Delivering Value with Oracle eBS Supply Chain Management

Koit Puusaag
Master Principal Sales Consultant
Oracle ECE and CIS
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Today’s Value Chain is Complex

- Geographically Distributed
- Dynamically Networked
- Increasingly Collaborative
- Product & Service Oriented

Value Creation

Suppliers

Operations

Outbound Logistics

Marketing & Sales

Service

Inbound Logistics

Innovation

Procurement

Human Capital Management

Financial Management

Customers

Value Creating Activities

Supporting Activities
The CEO Agenda - Business Pressures

**Margin Pressure**
- Intensified Global Competition
- Limited Pricing Power
- Economic Uncertainty
- Shorter Product Lifecycles

**Customer Expectations**
- Product & Service Innovation
- Higher Quality, Rapid Delivery
- Channel Demand Variability
- Decreasing Customer Loyalty

**Compliance & Risk Mgmt**
- Corporate Governance
- Industry Mandates
- Communication Standards
- Environmental Responsibility

**Operational Coordination**
- Fragmented Supply Chains
- Global Logistics Management
- Contract Mfg / Outsourcing
- Highly Customized Products
Information is Critical to Your Value Chain

Information enables you to…

• PREDICT Market Requirements and Risks
• INNOVATE & ADAPT to Drive Leadership
• ALIGN Operations to Business Goals

Changing Market Conditions

External Processes & Information

Undefined, Ambiguous Information

Unplanned Scenarios

Disruptive Changes

Value Chain Focus

Predict

Innovate & Adapt

Align

Corporate Objectives

Cross-LOB Programs

Inbound Logistics
Operations
Outbound Logistics
Marketing & Sales
Service
Oracle E-Business Suite
Focus on Value Chain Management

Achieve Rapid Return

Value Chain Planning
Procurement
Logistics
PLM & Manufacturing
Order Fulfillment
ALM & Service

Standardize and Simplify

E-Business Suite 12.1

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Oracle E-Business Suite Supply Chain
What’s New in Value Chain Planning

E-Business Suite 12.1

Value Chain Planning

Results:
✓ Better demand visibility
✓ Improve decision making & execution
✓ Increase profitability through service

Achieve Rapid Return
Standardize and Simplify
Value Chain Planning
Execute to Demand Driven Plan with Process Capabilities

- Drive Consensus forecast
- Balance Supply, Demand, Budgets, and Promotions
- Continuous process – Cultural change
- Drive into downstream decisions

From short-term to long-term

From detail to summary

Advanced Planning Command Center
Network Design
Sales and Operations Planning
Demand Planning
Inventory Optimization
Supply Chain & Manufacturing Planning
Global Order Promising
Distribution Planning
Production Scheduling
SC Exception Management
Collaborative Planning

• Drive Consensus forecast
• Balance Supply, Demand, Budgets, and Promotions
• Continuous process – Cultural change
• Drive into downstream decisions
Advanced Planning Command Center
Embedded analytics monitor your operational plans

- Analyze specific product categories, organizations and resource groups
- Check your shipment and production trends
- Compare previous run to current run exceptions
- Compare previous run to current run demand and supply metrics

Oracle BI Interactive Dashboards - Microsoft Internet Explorer

Supply Chain Analyst
Welcome, SNACOSLNI
Dashboards - Answers - New Products - Safety

Shipment and Production Trends
Demands and Supply Summary

Exceptions Summary
Resources Summary

Oracle BI Interactive Dashboards - Microsoft Internet Explorer

Exceptions Summary

Resource Summary

Reach (C)
Advanced Planning Command Center

Embedded analytics for tactical and operational planning

- Detect a resource problem
- Simulate a possible solution
- Directly drill down within context
- Compare the simulation results
Strategic Network Optimization

C-level issues: Re-location of sites, sensitivity analysis

- Optimize your supply chain network
  - Use demand scenarios as input
  - Compare time-phased network configurations

- Model all supply chain elements
  - Distribution centers, processing facilities, ship methods, stores, suppliers, and customers
  - Costs: transportation, operating, sourcing, facility ramp-up and shut-down, labor, and storage

