

# The Business Value of Upgrading to PeopleSoft Enterprise 9: Supply Chain Management Solutions

*An Oracle White Paper*

*April 2007*



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“Our user group is delighted to see Oracle continue to invest in the PeopleSoft product lines. These applications are critical to our business, our supply chain operations and our bottom line. We also find great value in the opportunity to engage directly with the same development team that we have collaborated with for many years.”

—Ted Weinrich,  
Director MIS, Larson Manufacturing

## EXECUTIVE OVERVIEW

Oracle’s PeopleSoft Enterprise Release 9 solutions are focused on helping customers extend their current PeopleSoft investments with rich functional enhancements, including those that leverage next-generation technologies. New capabilities will help you get more value from your existing applications, streamline and improve key business processes, and increase efficiencies while lowering costs.

This whitepaper provides an overview of the release 9 enhancements in the PeopleSoft Supply Chain Management applications. Oracle has been working with numerous customers and user groups to identify and prioritize critical new features in these solutions that will help organizations address current challenges and goals. New capabilities are primarily focused on making key business and compliance processes more efficient, enabling industry best practices, and delivering a superior ownership experience.

We hope that this overview provides you with useful information to start planning your upgrade. For more detailed enhancement descriptions, upgrade tools, and other resources, please check out the “For More Information” section at the end of this document.

## ENHANCEMENTS IN RELEASE 9.0

The following sections outline the new features and enhancements that were delivered in PeopleSoft Supply Chain Management 9.

### Enhancements Common to Multiple Applications

PeopleSoft solutions continue to deliver features that enhance your ownership experience and help you run your business more efficiently and profitably. With release 9 of PeopleSoft Supply Chain Management Solutions, Oracle has delivered new capabilities in the areas of:

- Sustainable compliance
- Archiving

### **Sustainable Compliance Requirements**

U.S. and other regional, unilateral, and multilateral financial sanctions restrict companies from conducting transactions with specific foreign entities. For example, the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury administers and enforces economic and trade sanctions against internationally embargoed countries, individuals, and entities. Many of the sanctions are based on United Nations and other international mandates, which are multilateral in scope, and involve close cooperation with allied governments. These laws prohibit customers based in the United States and their foreign subsidiaries from doing business with any entities that are on the Specially Designated Nationals and Blocked Persons (SDN) List. This list includes terrorists, organizations that fund terrorists, international narcotics traffickers, weapons traffickers, or other targeted individuals. The USA PATRIOT Act has particularly underscored the need for businesses to comply with OFAC regulations. Failure to comply with financial sanction laws may cause your company to incur significant civil, administrative, and criminal penalties, legal fees, and negative publicity.

### **Financials Sanction Validation**

For companies that are based in the United States, this new federal regulation requires that customers and vendors be validated against the Specially Designated Nationals (SDN) list during addition or maintenance of a customer record or the creation of a business transaction. The fines for violations can be substantial. Depending on the program, criminal penalties can include fines ranging from USD 50,000 to USD 10,000,000 and imprisonment ranging from 10 to 30 years for willful violations. Depending on the program, civil penalties range from USD 11,000 to USD 1,000,000 for each violation.

In release 9, PeopleSoft Supply Chain Management screens against a downloaded list of denied parties from any source (SDN List, Interpol Terrorist List, and so on) using a fuzzy logic search engine. Vendor and Customer master records or transaction records that are found to match any of the names on the lists are placed on hold for further manual review. By leveraging technology to perform this “checking” process, your organization will save significant time and resources needed to comply with these regulations.

### **Archiving**

Your enterprise applications have been in production for many years. Thousands of transactions have been processed through your PeopleSoft Order Management, Inventory and Manufacturing applications, transactions that you no longer need for historical information or current analysis. You notice that the system performance is bogged down by all the historical data in your tables. It’s time to move these transactions off your production database and archive them so that your production environments perform with optimal speed and efficiency.

### **How to Archive Cookbook**

The archiving “cookbook” for PeopleSoft Supply Chain Management applications provides instructions on how to archive these transactions. This comprehensive guide contains significant research and detail on many Supply Chain Management tables, the order in which you should archive, and the impact to other applications. It also outlines both the technical and functional aspects of creating your own archiving solution using either the PeopleTools delivered archiving solution, or a third-party based on your preferences. This cookbook is now posted on Customer Connection.

### **PeopleSoft Manufacturing 9 Enhancements**

PeopleSoft Manufacturing assists you in designing and controlling the products and processes that contribute maximum value to your business. These tasks or processes may include:

- Converting ingredients through a recipe into food or beverage.
- Electronic components and assemblies through bills of material and routings into computer or telecommunications products.
- Raw materials through formula into compounds.
- Sheet metal, castings and molding parts through complex drawings, schematics and test specifications into complex industrial machinery.
- Configured components into unique finished goods.

