

# JD EDWARDS ENTERPRISEONE STRATEGIC NETWORK OPTIMIZATION



## KEY FEATURES

- Constraint-based, cost optimized network design
- Global supply demand synchronization
- Visual, multi-tier supply chain representation
- Multi-currency support for global risk management
- Optimization of constrained resources
- Optimization of lane utilization and transportation modes
- Dynamic sourcing decisions
- Decision support for capital asset management
- Strategic capacity allocations
- Budget and contingency planning
- Least-cost or profit-maximized plans
- What-if analysis scenario management
- Real-time fast interactive simulation
- Merger and acquisition planning
- Crisis situation management
- Evaluation of new markets and required facilities
- Make, buy, and outsourcing decisions
- Competitive analysis
- Global product mix optimization
- Designed for planners by planners
- Interactive network design
- Robust reporting and exception management
- Easy to import and modify data

*Do you need to know what impact changing costs have on your sourcing strategy? Do you need to know what the real total cost of outsourcing is, including the impact on working capital and cash flow? Can you assess the impact of mergers and acquisitions on your supply network and capital asset budget? Do you need to know how you could react to a disruption in supply due to unforeseen events? Should you multi-source? What are the most profitable channels or products to invest in?*

## The Issue. Your Supply Chain Continues to Expand and Gains Complexity

Component and material sourcing complexity seems to grow daily for your organization. Pressure from management to find new sources for components and materials for your factories is taking you to new suppliers everywhere – sometimes just down the street and other times across the oceans. You need tools that not only optimize your supply chain planning but also improve overall agility while leveraging financial and operational data from across your enterprise, all with a common interface to other key applications for your business.

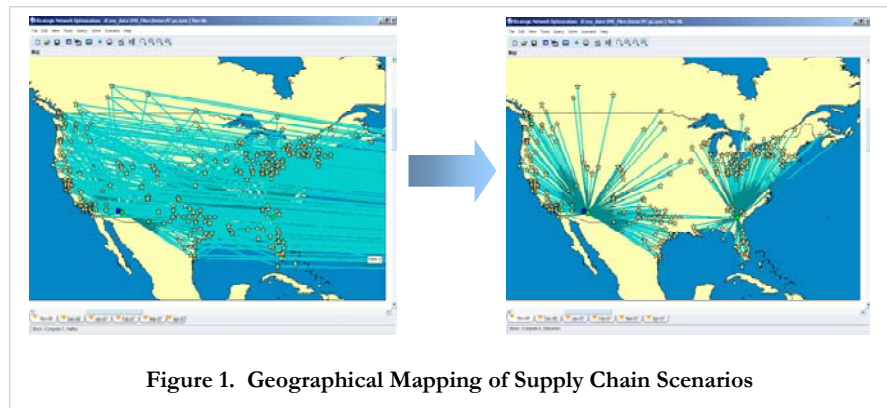


Figure 1. Geographical Mapping of Supply Chain Scenarios

## The Solution. Design Tools for Supply Chain Agility and Global Reach

Oracle JD Edwards EnterpriseOne Strategic Network Optimization enables you to design your entire supply network with agility in mind. Today's rapidly changing global economics require you to be more responsive and the need to evaluate your supply network design more frequently is essential to enable your company to compete successfully. Not only do you need to design a more agile supply network, you also need to consider your hedging strategies in your design and simulate the outcome of unpredictable events on your supply network flow.

## Design Your Agile Supply Network

JD Edwards EnterpriseOne Strategic Network Optimization considers all of the complex costs and constraints that drive your network design and enables you to optimize your supply chain and decide on the best possible network configuration to run your business. You can model all nodes of your supply chain and include all costs such as transportation, operating, sourcing,

storage, and manufacturing. You can also simulate the impacts of different demand scenarios, integration of new businesses and targeting of new markets, evaluate outsourcing decisions, decide which facilities to ramp-up or shutdown, and evaluate the impact of currency fluctuations. With this module you generate the best sourcing strategy as an output which can be used for the downstream supply and inventory planning processes.

In addition, you can rationalize your capital assets, optimize your product and customer mix, manage your supply chain risk more effectively, and simulate changing business conditions to develop strategies and contingency plans.