- Optimize sourcing
  - Output best sourcing strategy for downstream supply chain and inventory planning

- Simulate changing business conditions
  - New businesses and new markets
  - Outsourcing decisions
  - Demand scenarios
Strategic Network Optimization

Easily model your entire extended enterprise

- Comprehensive supply chain definition
  - All internal and external facilities
  - Graphical display of supply chain network

- Adapt easily to changes in your value chain
  - Model how your supply chain changes over time
  - Date effective sourcing rules
  - Combinations of make, buy, and transfer

- Easily perform what-if scenarios
  - Use different assignment sets to simulate different sourcing scenarios

- Minimal setup required
  - Assign sourcing rules at multiple levels
  - Use sourcing rules from Oracle Strategic Network Optimization

“Significantly reduced inventory levels, improved predictability of supply, improved order to delivery cycle time, improved Sales & Operations collaboration”

— Robert Moon, CIO of Leapfrog
Sense Demand in Real-Time
Demand Management

- Leverage demand insights to drive growth
  - Sense demand closer to the point of consumption with real-time visibility to demand events
  - Analyze the effectiveness of promotions at retailers and distributors
  - Reduce time and effort to collect external market data

- Improve forecast accuracy through advanced analytics and consensus forecasting
  - Move from a regimented periodic to a continuous demand planning process that involves all key constituents
  - Leverage advanced analytics to more accurately predict demand
  - Use any combination of quantitative or qualitative data to establish your base line forecast
  - Generate granular forecasts based on attributes and characteristics
  - Use multi-dimensional analysis to adjust, allocate, and rollup

From an isolated process to a full Demantra solution within six weeks of going live our ‘A-items’ improved 45% in accuracy.

- Sagi Srinivas, Director, Supply Chain Systems, BiosenseWebster
Shape with Promotion Planning

Predictive Trade Planning

- **Shape demand via promotions planning**
  - Understand the true impact of promotions and marketing instruments
  - Simulate volume and profitability of future promotions and optimize promotional events
  - Perform what-if analysis to understand the impact of varying promotional tactics
  - Implement profitable sales and marketing strategies that are feasible to execute

- **Manage new product introductions to maximize revenue**
  - Evaluate cannibalization of existing products on revenue and inventory goals
  - Determine optimal timing of product launches and align them to financial goals
  - Determine price breaks and promotions that can be leveraged for sell-off or ramp-up
Global Inventory Optimization
Achieve Greater Order Fulfillment Flexibility

- Improve delivery accuracy by storing common subassemblies which are completed only when an order is placed
- Maximize on-time product delivery while minimizing inventory costs
- Reduce inventory write-offs

Determine Inventory Levels & Locations Based on Anticipated Demand
Synchronize plans across the Enterprise
One solution for supply chain, distribution, and manufacturing planning

- Plan all distribution, manufacturing, and supply chain activities in one plan
- Drive the plan directly from your approved sales and operations plan
- Drive decisions directly into execution
- Reduce planning cycle time by reducing the number of plans required
- Reduce the time from a change in market demand to executing
Automate routine decisions
Optimization for planners, not programmers

- **Automated decision making**
  - Dynamic fulfillment decisions
  - Level load
  - Choose alternatives
  - Make versus buy decisions
  - Late demand diagnosis

- **Out-of-the-box optimization**
  - Use costs or decision rules

- **Leverage best practice templates to easily enable advanced features**
  - Planners define the problem to solve
  - Flexible defaulting

Motorola H&NM plans their $4B supply chain daily in 90 minutes
Closed-Loop Collaborative Planning

Immediately Gain Value Chain Visibility to Both State and Direction

- Share forecasts and supply commits with customers and suppliers
- React immediately to disruptions in supply chain; enable partners to adjust accordingly
- Have complete supply chain visibility
Comprehensive support for vertical industries
Plan for any mode of manufacturing – Example vertical features and customers

Discrete Manufacturing
- Simultaneous resources
- Minimum transfer quantities
- Sequence dependent setups

Process Manufacturing
- Co- and by-products
- Hard links, changeovers
- Campaigns (e.g. in steel works)

