Oracle Financial Services Profitability Management Cloud Service

Allocation Models

Release 23.06.01
F83594-02
July 2023

ORACLE

Oracle Financial Services Profitability Management Cloud Service Allocation Models, Release 23.06.01

F83594-02

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Get Help

Topics:

1.1 Get Help in the Applications

Use help icons to access help in the application.

Note that not all pages have help icons. You can also access the Oracle Help Center to find guides and videos.

1.1.1 Additional Resources

- Community: Use Oracle Cloud Customer Connect to get information from experts at Oracle, the partner community, and other users.
- Training: Take courses on Oracle Cloud from Oracle University.

1.2 Learn About Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program. Videos included in this guide are provided as a media alternative for text-based topics, and are also available in this guide.

1.3 Get Support

You can get support at My Oracle Support.

For accessibility support, visit Oracle Accessibility Learning and Support.

1.4 Get Training

Increase your knowledge of Oracle Cloud by taking courses at Oracle University.

1.5 Join Our Community

Use Cloud Customer Connect to get information from industry experts at Oracle and in the partner community. You can join forums to connect with other customers, post questions, and watch events.

1.6 Share Your Feedback

We welcome your feedback about Oracle Applications user assistance. If you need clarification, find an error, or just want to tell us what you found helpful, we would like to hear from you.

You can email your feedback to My Oracle Support.

Thanks for helping us improve our user assistance!

1.7 Before You Begin

See the following Documents:

- See What's New
- Getting Started with Profitability Management Cloud Service

2
Allocation Models

An Allocation Model consists of a list of individual allocation rules that can be executed as a single unit. This version of Profitability Management Cloud Service supports only the Standard type of Allocation Model construction.

- **Standard Model**: A Standard Allocation Model consists of a list of individual allocation rules that run sequentially and that can be executed as a single unit of work. Standard Allocation Models are useful to assemble a logical grouping of allocation rules into a single executable rule.
- **Circular Model**: A Circular Allocation Model is similar to a Standard Allocation Model, but includes two lists of allocation rules: a list of “circular” rules and a list of “sweep” rules. The list of circular rules executes first; generally, the circular list runs multiple times. Each rule within the circular list of rules runs sequentially. After the circular list has run one or more times, each of the sweep rules also runs sequentially, but the list of sweep rules only runs once.
  The primary purpose of the Circular Allocation Model is to process allocation scenarios in which the allocation rules can Source data that result from previous allocations and that send data back to Sources that had previously been eliminated. One common example of this kind of situation occurs in a center-to-center type of allocation rule that involves providers of shared services. For example, a block of allocation rules can be designed to push expenses from a series of providers of shared services such as IT, Finance, HR, Payroll, Accounting, Treasury, and so on to a downstream series of direct support centers and profit centers. An issue that you can encounter here is that HR allocates most of its expense to direct support centers and to profit centers, but also allocates some of its expense to other providers of shared services such as Payroll or Accounting. These centers, in turn, might allocate some of their expense back to HR when the first allocation had already cleared all of the expenses from the HR center.

2.1 Summary Screen

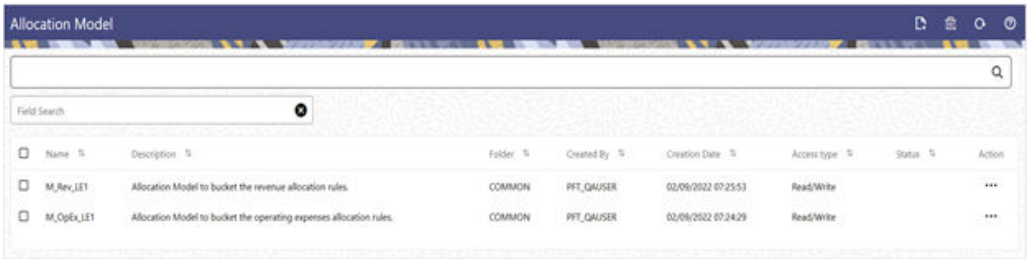
To open the Summary page, from the LHS menu, select **Operations And Processes**, and select **Allocation Model**.

