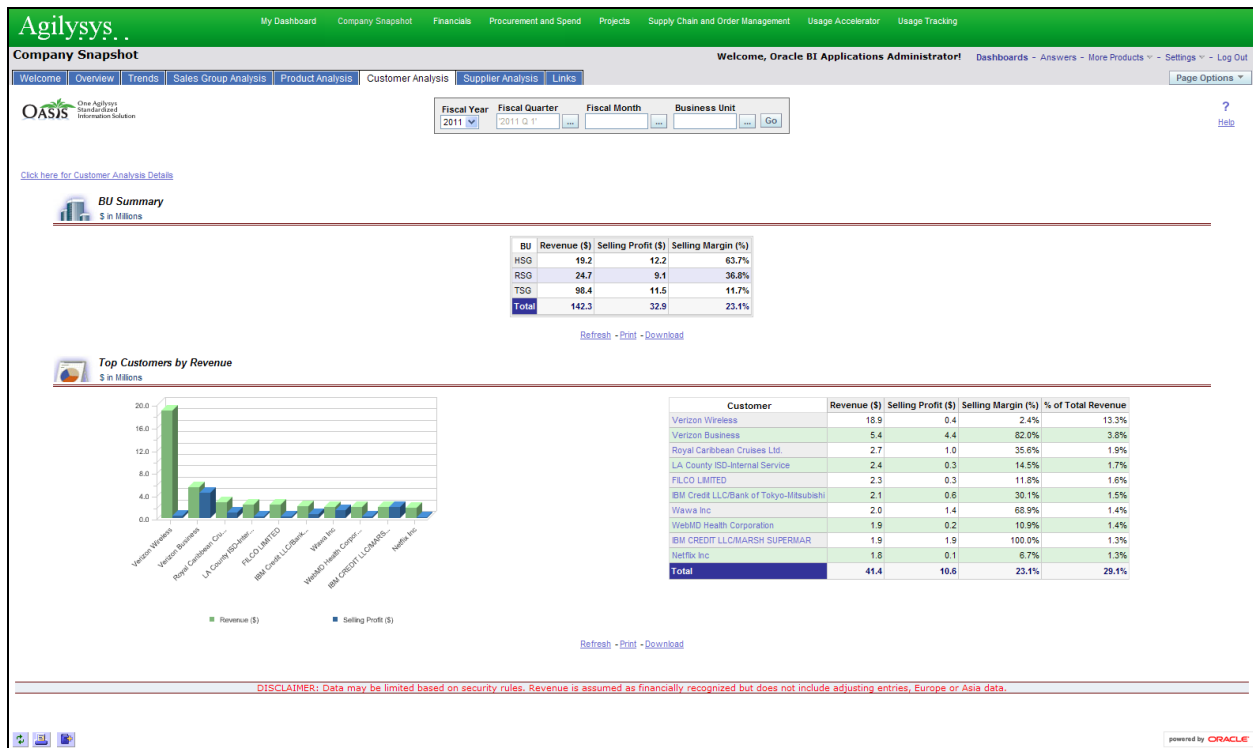
Additional challenges that the KPI team faced to meet Agilysys' critical business requirements were:

- The classification of Billed Amount, Operations Sales Amount, Freight Amount and Non-Sales charges amount was dependent on GL Code combination which is completely different from the Oracle Financial Analytics method of identifying the buckets for these measures based on the LINE_TYPE. Agilysys required the designation "Operational Sales Amount" to:
  - Identify the portion of an Invoice Amount that would flow to the financial statements as revenue
  - Calculate the deferred vs. recognized revenue amount for a particular invoice
- The Oracle Financial Analytics Configuration files for Group Accounts require that any given account be under one of the Provided Group Account Names (e.g. REVENUE/COGS/AP). Agilysys needed the ability to classify an account falls under both Revenue and COGS (for the distinction between Recognized and Deferred Revenue amounts), the design needed to be able support this requirement.
- Multiple extract mappings were created to capture revenue/costs for different applications into the common fact tables while continuing to retain the functionalities of the common table used in other subject areas. For example, projects and custom Metrix (Custom Service Application) cost information was brought into the COGS fact to create a total company picture, even though those sources do not create material transactions in Oracle eBusiness Suite.
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- The Custom Extract mappings that were created for Billing/COGS/Revenue for all the different modules needed to ensure that it supported analysis by all the above listed dimensions.
- Supporting the Invoice Level /Customer Purchase Order for all the KPI's.
- The business model at Agilysys with regards to Sales Representatives (Account Executives/Sales Specialist) is unique in its nature in following ways:
  - Billing, Revenue and Cost is split at the sales rep level.
  - The Sales Reps commission is dependent on the Revenue generated by each Sales Representative (Account Executives/Sales Specialist).
  - KPI Partners customized the application, giving users the ability to analyze the Billing, Cost, Revenue & Margin by Sales Representatives (Account Executives/Sales Specialist) and Custom Sales Group Hierarchy.

