



Enhancing Supply Chain Responsiveness

Shrinking product lifecycles, cyclical markets and last-minute configuration changes are the realities of the Outsourced Manufacturing Services (OMS) industry. Oracle is the only enterprise solution that integrates real-time analytics with sourcing and planning capabilities to effectively manage this dynamic supply chain.

As service providers, OMS companies need to react quickly to customer requirements. Designs from original equipment manufacturers must be rapidly incorporated into production and supply plans must be adjusted quickly. The ability to speed the flow of information and reduce variability is thus critical to OMS success. OMS service providers understand the importance of synchronizing production with customer demand and supplier capacity. Oracle's applications enable real-time visibility to all demand signals. Your company can move to a continuous demand planning process as you leverage advanced analytics to accurately predict demand, using any combination of quantitative or qualitative data to establish your baseline forecast. Oracle has built in high-precision statistical forecasting, and multi-dimensional analysis to adjust, allocate, and roll up supplies profitably. It helps you collaborate with original equipment manufacturers (OEM), the application can be deployed externally to OEMs via the Web. It allows you to quickly incorporate designs from OEMs into production and supply plans, adjust plant layouts quickly, and provide high-volume delivery of differentiated products. Now with Oracle you can:

"Demantra's solution allows us to collaborate with our customers in a single, consistent planning environment where changes in forecasts dynamically update replenishment and shipment plans. This next generation CPFR solution allows VTech to maintain its lead in the consumer electronics business by delivering the highest possible service levels, while reducing current inventory levels."

Nick Delany,
Senior Vice President, Vtech

- Respond quickly to OEM demand changes
- Optimize inventories for mega-sites and high-mix / low-volume manufacturing
- Optimize purchase price variance opportunities

Respond quickly to OEM demand changes

OMS companies are grappling with poor demand/supply visibility resulting in supply-shortages and inventory write-downs. Long component lead times, multiple configuration changes during lengthy build cycles and short life cycle of products affect long term commitment of capacity and procurement by OEMs. To be able to respond quickly to market requirements you need the ability to analyze, assess, and forecast demand in real-time. This is required for planners to plan production capacity so manufacturing can meet shifting demands without interruption. Oracle's Supply Chain Management (SCM) applications enable real-time demand sensing and collaborative consensus forecasting. It helps you to sense demand in real-time, improve forecasting accuracy, shape your demand for profitability, and provides a path to evolve to a real time sales and operations (S&OP) planning process. You now have the capability to sense demand from multiple data sources including shipment and order history, distribution center withdrawals, customer collaboration, point-of-sales, and marketing data. By maintaining data at the lowest level, it provides accurate demand visibility and generates more accurate forward-looking forecasts using the unique characteristics of the specific demand stream. Importantly, the application enables you to focus on what is important to you, and evolves at your own pace. Oracle solution allows you to model any necessary level of complexity in your supply chain and promote a seamless flow of information and materials across your extended supply chain. This allows you to provide visibility into your requirements to all tiers of your supply chain so that you can get visibility into all of the issues and constraints in your supply chain.

“Oracle is the only company to offer a fully integrated enterprise information solution so you get a full 360 degree view of your customers and your business.”

C. H. Lee,
President, Inventec Multimedia
Telecom

DID YOU KNOW?

- **All of the top 25** Electronic OEMs run Oracle Applications (Electronic Supply & Manufacturing)
- **8 of the top 10** Semiconductor companies run Oracle Applications (Electronic Business)
- **14 of the top 25** High Tech Distributors run Oracle Applications (Electronics Supply & Manufacturing)
- **All of the top 10** Fabless Semiconductor companies run Oracle Applications (Fabless Semiconductor Association)
- **8 of the top 10** Electronic Manufacturing Services (EMS) companies run Oracle Applications (Manufacturing Marketing Insider)
- **22 of the top 25** Software companies run Oracle Applications (Software Magazine)
- **9 of the top 10** OEM Consumer Electronic companies run Oracle Applications (Electronic Supply & Manufacturing)

It also controls critical purchases by sourcing items/commodities and services only from approved suppliers. By deploying Oracle applications, you can achieve the lowest inventory and the best possible delivery performance. The applications enable you to become demand drive - forecast accurately and predict demand and respond to the demands of the OEM. With Oracle you can implement an effective and well-managed S&OP process that lets you balance supply and demand to achieve operational excellence.

Optimize inventories for mega-sites and high-mix / low-volume manufacturing

Multiple systems running in silos prevent an integrated, global view of inventory, purchasing and planning. OMS companies handle complex configurations and this requires predictive modeling of risk polling to balance the risk of out-of-stocks with inventory write downs to overstock. OMS companies also have to contend with limited capability to simulate ‘what if’ scenarios to optimize inventory in a multi site environment. Oracle’s strategic inventory optimization tools help determine optimum inventory levels. It enables risk pooling to help you determine where to hold inventory to guarantee a desired service level and at what stage of production to hold inventory. You can balance the time and cost to get a product to a customer, without paying high costs to hold every product configuration close to your customer. You can now accurately evaluate how different fulfillment lead times to customers change both the cost of service and the point of postponement. The tool also helps mitigate supply chain risks by capturing the variability in demand and supply to obtain the precise determination of the inventory investment required to meet customer service objectives, at the lowest possible cost within your available inventory budget. In order to minimize the impacts of seasonality and changing product life cycles, Oracle allows time-phased safety stock recommendations that can be seamlessly fed into Oracle Advanced Supply Planning for replenishment calculations. There are capabilities to make the right budget and service level trade off decisions. A wide variety of key performance indicators can be calculated to gauge the effectiveness of inventory planning process.

Optimize purchase price variance opportunities

OMS companies are under pressure to drive higher efficiencies in the purchasing organization. They need to track materials to ensure they meet regulatory compliance and reduce material costs through purchase consolidation for volume discount. Oracle’s integrated suite of procurement applications drives operational excellence in procurement processes that help you dramatically cut supply management costs. They enable you to automate and streamline processes from procurement to payment, including comprehensive contract management. It includes comprehensive support for procurement of goods and services. You can now control and monitor spends as well as comply with regulations with ease. It gives you a single point for defining and enforcing enterprise policy; including tax regulations, localization rules, receiving options, matching rules, approval policies, and more. Online collaboration and negotiation makes it easy for participants from multiple organizations to exchange information, conduct bid and auction processes, and create and implement agreements. Professional buyers, business experts, and suppliers exchange information online for a more agile and successful sourcing process. The application also dramatically reduces sourcing cycle time and creates a complete audit trail of supplier commitments. With the automation of the transaction processing, procurement managers are able to focus on more of strategic activities such as negotiating better and broader contacts and developing strategic suppliers. Embedded procurement analytics provide you with details of supplier performance and enable you to rate suppliers and assure that they are meeting contract requirements.

Conclusion

Oracle is committed to the OMS industry. Oracle’s comprehensive and pre-integrated business applications help you get real-time visibility in your entire supply chain. Look to Oracle to enhance your supply chain responsiveness for profitable growth

Contact Us

To learn more, call +1.800.ORACLE1 to speak to an Oracle representative or visit www.oracle.com/industries/outsourced_manufacturing
Outside North America, visit oracle.com/corporate/contact to find the phone number for your local Oracle office.

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