

ORACLE DAILY BUSINESS INTELLIGENCE FOR PROCUREMENT

KEY FEATURES:

- Analyze spend by company and cost center
- Contract utilization
- Optimize supplier relationships and improve supplier performance
- Monitor sourcing negotiations
- Determine Item average price for an item for each supplier over a period
- Perform comparative analysis
- Daily summarization and personalization of purchasing activity
- Flexibility to support your business

Oracle® Daily Business Intelligence (DBI) for Procurement empowers managers to stay on top of the critical procurement activities of their organization. DBI offers enhanced procurement visibility by providing enterprise-wide performance information daily. DBI for Procurement enables procurement professionals to maximize performance and opportunities, identify potential issues earlier, and address them before they escalate into real problems. Oracle DBI is part of the Oracle E-Business Suite, an integrated set of Information-Driven applications engineered to ensure that the data you capture and create with your business applications is transformed into information that drives competitive advantage.

Understand and Improve Procurement Performance

DBI for Procurement provides a collection of enterprise supply chain indicators, daily aggregated information with actionable details and trends, multi-dimensional analysis and period to date comparisons. It provides comprehensive procurement measures for actively monitoring spend volume, contract usage, non-contract spend, supplier performance, sourcing negotiations and buyer performance. It compares procurement measures for a period-to-date against the previous period or the previous year. DBI provides reliable information directly from your mission-critical business applications in a self-service fashion freeing executives from hard-to-use, error-prone custom solutions. Using DBI for Procurement, managers have rich, integrated and up to the day information to improve procurement execution and meet strategic objectives.

Track Critical Procurement Information Daily

Oracle DBI for Procurement provides relevant, reliable, up to the day information for all procurement needs. The term 'daily' in Daily Business Intelligence describes a key advantage of Oracle's procurement solution. The measurements and reports are updated daily to provide the most recent purchasing trends and indicators of an enterprise's business.

DBI is designed for multiple users like the Procurement Manager, Commodity Manager, Sourcing Manager and Supplier Manager. Key measurements provide insight into price increases and decreases, changes in the quantity of items purchased, trends in contract utilization, requisition status, buyer performance,

sourcing negotiations and supplier performance analysis. Access to this level of information provides the knowledge needed to make strategic decisions, develop commodity strategies, identify right suppliers and maximize profits. DBI for Procurement enables Commodity Managers to quickly identify savings opportunities, control maverick purchases, improve supplier relationships, and maximize operational efficiencies.

Analyze Spend and Lower the Cost of Materials and Services

In order to negotiate with suppliers from a position of strength, Procurement Organization must be able to analyze spend quickly, efficiently, daily, and across PO purchases and invoice amounts. Procurement and Commodity Managers can easily analyze how much their entire company is spending with a particular supplier or for a given commodity, and understand how price and quantity changes have impacted that spend. Additionally, DBI for Procurement allows managers to quickly determine how much spend was under contract, and whether both suppliers and buyers are in compliance with negotiated contracts.

In order to negotiate lower cost and achieve greater volume discounts, price breaks, and payment and delivery terms, a commodity manager must aggregate and analyze purchasing data daily. DBI for Procurement provides the ability to understand the impact purchases have to the bottom line today. Commodity Managers require key information for negotiations with suppliers in order to effectively achieve the best price and terms. DBI provides access to comprehensive and accurate information required for negotiations.

Monitor Contract Compliance

Procurement Managers and Commodity Managers require accurate, up to the day supplier performance metrics to help determine which suppliers can help reduce procurement spending while meeting the price, quality, and delivery demands of an organization. DBI for Procurement provides key performance indicators and measurements to identify strong suppliers, optimize the supply base and obtain the best prices for key commodities.

The Contract Utilization report identifies the commodity purchase rates for on-contract and off-contract due to leakage, spot buys or items that are not part of a contract agreement. DBI provides this information daily to monitor and capture trends in a timely manner to take proactive action and establish contracts.