Agilysys' Satisfaction with the Application

Finally, an application is only as good as users' perception of the application. To ensure end user adoption, KPI used its industry leading methodology and best practices for OBIEE user adoption by using Agilysys branding, corporate colors and fonts to ensure an "Agilysys' experience for end users.
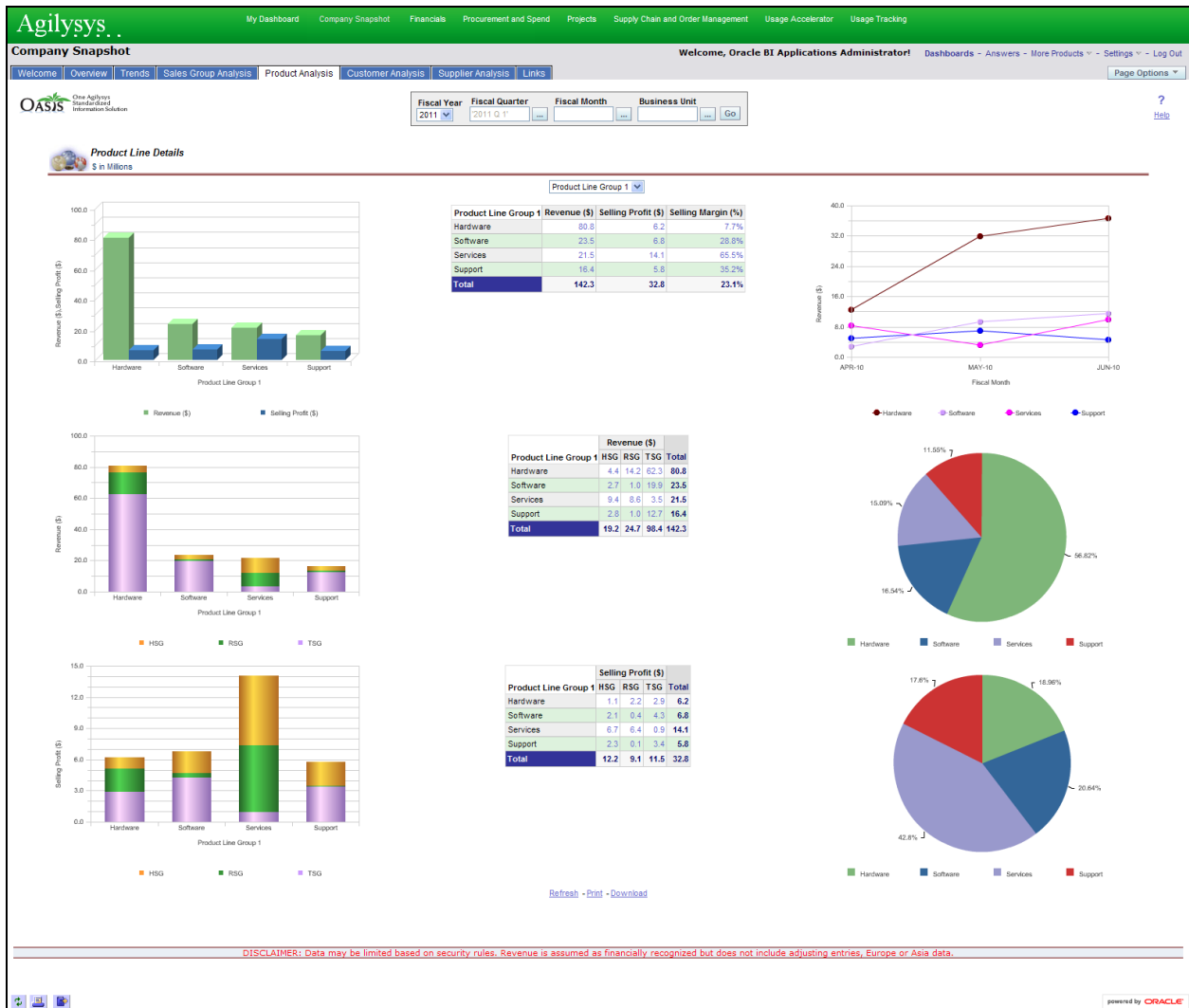
The feedback from Agilysys' Executive Team (including Agilysys' CEO, CFO and CIO) has been that the business impact of this application is so high that they have asked the Agilysy IT team to immediately start the next phase of the implementation instead of waiting the standard two months that Agilysys waits to evaluate new applications.

The Agilysys IT team got approval from the Executive Team to go ahead and implement the other modules like Project Analytics, Order Management and Procurement Analytics Financial Analytics as well as build custom analytics for the Custom CRM solution. Agilysys purchased the Oracle Project Analytics application before Phase 1 even went live because of their exceptional satisfaction with the Oracle BI products they had purchased.

Future phases of the OBIEE implementation – such as the integration of elements from GL Analytics (manual adjusting entries) – will augment the Agilysys Revenue and Margin-focused custom subject area in line with the goal of delivering dashboards with complete up-to-date financial metrics. Plans to customize and roll out Order Management, Projects, Receivables, Payables, Procurement & Spend, and other Oracle OOTB Analytics are also being discussed for the highly demanded backlog/forecast, expense, and invoice aging information.