Semiconductor
- Binning
- Network routings
- Operation yield

High Technology
- Multi-level, multi-org CTO
- Procured configurations
- Option specific sourcing

Aerospace and Defense
- Model-unit effectivity
- Hard and soft pegging
- Group netting, borrow payback
Oracle E-Business Suite Supply Chain

What’s New in Procurement

Results:

- Identify top savings opportunities
- Exploit supply market dynamics
- Optimize strategic sourcing programs
Advanced Procurement Solutions

Adhoc Users
Professional Users
Suppliers
Managers

ORACLE® iProcurement
ORACLE® Contracts
ORACLE® Purchasing
ORACLE® Sourcing
ORACLE® Supplier Portal
ORACLE® Purchasing Intelligence

ORACLE® Supplier Lifecycle Management

ORACLE® Procurement Suite

ORACLE® Receivables
ORACLE® General Ledger
ORACLE® Payables

ORACLE® Financials Suite
Supplier Management Overview

What we will cover today

Supplier Directory Services
- Supplier Search
- Supplier Inactivation
- Supplier Performance Management

New Supplier Registration and Qualification
- Supplier Profile, Classification, Bank Detail, Relationship Maintenance
- Supplier Profile, Qualification, Credit/Risk Assessments (eRFx/Survey)

Supplier Performance Management
- Supplier Profile, Self-Service Registration
- Ongoing Assessments (eRFx/Survey)

Supplier Master
- Identification
- On-boarding
- Maintenance & Assessment
- Obsolescence

Invitation
- Supplier Self-Service Registration
- Contract
Center-Led Procurement Support

Achieve Savings Via Multiple Flexible P2P Models

Decentralized

Central Sourcing, Local Execution

Complete Shared Services

Transfer to Local Business Unit
Oracle Purchasing and iProcurement

### Purchasing

- Professional Buyer’s Work Center
- Shared Services
- Multi-org Access Control
- Document Publishing Enhancements
- Web Services
- Landed Cost Management Integration

### iProcurement

- Unified Catalogs
- Enhanced Content Security (Zones)
- AME for approvals
- Multiple Search Results Layout
- Contractor Support
Oracle Sourcing
Supporting the whole business process

Demand

- Blanket Agreements
- Requisitions
- Spreadsheets (1000 lines+)

Collaborative Sourcing Process

- RFI/ Survey
- RFQ
- Auction

Outcome

- Purchase Orders
- Blanket Agreements
- Update Catalog
- Global Agreements
- Signed Contract

1. Reduce total spend
   - Lower cost of procured goods and services
   - Aggregate demand more effectively

2. Improve productivity
   - Analyze up-to-date spend information easily
   - Negotiate complex contracts quickly
   - Award Contract effortlessly in one-click

3. Increase visibility and control
   - Requester created Sourcing events
   - Standardize business rules by commodity and process
   - Monitor compliance and take corrective action

* With Oracle Procurement Contracts
Oracle Supplier Management

Transforming supplier relationships

Supplier Lifecycle

- Invitation
- Supplier Self-Service Registration
- Supplier Profile, Qualification, Credit/Risk Assessments
- Contract & Binding
- Supplier Profile, Classification, Bank Detail, Relationship Maintenance
- Supplier Performance Analysis and Management
- Ongoing Assessments (eRFx/Survey)
- Supplier Search
- Supplier Inactivation

Identification

On-boarding

Maintenance & Assessment

Obsolescence
Oracle E-Business Suite Supply Chain
What’s New in Logistics

Results:
✓ Lower overall logistics costs
✓ Streamline and standardize global logistics operations
✓ Minimize total landed costs and maximize margins
Global Transportation Management

Meet Varying Customer Demands for On-Time Delivery at Lower Cost

Optimize Modes & Routes

- Plan and re-plan across multiple legs, tiers, nodes, and modes (truck, air, train, ocean)
- Handle all supplier inbound and customer outbound deliveries
- Display results via intuitive, graphical UI

Automate Execution & Collaboration

- Manage internal and 3rd party fleets (eg. LSPs) in the same system
- Enable partners to transact and “self-update” (eg. pick-up request)
- Handle exceptions via automated event management notifications
- Integrated with shipping, receiving, inventory management & purchasing