When prioritizing new features for release 9, we reviewed the most frequent and high-value enhancement requests from our customer base. Based on that information, we focused on subcontract manufacturing.

Many manufacturing companies have concluded that a subcontracting or outsourcing strategy can provide many benefits to their organization. Success in finding strong partners, including suppliers of manufacturing services, can bring an organization both cost and delivery benefits. By integrating tightly with PeopleSoft Inventory, Purchasing, and Accounts Payable, PeopleSoft Manufacturing 9 leverages the ability to manage all aspects of the outsourced manufacturing process, including Blanket Order Support, automated return to vendor (RTV), shipping document generation, and payment options.

*Note: Many of the enhancements to support this initiative were in the PeopleSoft Purchasing module. For more details on the functionality and benefits around the sub-contracting Purchasing enhancements, please see the whitepaper titled “The Business Value of Upgrading to PeopleSoft Enterprise 9: Supplier Relationship Management”, available on [www.oracle.com](http://www.oracle.com).*

### **PeopleSoft Order Management 9 Enhancements**

Whether customer expectations are met or missed has a serious impact on your customer service, and ultimately on customer loyalty. Traditionally, customer

service tasks revolve around the management of orders—the convergence of the sales and fulfillment cycles. With so much riding on this key process, your organization must continually be looking for ways to revolutionize order management. PeopleSoft Order Management is a robust system that effectively connects Sales and Sales Order Entry with the process of fulfillment and total order status visibility. This flexible system provides a central order entry point for all sales channels to declare and validate products, options, kits, prices and additional fees, product configurations, buying agreements, and preferred fulfillment sources. Additionally, it provides visibility into planned and existing supply, expected shipment dates, and order status throughout the life of the order.

PeopleSoft Order Management 9 delivers enhancements in these areas:

- Holds Management Workbench
- Enhanced EDI support
- Enhanced ship date calculations

#### ***Holds Management Workbench***

Whether you're in the private or public sector, managing an organization today is a risky affair. Regulatory risk occurs in the form of non-compliance with a host of reporting requirements, from Sarbanes-Oxley to the U.S. Patriot Act. Market risk occurs, fueled by political instability, fluctuating commodity prices, constituent demands for effective government, and shareholder demands for profitable growth. Risk to your reputation may also occur, the kind that can destroy a brand and dethrone an industry leader or agency in no time.

Driven by Sarbanes-Oxley and increased concerns for accountability, control, and risk management, many organizations have a renewed focus on effective credit hold processing. The credit hold process is not just about putting a customer account on hold based on outstanding receivables, but also goes further to define who is allowed to manage the release of those holds when a customer account has been cleared. To assist organizations in complying with the controls and governance that is mandated by Sarbanes-Oxley, PeopleSoft Order Management 9 has created a package of tools that will enable credit managers and customer service representatives to manage only their own hold responsibilities. Stricter controls over who can release an order from the various holds that an organization can employ as well as a tighter audit trail enables the internal control enforcement Sarbanes-Oxley mandates.

#### ***EDI Enhancements***

Today, over 80,000 companies use EDI to improve efficiencies within their supply chain and require that their business partners have EDI capability that is compliant with their specific EDI standards. Because these standards can vary by industry and market segment, manufacturers and distributors are challenged to comply with their

customer's business document formats. Failure to comply can mean heavy fines from your partners.

Working with an EDI focus group comprised of PeopleSoft Order Management customers serving various industries, we received input and data map examples that enable us to provide out-of-the box EDI sample transaction maps that can be tailored to your exacting specifications and business needs. We deliver standard X12 data mapping for several transactions in release 9. You can also make use of existing tools for streamlining the maps to your requirements.

In addition, a number of enhancements were made to the quote and sales order process to ensure that pass-through information coming in through EDI is stored on the appropriate documents and transmitted back to the customer in downstream documents such as the EDI invoice, thus allowing you to avoid those pesky fines for violating the mandates of the 'big box' retailers..

#### ***Enhanced Ship Date Calculations***

Does your organization ship on Saturday, Sunday, or holidays? Is your distribution center located in a European Union country where trucks cannot be on the road on Sunday? Are you being penalized by your customers for not meeting the expected scheduled arrival date for their goods? Various conditions that you have no control over make the commitment of a scheduled ship and arrival date difficult at best. With PeopleSoft Order Management 9, you will now be able to identify those no-drive days for your carriers, as well as take advantage of additional options for how scheduled shipment and arrival dates are calculated.