A summary page is displayed showing a set of Allocation Models. Using search criteria, you can control the set of Allocation Models that are displayed. When you Add, Edit, or View a rule, a detailed screen is displayed.

2.1.1 Navigation within the Summary Screen

When you navigate to the Allocation Model summary page, the Allocation Models stored within your current Default Folder are displayed in the summary table. The Allocation Model Specification summary page has two panes: Search and Allocation Model Specification.

Figure 2-1 Allocation Model Summary Screen



The title bar of the summary page provides several actions for the user. They are:

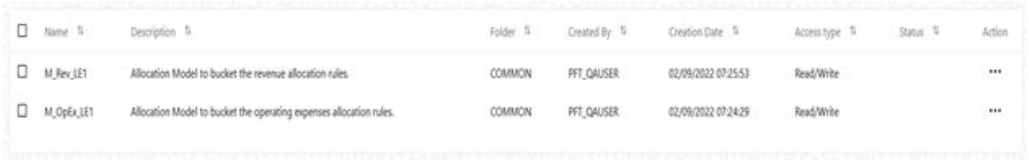
- **Add**: Click Add icon to build a new Allocation model. The Add icon is disabled if any rows in the table are selected.
- **Multiple Delete**: Select one or more models in the table and then click the (-) icon at the top right of the summary page to delete more than one rule at the same time.
- **Refresh**: Click the Refresh icon to refresh the Summary Page.
- **Help**: Click Help icon to view the Allocation Model help.

The Allocation Model Summary can be divided under two sections – the Search section and the Summary table.

2.1.1.1 Allocation Model Summary Table

This section presents a table containing all the Allocation models that meet your search criteria. The Allocation Model Summary Table displays the details of the already created Allocation Models.

Figure 2-2 Allocation Model Summary Table



The Allocation Model Summary Table displays the following details:

- **Name**: Displays the Allocation model's short name. Hovering over an allocation model name displays the Allocation model's object_code.
- **Description**: Displays the Allocation model's long name.
- **Folder**: Displays the folder in which the model has been created.
- **Created By**: Displays the name of the user who created the allocation model.
- **Creation Date**: Displays the date and time at which an Allocation model was created
- **Access Type**: Displays the "Read/Write" or "Read Only" property of an Allocation model. Only the creator of a rule may change its Access Type.

- **Status**: Before executing an Allocation Model for the first time, the Status is blank. After executing an Allocation Model, the appropriate status of the rule is displayed among Processing, Success or Failed.
  For a successful or a failed execution, the **Log Viewer** screen can be invoked by clicking on the status of a rule. The Log Viewer screen displays the logs/messages for the execution.
- **Action**: Displays the list of actions that can be performed on the model.

The Action column on Allocation Model Summary Page offers the following actions that allow you to perform different functions. The following actions are available for the Allocation Model.

- **View**: Click the View icon to view the contents of an Allocation model on a read-only basis as the user is launched into the Allocation Model Detail screen in view mode.
- **Edit**: Click the Edit icon to modify a previously saved Allocation model as the user is launched into the Allocation Model Detail screen in edit mode.
- **Run**: Click Run to execute the selected Allocation model. On click of Run, the Run Execution Parameters window opens up to show the process name being executed and take user input of run time parameters – the As of date and the legal Entity. The As-of-Date can be reset in the User Preferences for Profitability Management.
- **Save As**: Click on this option to create a copy of an existing Allocation model. The Save As pop-up window allows you to enter the Name, Description, Folder, and Access Type Details for the copy model.
- **Delete**: Click Delete to delete the models you have selected.

You may select or de-select all of the Allocation models in the summary table by clicking on the check box in the upper left-hand corner of the summary table directly to the left of the Name column header.