If the contract is not being used and contract leakage is occurring, an organization may be losing money for three main reasons:

- Purchases are made at the market price instead of a negotiated price
- Volume discounts are being missed on existing contracts
- Volumes purchased exceed volumes specified by the contract, providing a missed opportunity to negotiate for even lower pricing.

DBI for Procurement provides critical information that enables commodity managers to effectively manage suppliers, monitor contract compliance, and decrease maverick purchases. Managing supplier relationships results in better

prices, higher quality, improved delivery performance, and greater customer satisfaction. Metrics on price, delivery and quality provide real-time visibility into supplier’s performance.

Analyze Spend by Company and Cost Center

Large public sector companies like local and federal governments, hospitals, public colleges etc, needs to analyze purchases spend by Company and Cost Center. Procurement Managers can monitor and analyze the entire spending in the procurement organization by Company and Cost Center.

Monitor Sourcing Negotiations

Sourcing Managers need to analyze sourcing activity to improve the performance of sourcing organization. It provides end-to-end visibility to the sourcing life cycle and helps to reducing sourcing cycle time. Sourcing cycle is the average time taken from creation of a negotiation to completion of the award.



Figure 1: Sourcing Management Dashboard

It enables the Sourcing Managers to carry out negotiations with the suppliers to achieve the best price for the item and monitor the percentage of negotiated purchases. It helps the organization to estimate potential cost savings as well as monitor realized savings as a result of sourcing negotiations.

Item Average Price

Item Average Price information is used as input for the negotiation process with a supplier and aids in reducing the price of items, resulting in increased savings. DBI determines the average price of an item for each supplier over a period. It identifies potential savings by negotiations with the supplier if the purchase orders were place with lowest average price of all suppliers.

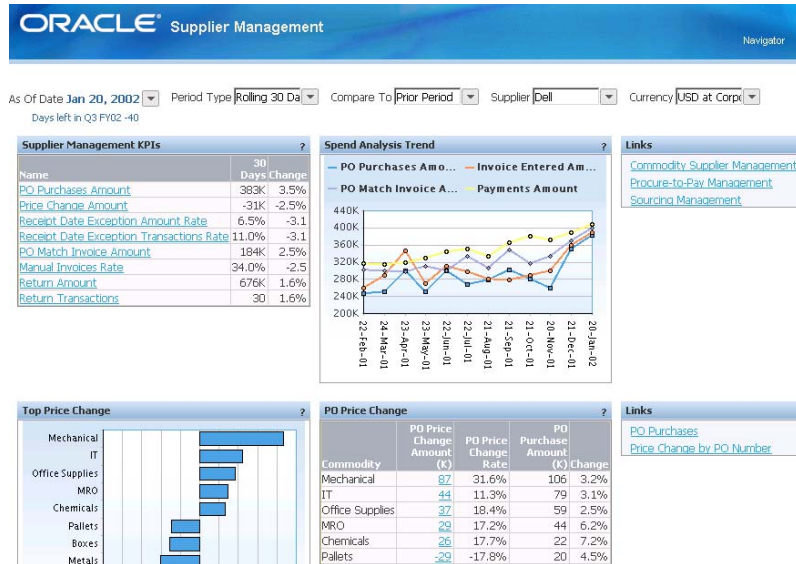


Figure 2: Sourcing Management Dashboard

PO Price Change measures helps to find price increases and/or decreases from the supplier and the impact of this change to the enterprise’s bottom line. It also provides information on the returns and rejections and to analyze the reason for return and rejection. Receipt Date Exceptions measures help to analyze receipt transactions that are received beyond the delivery tolerance. The Supplier Manager can measure either early or late receipts and track the trends over time.