- Manage the International Movement of Goods Within a Single System
- Optimize Logistics Networks through Global Control, Local Execution, and Central Management
Oracle Warehouse Management Solution

...or Provide a Complete Warehouse Execution System

- RMAs
- Purchases
- Transfers
- RTVs
- Orders
- Transfers

Seamless Integration

Transportation  Purchasing  Manufacturing  Fulfillment

- Receive
- Inspect
- Cross Dock
- Putaway

RF Support

Global Visibility

Ship  Pack  Directed Pick

WIP Issues  Transfer  Move  Count  Replenishment

Label  Assemble  Cost

Tailorable Rules & Workflow Process

Inspect

Receive

RMA

Global Visibility

Directed Pick  Ship  Pack  WIP

Cost  Transfer  WIP

Transfers  RTVs  Orders  RMAs

Replenishment  Move  Count  WIP

RF Support

Directed Pick

Receive  Inspect  Cross Dock  Putaway

Seamless Integration

Receive  Inspect  Cross Dock  Putaway

Transportation  Purchasing  Manufacturing  Fulfillment

RTVs  Orders  Transfers  RMAs

RF Support

Directed Pick  Ship  Pack  WIP

Cost  Transfer  WIP

Replenishment  Move  Count  WIP

Global Visibility

Directed Pick  Ship  Pack  WIP

Cost  Transfer  WIP
Oracle E-Business Suite Supply Chain

What’s New in Manufacturing

Results:

✓ Increase of innovation level
✓ Simplify and standardize with manufacturing production
✓ Improve manufacturing visibility with real time shop floor intelligence
✓ Increase throughput, product efficiency and plant utilization
Mixed Mode Manufacturing

Build a Variety of Products Utilizing a Single, Flexible System

- Accelerate product / recipe development and new product introduction
- Increase plant flexibility, efficiency & responsiveness
- Drive efficient, compliant shop floor production
- Control product cost, quality, and compliance
- Outsource and offshore with confidence

- Mfg Execution (MES)
- Quality Management
- Lot/Serial Genealogy
- Shop Floor Modeling
- Partner Collaboration
- Enterprise Integration
- Project Tracking
- Mfg Intelligence
Production Execution

Intuitive Operator Workstation

- One step completion
- Provide quick access to rqmts, work instructions, etc.
- Replenish Kanbans
- Auto-trigger pull demand, pick requests & start / completion labels
- Record assembly and component serials during production
- Enforce mandatory in-line quality collection at any operation
- Workstation based completions with ability to update components

Graphically rich work instructions
Manufacturing Operations Center Dashboards

*Deliver Performance Measures*

- 55+ KPIs, 90+ measures, reports and alerts out of the box
- Pre-built role-specific dashboards
- CO2 emissions tracking
- Graphical views
  - Trend charts
  - Graphs
  - Tables
- Embedded best-practice calculations and KPIs
- Analytic workflows to drive actions
- Drill-downs into details for root-cause analysis
- Leverages OBIEE+
- Configurable and customizable
Oracle E-Business Suite Supply Chain

What’s New in Order Fulfillment

Results:

- Faster, more compliant order entry
- Flexible and responsive order fulfillment
- Reduced contract cycle time, and better management of risks
Order Fulfillment Process (simple example)

Enabled via Seamless Application Integration
Oracle E-Business Suite Supply Chain
What’s New in Asset Lifecycle Management

Results:
✓ Improve utilization of all assets
✓ Provide global asset visibility
✓ Reduce capital expenditure through better asset management
Oracle Asset Lifecycle Mgmt Solution