2.2 Detail Screen

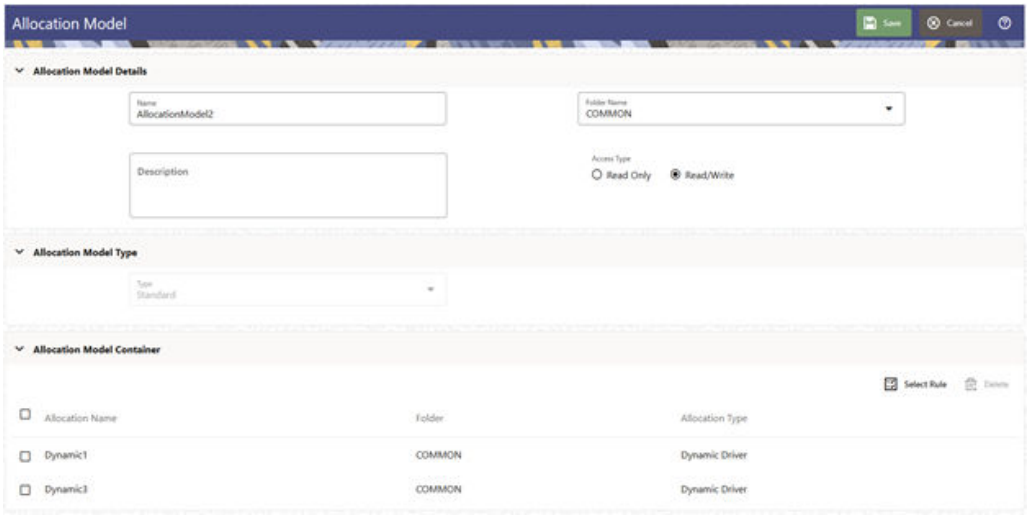
Click on Add from the Title bar of Summary screen or Edit/View an allocation model from Summary to launch into the Allocation Model Detail screen.

2.2.1 Navigation within the Detail Screen

When you Add, Edit, or View an Allocation Model, the Allocation Model Definition Screen is displayed with the following panes:

- Allocation Model Details
- Allocation Model Type
- Allocation Model Container

Figure 2-3 Allocation Model Definition Screen



2.2.2 Allocation Models Details Pane

The Allocation Model Details pane allows you to specify an allocation model's Name, Description, Folder and the Access Type.

Figure 2-4 Allocation Model Details Pane

2.2.3 Allocation Model Type Pane

The Allocation Model Type pane allows you to specify the type of the model you want to construct.

The appearance of the Allocation Model Type pane depends on whether you are building a Standard Model or a Circular Model.

- **Standard Model**: To construct a Standard Allocation Model, select Standard from the Model Type drop-down list box.
- **Circular Model**: To construct a Circular Allocation Model, select Circular from the Model Type drop-down list. By default the screen is launched with the allocation model type selected as ‘Standard’.

Figure 2-5 Allocation Model Type Pane-Standard is selected as default

To build a Circular Model, the user needs to select the value as ‘Circular’ in the Allocation Model Type drop-down. The user then needs to specify the number of iterations or cycles the user wants the circular part of the Allocation Model to execute, in text field “Number of Cycles”. The user needs to input positive integer values as the number of cycles.

There is however, a maximum limit set for the number of cycles the user can input.

Maximum Circular Allocation Iterations: To omit an infinite loop of allocation rules, Allocation Models are governed by an overall limit on the maximum number of iterations or cycles that can be run before the circular part of a model completes. This maximum number of iterations is set in the User Preferences for Profitability Management. For more information, see User Preferences document.