Lower Process Costs in the Purchasing Organization

DBI provides advanced analysis of productivity measures to monitor the procurement process, identify bottlenecks, and monitor key performance metrics to encourage the automation of the procure-to-pay process. The procurement organization benefits from improved processing cycle times and reduced clerical errors through automation.

Increased automation in the procure-to-pay process is a need for most organizations. To help with automation, DBI measurements include tracking exceptions to the automation process. These exceptions can then be managed in order to move forward in the automation process.

Comparative Measurements Made Simple

DBI for Procurement provides procurement professionals with the ability to perform comparative analysis. Comparisons can be made across many dimensions:

- Compare today’s period with the prior period or with the same period in the prior year
- Organizational comparisons across the enterprise in both functional and global currencies
- Commodity trends to measure spend and supplier performance
- Trend data over periods of weekly, monthly, quarterly or yearly

- View period-to-date results for any day or time period in the past

Additionally, the capability to perform summarization daily ensures that a procurement professional will know at the beginning of each day exactly how an enterprise is performing. Daily summarization enables the commodity manager to spend minutes - not days - gathering important information about the business. Related links can be customized to all intelligence and applications functions and reports, including tabular and graphical representations of purchasing data, trends, links to menus, as well as both internet and intranet web pages. By personalizing the DBI for Procurement Pages and Reports, all the necessary measurements and reports are provided on a daily basis, and in one location, so the procurement professional can make informed decisions.

Monitor Procurement Activity and Improve Buyer Productivity

DBI for Procurement provides detailed information about the pending workload in the Procurement Organization. It provides information on the status of work and current assignments with buyers. Using this information the procurement Manager can make decisions about the priority of workload and can reassign work amongst buyers.

Analyze and Improve the Performance of your Organization and Buyers

Procurement Managers need accurate and up to the date information to analyze the performance of buyers and procurement organization on total workload handled in over a given period of time. This information helps the Organization in improving its performance and in planning for the future.

Drill to Real-Time Details

DBI completes the circle from aggregation to granular detail by drilling into the transactions that contributed to the key performance measures, to allow users to identify and view the specific transactions that are behind the aggregation to answer the questions that may arise. For example, the Procurement Manager can determine why contract leakage has occurred by viewing the details of the one-off purchase order with the higher price, as well as the unused contract with the lower negotiated price. A Commodity Manager, when performing detailed supplier price change analysis, can access all the purchase orders that resulted in a significant price change increase, to determine why suppliers are increasing their prices for the same item over time

Deploy Out-of-the-box

DBI is both straightforward and simple to implement. DBI utilizes existing set-ups and terms that have been used in existing Oracle Applications. The result is a streamlined reporting application that can be used almost immediately to provide an enterprise's daily measurements.

Configurable and Extensible for your Industry

Decision makers need information that is timely and relevant. With DBI, KPI's and

KEY BENEFITS

- Analyze spend for timely insight
- Improve supplier relationships
- Maximize internal efficiencies and automation
- Improve buyer performance and procurement organization

RELATED PRODUCTS:

Part of Oracle Corporate Performance Management solutions, which includes:

- Activity-Based Management
- Business Intelligence Solution
- Daily Business Intelligence
- Demand Planning
- Enterprise Planning & Budgeting
- Financial Consolidation Hub
- Profitability Manager

RELATED SERVICES

The following services are available from Oracle Support Services:

- Update Subscription Services
- Product Support Services OnlineDBA
- OnlineDBA for Applications

reports can be renamed, hidden, or rearranged on the appropriate DBI Dashboard, tailoring DBI for the needs of your specific industry. DBI is also extensible, allowing you to create new KPIs and reports, based on both Oracle and non-Oracle data sources. New content added to DBI Dashboards will persist through version upgrades, for maximum ROI and reusability.

Oracle E-Business Suite-The Complete Solution

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on a unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, products—all aspects of your business. Whether you implement one module or the entire Suite, Oracle E-Business Suite enables you to share unified information across the enterprise so you can make smarter decisions with better information.

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