Internal
- Engineering
- Operations

External
- Suppliers
- Contractors

- Requirements
- Specifications
- Drawings
- Schedules
- Defects
- Orders

Advanced Collaboration Tools

Asset Portfolio Mgmt

Plan
Build / Acquire
Commission
Operate / Maintain
Retire / Dispose

Asset Intelligence

Financial Management

Global Asset Repository
Types of Maintenable Assets

**Fixed Plant**
- Productive machinery
- Equipment
- Components

**Linear / Continuous**
- Roadways
- Pipelines
- Transmission lines
- Railway lines

**Mobile**
- Trucks
- Buses
- Automobiles
- Rolling stock

**Infrastructure**
- Buildings
- Retail stores
- Universities
- Hospitals
Enterprise Asset Management (eAM)

- Maintenance Requirements
- Engineering Specifications
- Production Schedules
- Meter Readings
- Usage
- Estimated Life
- Inspection Limits
- Planning: Maintenance
- Planning: Predictive
- Dynamic Plan Adjustments
- Execution: Workflow Driven
  - Create W/O
  - Approve
  - Dispatch
  - Complete
- Scheduling
  - Planned
  - Unplanned
- HR: Skills
- Purchasing
- Inventory
- Self-Service

Benefits:
- Optimize Utilization
- Maximize Safety & Compliance
Asset Maintenance Integration
Support Material Transactions for eAM and CMRO

Enterprise Assets Management Business Flow

- Work Requests Entry
- Material Request & Confirmation
- Work Scheduling
- Work Order Generation
- Resource Planning
- Work Order Update and Close Out
- Task Planning
- Forecasting
- Asset Performance
Oracle Enterprise Assets Management

105 Integration Points

- **T&A**
- **Purchasing**
- **Mfgr.**
- **Inventory**
- **Projects**
- **Service**

**Receiving**
- Time Entry
- WO Materials, Reqs Linked to WO & Workflow
- Product & Maint WC
- Transactions Costs Updates
- Project / Task, WO Costs

**WO Updates & Catalogs**
- WO Updates, Catalogs
- Employees & Skills

**Posting Integration**
- Posting Integration
- Chart of Accounts
- WO Billing
- Depreciable Assets

**Maintainable Assets**
- Maintainable Assets

**Suppliers**
- Suppliers

**Customers**
- Customers

**HR**
**AP**
**GL**
**AR**
**FA**
**Property**

**Req & PO Changes, AP-to-PO Matching/Reconciliation**

**Changes to Capitalized Asset Depreciation**
- Service Request Linked to WOR / WO
Oracle E-Business Suite
Focus on Value Chain Management

Achieve Rapid Return

Value Chain Planning

Procurement

Logistics

PLM & Manufacturing

Order Fulfillment

ALM & Service

Standardize and Simplify

E-Business Suite 12.1

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Oracle’s Unique Offering

Comprehensive Suite of Best in Class Capabilities

Business Intelligence and Analytics

Strategic Network Optimization

Demand Management - Real-Time S&OP

Advanced Supply Chain Planning

Inventory Planning

CRM

Manufacturing

Production Scheduling

Warehouse Management

Transportation Management

Product Lifecycle Management

ERP (Financials, Procurement, Assets Lifecycle Management)

Business Platform, Applications Integration Architecture

Value Creating Activities

Supporting Activities

Outbound Logistics

Marketing & Sales

Service

Service Supply Chain
Thank you

koit.puusaag@oracle.com
Hardware and Software
Engineered to Work Together
Oracle Enterprise Assets Management

105 Integration Points

- T&A
- Purchasing
- Mfgr.
- Inventory
- Projects
- Service
- Suppliers
- Customers
- HR
- AP
- GL
- AR
- FA
- Property

Integration Points:

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Center-Led Procurement Support
Achieve Savings Via Multiple Flexible P2P Models

Decentralized

Central Sourcing, Local Execution

Complete Shared Services

Transfer to Local Business Unit
Oracle Purchasing and iProcurement

**Purchasing**

- Professional Buyer’s Work Center
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- Multi-org Access Control
- Document Publishing Enhancements
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**iProcurement**

- Unified Catalogs
- Enhanced Content Security (Zones)
- AME for approvals
- Multiple Search Results Layout
- Contractor Support
Advanced Sourcing and Procurement
Partner with Leading Suppliers Capable of Meeting Changing Demand

- Automate routine internal and partner-facing sourcing and purchasing processes
- Speed collaboration with real-time exchange of documents, schedules, etc.
Oracle Supplier Management

Transforming supplier relationships

Supplier Lifecycle