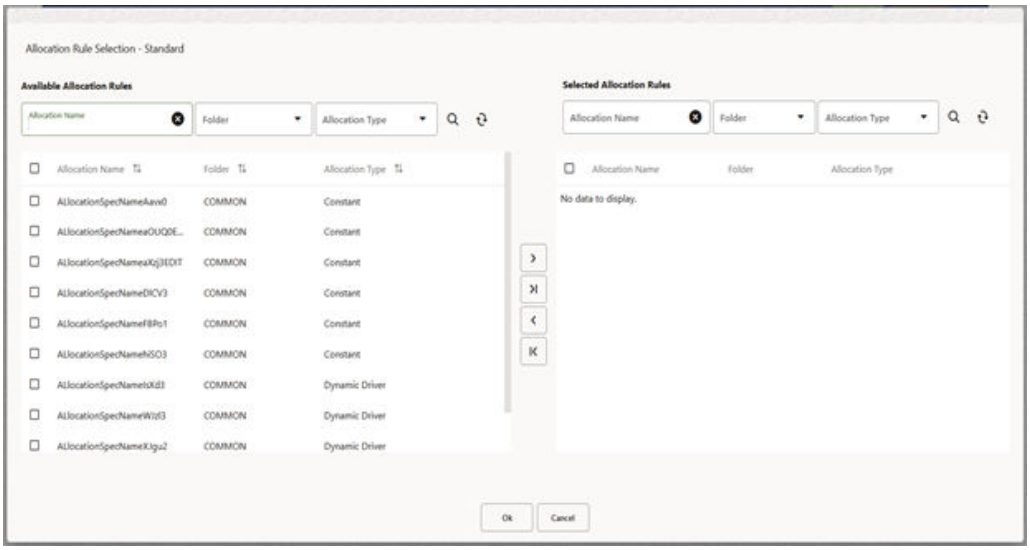
2.2.4 Allocation Model Container Pane

To construct a Standard Allocation Model, the Allocation Model Container pane allows a single list of allocation rules.

Figure 2-6 Allocation Model Container Pane for Standard Allocation Model

Click the **Select Rule** button or to open a pop-up window that lets you select the rules you want to include in your model. The pop-up opens into a shuttle-box element with the list of the available Allocation Rules on the left hand side and the list of the selected Allocation Rules on the right hand side.

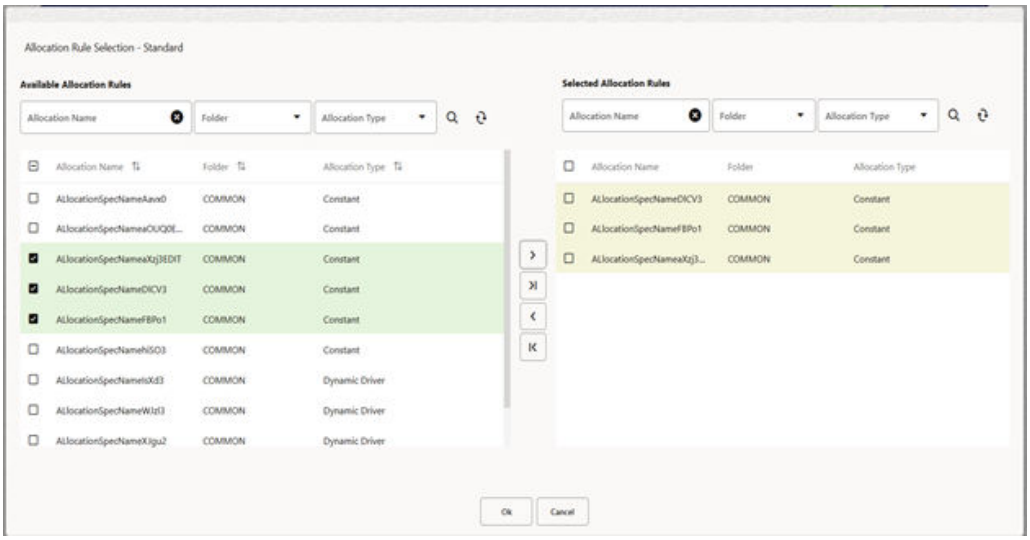
Figure 2-7 Allocation Rule Selection



The window has search capability in each of the available and the selected lists, and the search acts as a dynamic search on the list of rules that each list contains. Search capability is provided for Allocation rule name, the folder in which an allocation rule is defined and the Type of the allocation rule.