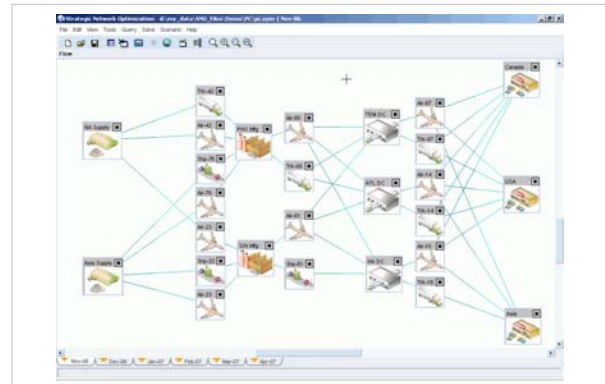


Figure 2. Supply Chain Flow Analysis

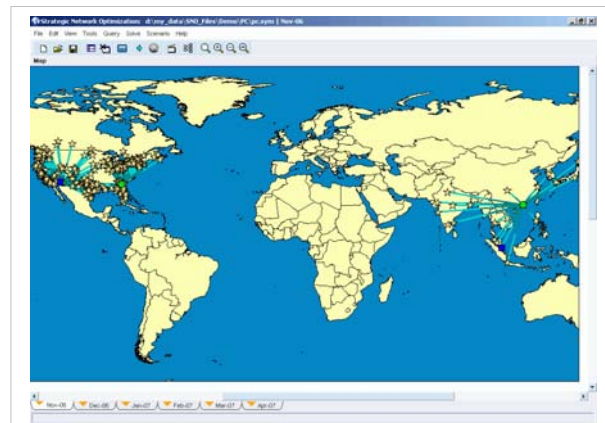


Figure 3. Global and Regional Supply Chain Mapping

### Reduce Costs and Mitigate Risk through Dynamic Sourcing

JD Edwards EnterpriseOne Strategic Network Optimization determines optimal sourcing strategies by synchronizing supply and demand. This module is the most effective tool on the market today to help you assess single versus multi-source strategies to mitigate risk. It provides time-phased sourcing decisions on what facilities and suppliers should provide which products to which markets and what transportation methods and lanes should be used. For example, when evaluating whether to move production offshore, you can weigh the trade off between lower offshore production costs against the increase in transportation costs, working capital, and decrease in cash flow, and conclude that increasing local capacity is a better decision. This module considers all supply sourcing decisions including production, distribution, capacity, and labor. It recommends optimal sourcing strategies, selects optimal product-facility assignment strategies, and provides time-phased network design changes.

### Increase Profits through Asset Rationalization

JD Edwards EnterpriseOne Strategic Network Optimization enables you to make optimal capital asset management decisions. It considers all complex costs involved in making decisions and generates controls on minimum or maximum changes per period to guide the solution to pragmatic recommendations. For example, closing a dozen distribution centers next quarter might be theoretically possible, but not practical to execute. It also rationalizes capital assets by

determining the right number of assets in right locations to minimize cost or maximize profit. It considers all asset costs including opening and closing costs, inflows from salvage, and fixed and variable costs. Plus, you can plan the integration of new business supply chains from mergers and acquisitions, or manage the assets during divestitures.

### **Increase Revenue with Customer or Product Segmentation**

When multiple products or customers are served from the same constrained assets it is necessary to determine which products should be produced and what demand should be satisfied to maximize profits within constraints. JD Edwards EnterpriseOne Strategic Network Optimization enables you to balance the needs of many customers in different channels where the variety of products and seasonal variations in demand cause fluctuations in profitability. It optimizes the throughput on the most critically constrained resources based on profitability by product family, where there are many products with different margins, to determine the most profitable mix to satisfy demand. As a result, you can better understand and optimize the profit structure of your supply chain.

### **Manage Risk More Effectively**

When designing your supply network with agility in mind, you can more effectively manage and mitigate supply chain risk. Risk factors can be both strategic and tactical in nature.

By proactively identifying the vulnerabilities in your supply chain that consider these risk factors, you can stay competitive in today's global changing markets. JD Edwards EnterpriseOne Strategic Network Optimization enables you to model and evaluate the impact of potential unplanned events, understand their impact, determine the most cost effective mitigation strategies, and formulate contingency plans. Unplanned events include:

- **Failures:** Suppliers, plants, warehouses, lines, transport, port closures
- **Costs:** Increases or decreases in cost of labor or resources
- **Prices:** Increases or decreases in price due to competitive activity, market conditions, and currency fluctuations
- **Capital investments:** New purchases, capacity increases
- **Natural Disasters:** Hurricanes, earthquakes, terrorism

JD Edwards EnterpriseOne Strategic Network Optimization enables you to assess the impact of these unplanned events through its powerful modeling and simulation capabilities and helps you to determine the best risk mitigation strategies. For example, you need to decide ahead of time whether to have logistics contracts at both Seattle and Vancouver ports, in case one of them closes, or you need to determine who your alternate carrier is before your preferred global logistics provider – which everyone else uses – goes on strike.

### **Simulate Changing Business Conditions**

JD Edwards EnterpriseOne Strategic Network Optimization provides value with its flexible and easy to model what-if simulation capabilities that provide powerful decision support for making tough strategic business decisions. It enables you to answer tough questions like:

- **Inventory Management:** Should I pre-build inventory or work overtime?
- **Manufacturing strategy:** Manufacture in-house or outsource?
- **Strategic Sourcing:** Whether to single or multi-source?
- **Customer Service:** How should I vary my safety stock levels over time?

- **Asset Management:** How can I rationalize my global assets when expanding?
- **Risk Management:** How sensitive is my supply network to sudden changes?
- **Logistics:** How can I optimize my purchasing and transportation costs?

JD Edwards EnterpriseOne Strategic Network Optimization is an intuitive and easy to use tool

with powerful features that make answering the tough questions easy. Built-in scenario comparisons enable you to perform quick and comprehensive what-if analysis against multiple demand scenarios or to evaluate currency fluctuations. You can leverage user definable exceptions and built-in dynamic reporting with drag-and-drop layout design to highlight issues and report on detailed and aggregate data.

Figure 4. Supplier and Plant Data Tabular Analysis

### Seamless Integration with JD Edwards EnterpriseOne

Strategic Network Optimization is completely integrated with JD Edwards EnterpriseOne enabling you to quickly implement and realize a rapid return on investment. Designed for planners by planners, it is intuitive and automates many decisions planners do manually.

### Incremental Deployment. Get Benefits Quickly. No Loss of Integration.

You can deploy all JD Edwards EnterpriseOne Supply Chain Planning products incrementally, enabling you to start with a smaller planning footprint quickly, while leveraging the tight integration once all components are operational. Each additional module requires limited incremental effort to implement since they share a common foundation and work seamlessly together. You can choose to either implement Strategic Network Optimization first or you can enable it later as an add-on to your existing implementation of other JD Edwards EnterpriseOne products.

### JD Edwards EnterpriseOne Supply Chain Planning. Your Complete Solution.

JD Edwards EnterpriseOne enables you to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, and products—all aspects of your business. Whether you implement one module or the entire suite, JD Edwards EnterpriseOne enables you to share unified information across the enterprise so you can make smarter decisions based on greater business insight.

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