#### **PeopleSoft Inventory 9 Enhancements**

Demand fulfillment is the intersection where suppliers and their customers trade information and inventory. In today's business environment, where all supply chain intensive companies are trying to drive down inventory while becoming more responsive to their customers, flexibility is critical. Suppliers need inventory management systems that provide greater visibility to stakeholders across the fulfillment chain to make better-informed decisions. PeopleSoft Inventory 9.0 fulfillment capabilities have been enhanced in the following areas to better support the demands on inventory management:

- Reservations
- Kit Processing
- Print Shipping Document
- Reservation of Work Orders

#### ***Reservation Enhancements***

In PeopleSoft Inventory 9.0, we build on the rules-based reservation process in release 8.9. Rules-based reservations give you better control when orders and

material stock requests are reserved and pushed into the fulfillment stream. In release 9.0, we help you address the situation when something you expect to be reserved isn't available. Specifically, we provide tools to aid you in zeroing in on why an order or stock request wasn't reserved so you can understand the reason and take appropriate steps if necessary.

#### ***Kit Processing Enhancements***

Many of you use product kits to assemble your products into sellable bundles that are shipped as one product ID to your customers. In release 9.0, we provide visibility to the components within the kit directly on the inventory transaction pages and reports to address any potential fulfillment problems or delayed shipments.

If the components of a product kit change one or more times since your customer gives you an order, you can now re-explode the component list within a product kit even if they are in fulfillment. That way your customer can obtain the most up-to-date configuration on their order. In addition, an inquiry page allows you to view the results of the re-explosion.

A material stock request (MSR) is the vehicle for moving inventory between warehouses and distribution centers. In the past, the need for moving product kits from one warehouse to another required you to enter each of the components within a kit as a separate line item on the MSR. In PeopleSoft Inventory 9.0, we have enabled product kits to be entered on an MSR with the same flexible change management capabilities as allowed for a sales order.

#### ***Print Shipping Documents Enhancements***

Customer demands require supply chains to be flexible and able to quickly react to changing business conditions in order to meet promised shipment dates to customers. Getting the goods to your customer with the appropriate paperwork can prevent needless delays and perhaps even eliminate those pesky fines. The ability to print Shipping Documents at any time in the fulfillment cycle will give you the flexibility to generate these documents prior to shipment. In addition, you have the option of automatically generating a Bill of Lading prior to shipment in case these documents are needed before the material actually leaves your premises.

#### ***Reservation of Work Order Enhancements***

With release 9.0, work order demand lines can be soft-reserved in PeopleSoft Inventory. PeopleSoft Maintenance Management manages the maintenance and repair of a capitalized asset that may require parts from PeopleSoft Inventory.

Work orders from PeopleSoft Maintenance Management can place demand for items into a PeopleSoft Inventory business unit. In release 9, we go beyond committing just a work order but now reserve any required items prior to execution of the picking plan. Allowing reservations at an earlier point in the lifecycle of the work order will help to ensure that quantity is available on the work order

scheduled start date. Reservations also provide visibility to other orders that that material is not available for their usage.

“Applications Unlimited brings tremendous value to Berlin Packaging. Berlin has made a significant investment in time, money, resources and energy into our PeopleSoft applications. And they are a true cornerstone for our ability to go actively into the market and to sustain a competitive business advantage.”

—Steve Canter, Chief Information Officer, Berlin Packaging

## CONCLUSION

PeopleSoft Supply Chain Management 9 includes numerous enhancements in several key functional and technical areas. Overall the release is marked by a focus on enhanced usability, deeper industry vertical value, increased cross-suite value, extended customer capabilities and a reduced total cost of ownership.

PeopleSoft Supply Chain Management 9 also demonstrates Oracle’s continuing commitment to the Applications Unlimited program. Applications Unlimited is Oracle's plan to continue providing enhancements to JD Edwards EnterpriseOne, JD Edwards World, Oracle E-Business Suite, PeopleSoft Enterprise, and Siebel - as we simultaneously develop and offer a next-generation suite of applications. Applications Unlimited provides customers with planned continued releases for each product line, a lifetime support policy, and a clear upgrade path to future releases.

## FOR MORE INFORMATION

To learn more about PeopleSoft Supply Chain Management Release 9 and how to start your upgrade, please check out the following resources (available through your Oracle sales manager or the resource indicated below):

- Oracle’s PeopleSoft Enterprise FMS, SCM, and ESA 9 Release Notes (located on PeopleSoft Customer Connection)
- Oracle’s PeopleSoft Enterprise FMS, SCM, and ESA 9 Release Value Proposition (located on PeopleSoft Customer Connection)
- Oracle’s Getting Started Guide for customers planning to upgrade PeopleSoft Enterprise solutions (located on PeopleSoft Customer Connection)
- Oracle Consulting’s Best Practices for Upgrading PeopleSoft Enterprise Applications, on [www.oracle.com](http://www.oracle.com)



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