On launch of the window, the user is directed to the allocation name search field on the available list and the user can perform a search action on available rules to be selected and shuttled into the Selected list, or can directly choose the required available rules to be shuttled into the Selected list. The window gives a feature to shuttle the rules one by one or all at once by using one of the shuttling buttons available.

Figure 2-8 Allocation Rule Selection



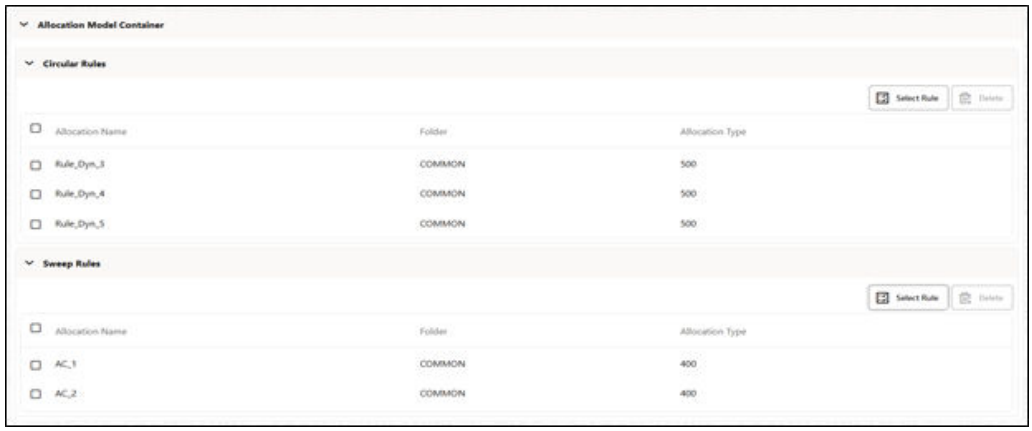
Once the rules are selected, the user can press OK on the shuttle box window, and the Allocation Model Container section in the Detail screen is populated with the selected rules under this standard Allocation model.

Figure 2-9 Allocation Model Container (Standard) after Rules selection

To construct a Circular Allocation Model, the Allocation Model Container pane allows two lists of Allocation Rules - the **Circular Rules** list and the **Sweep Rules** list. The selection operation of the rules in both these lists is the same as described above for rules selection in the Standard Allocation model. The **Select Rule** button opens up a pop-up window that lets the user select the rules for the model. The pop-up opens into a shuttle-box element with the list of the available Allocation Rules on the left hand side and the list of the selected Allocation Rules on the right hand side.

Figure 2-10 Allocation Model Container for Circular Allocation Model

Figure 2-11 Allocation Model Container (Circular) after rules selection



Use Case of Circular Allocation Model:

The general use case for Circular Allocation Models involves sequences of center-to-center rules where your objective is to transfer a series of expense balances in which each allocation rule allocates expense from one center to a series of target centers. In this scenario, it is very common to credit back to the source using <Same as Source> in your specification for each dimension within your allocation credit specification. In a shared service's context, centers that you have cleared of the expense become the targets of allocations that come later in a sequence of allocation rules. Often, each center allocates 100% of its original expense, but by the end of the series of shared services allocations, each center has some small expense balances that have been allocated back to it from other centers. The amount of expense that backwashes to centers that have already been cleared of the expense vary in the range of 1% to 10% of the expenses originally found in each center. For example, if the center in a series of such rules ends up with 10% of its original expense after the full sequence of rules runs one time; then after running the same sequence of rules a second time, the center has 1% of its original expense remaining. After two cycles, the center has 1/10th of 1% of its original expense remaining.

The Circular Allocation Model allows you to organize lists of allocation rules that you wish to run iteratively for multiple cycles to reduce to near zero balances that were originally present. After the remaining balances have reached an acceptable threshold, you can sweep the remaining balances from all sources with one or more additional rules that run only once.