Oracle Value Chain Summit Incorporates Planning and Execution Functions

By Clint Reiser

Keywords
Oracle Value Chain Summit, Value Chain Planning, Demand Planning, Sales and Operations Planning, Transportation Management, Distributed Order Management, Oracle In-Memory Consumption-Driven Planning

Summary
The Oracle Value Chain Summit in San Francisco, CA, February 4-6, 2013, consisted of six “summits” focused on the areas of PLM, manufacturing, procurement, maintenance, value chain planning, and value chain execution. The six complementary programs enabled attendees to learn about the full range of Oracle applications and address their application footprint from a holistic perspective. This format also enabled ARC Advisory Group to participate in the two value chain planning tracks and four execution tracks covered in this report.

The planning and execution tracks included a number of product roadmap discussions and informative end-user presentations on deploying and using Oracle applications. ARC found the presentations on Oracle Fusion Transportation Intelligence (an option within Oracle Transportation Management), Oracle Fusion Distributed Order Orchestration, Oracle’s Demantra, and the soon-to-be-released Oracle In-Memory Consumption-Driven Planning particularly interesting.

Value Chain Execution

Transportation Management
Oracle Fusion Transportation Intelligence (FTI), the company’s BI solution for transportation, became commercially available just over five years ago.
A number of customers have since provided overviews of their upfront goals and results from deploying this solution. Most use-cases have been well-established users of core OTM functionality prior to implementing Oracle FTI. However, Emerson Electric chose to begin its OTM experience to first gain transportation intelligence before operational use.

Don Sorg of Emerson Electric discussed the company’s legacy transportation information management processes and the role of Oracle FTI in its process improvement initiative. The company’s distributed organizational structure employs a third-party freight payment company to manage carrier invoicing. It also used a legacy transportation reporting system with limited capabilities. Emerson was looking to develop deeper reporting and scenario analysis capabilities to help improve transportation efficiency. In particular, the company wanted to optimize its routing guide and adjust carriers and lanes accordingly and, under a longer term vision, manage its transportation operations centrally.

To accomplish the above, Emerson implemented a hosted version of OTM and loaded five years of data into FTI. This provided improved analytical and reporting capabilities and the ability to perform “what-if” analysis. The analytical improvements uncovered numerous opportunities to drive down transportation costs across the organization.

**Order Capture and Fulfillment**

The Oracle Fusion Distributed Order Orchestration (DOO) order capture and fulfillment system is designed to normalize relevant data from numerous order and fulfillment systems into one consistent and comprehensive view. DOO provides the ability to rationalize cross-system master data, decompose inbound orders into logical groups, and then recompose the requirements to provide overall visibility and help improve fulfillment activities across the organization. DOO also provides event management on the complete lifecycle of an order.

Aaron Kelley of Boeing Global Services and Support described the order management complications within his organization, the project initiated to improve the proposal and order management processes, and the role of Oracle DOO in this project. The Global Services and Support supply chain organization provides MRO support for products from 1950 to current day. To do so, it pulls data from nine systems, representing a total of fifteen instances. The organization needs to obtain data from numerous sources,
receive demand signals through various channels, and does not have the option of replacing the disparate legacy systems. Therefore, the organization determined it needed a solution to sit on top of the legacy systems that would provide a view of multiple parts inventories and execute proposal and order management processes across systems.

The company decided to implement Oracle Fusion DOO to support these requirements. While the project is not yet complete, some business process improvements are already apparent, yielding improvements in proposal processing, win rates, and cost. When the solution is fully implemented, the company expects up to 30 percent reductions in order cycle times. In the near future, Boeing also plans to implement the order jeopardy functionality offered within DOO, followed by Oracle Fusion Global Order Promising functionality.

Value Chain Planning

Soon-to-be-Released In-Memory Solution
A number of Oracle product executives outlined the soon-to-be-released Oracle In-Memory Consumption-Driven Planning solution. The solution will be an engineered system composed of Oracle’s Demantra application software with added replenishment functionality, Oracle Fusion Middleware, and Oracle Exadata hardware. It will provide high-performance processing capabilities, leverage Oracle Demand Signal Repository (DSR) to manage POS data, and also incorporate inventory data to provide a comprehensive view of inventory across the supply chain. These capabilities will support complex scenarios with multiple channels to perform sell-in forecasting and single-tier replenishment planning. The company is positioning the new product for store-level and daily planning. ARC looks forward to hear case studies about the actual performance users obtain once the product is launched. As a note, a Garmin employee at the conference stated that the company’s use of Oracle Exadata reduced a data import process from an hour to roughly two minutes. It will be interesting to learn whether Oracle In-Memory Consumption-Driven Planning provides similar performance results.

Oracle Demantra Use Cases
Kevin Leedy of Qualcomm Atheros discussed his organization’s use of Oracle’s Demantra for the company’s demand planning and forecasting
process. In a separate presentation, Chao-Ming Ying of Hitachi Consulting also described the use of Demantra for demand management and integrated business planning by his client, ZTE Corporation. Interestingly, both individuals highlighted the value of Demantra’s ability to support the configure-to-order processes inherent in a high-tech environment.

Qualcomm Atheros develops its forecast at the chipset level and Demantra then offers the valuable capability to provide a bill of materials (BOM) explosion to expand the demand forecast to the chip level. Chao-Ming Ying discussed the complexity of the kitting process in ZTE Corporation’s configure-to-order environment. He highlighted the importance of the ability for users to calculate average material requirements across products and for Demantra to support a BOM attach rate for given components. Planners then use this information to determine the number of complete sets they’re able to fulfill.

**Conclusion**

The Oracle Value Chain Summit covered the core functions within a firm’s value chain. This conference bridged the former gap between the company’s smaller function-specific forums and the vast Oracle OpenWorld conference. The inclusion of complementary value chain application functions within a single summit enabled attendees to address their application technology requirements in a comprehensive manner.

The presentations within these tracks provided examples of valuable functionality the company develops to support its substantial manufacturing client base. Meanwhile, the presentations on Oracle Demantra highlighted the comprehensive functionality in support of the configure-to-order process.

*For further information or to provide feedback on this article, please contact your account manager or the author at creiser@arcweb.com. ARC Views are published and copyrighted by ARC Advisory Group. The information is proprietary to ARC and no part of it may be reproduced without prior permission from ARC.*