Oracle User Conference Highlights Progress in TMS Deployment and Utilization

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Summary
The Oracle Transportation Management Special Interest Group (OTM SIG) hosted its 6th annual user conference in Philadelphia, Pennsylvania, August 13-15, 2012. This independently run conference drew almost 400 attendees, predominantly Oracle Transportation Management (OTM) users. It featured four concurrent tracks that included both functionally and technically focused presentations. The tracks included a number of informative presentations by OTM users from various industries. These discussed the users’ implementations, current usage, and future plans for OTM within their organizations. ARC Advisory Group found ConAgra’s and Mutual Materials’ presentations on OTM adoption and Kraft’s presentation on the company’s use of Fusion Transportation Intelligence particularly informative.

ConAgra’s OTM Adoption
Members of the ConAgra OTM implementation team provided a detailed overview of the company’s reasons for implementing Oracle’s TMS, the complexities of the process, and the benefits obtained from this initiative. ConAgra was looking for a functionally rich TMS to replace its legacy solution. The ideal TMS would provide a good match for the company’s requirements while offering a clear path forward. ConAgra ultimately selected OTM with Fusion Transportation Intelligence due to its ability to best meet these qualifications.
ConAgra completed its OTM implementation during the summer of 2011. The project delivered business benefits by streamlining business reporting; enhancing planning processes; and improving the company’s freight management, invoicing, and payment processes.

ConAgra’s goal in implementing Oracle’s Fusion Transportation Intelligence (FTI) option, now being realized, was to provide end users with the ability to manage and execute reporting requirements with limited IT support. ConAgra generated inbound freight management process improvements from the ability to integrate its ERP material management functionality with TMS. The company also seized this opportunity to reengineer its freight pay business processes. This reduced the number of decision points and streamlined invoice processes from three down to one.

The ConAgra presenters also provided feedback on some of the lessons learned. They noted the importance of managing change. In particular, they highlighted the importance of obtaining buy-in from the top and the middle of the organization to facilitate support at the execution level. They also mentioned the importance of setting expectations with end users about the extent of business process changes. Finally, they emphasized the master data management process (MDM) as an area that required greater attention and resources than anticipated.

The project is delivering against ConAgra’s aggressive return on investment requirements for IT projects. The company plans to build upon its current status with future enhancements such as cooperative routing, automated rate page workflow, and expanded reporting capabilities.

**Kraft Foods Implements Fusion Transportation Intelligence**

Mark Kissell of Kraft Foods and Brian Fish of Chainalytics discussed Kraft’s recent implementation and use of Oracle Fusion Transportation Intelligence (FTI). Kraft Foods manages a complex supply chain that consists of more than 900,000 annual shipments and over 100,000 lane pairings with total annual transportation spend of approximately $1 billion. The company went live with OTM in 2006, which is currently used to manage transportation in the US, Canada, Russia, and Brazil. Kraft previously utilized its ERP business intelligence solution for transportation management, but found it
difficult to transfer data from OTM into this particular BI product. The company looked to obtain a reporting solution for widespread use within the transportation function that would inform its users of exceptions and issues to help improve overall decision-making within the transportation function. Kraft purchased and implemented FTI to meet these requirements.

Mark and Brian provided details on the implementation and communicated their lessons learned from the process. They stated that establishing a base structure for reporting was both a critical step in the process and an area that is often overlooked. The development of a base structure included defining base cost, volume, and service calculations; the upfront development of the reporting drill-down structure; and the decision to define an individual owner within the organization for every transportation move category. This upfront planning provided a robust foundation for the report and dashboard development process. The drill-down structure was developed with three main structural levels: executive, management, and execution. This structure allowed the appropriate level of information aggregation and detailed breakdown throughout Kraft Transportation. The routing guide dashboard was created with 84 reports. These included the name of the individual lane owner on the bottom of each report to facilitate accountability for the lane specific business processes within the organization. Additionally, the company standardized report formatting to improve usability and minimize confusion. The product’s capabilities and structural design have provided increased visibility, decision-making improvements, and a reduction in data mining requirements in Kraft Transportation.

**Mutual Materials Implements OTM with Fleet Management**

Guy DeFlorio, CTO of Mutual Materials, discussed the company’s OTM implementation, lessons learned from the project, benefits obtained, and next steps in its improvement process. Mutual Materials provides brick, block, and related products to locations throughout the northwestern US and adjacent Canadian provinces. Approximately 90 percent of the company’s transportation is done with its own fleet and the remainder is done by common carriers.
In 2010, Mutual Materials became determined to make its operations more efficient. The company’s objective was to provide optimal planning for its complex distribution network of consolidation and deconsolidation pools and multi-stop transits to achieve maximum flexibility and cost-saving planning outputs. Mutual selected OTM based on the solution’s breadth of functionality, advanced planning engine, and the company’s existing relationship with Oracle.

Mutual Materials’ business requires equipment additions to its fleet to meet customers’ delivery requirements. In response, the company modified its existing ERP order management system to identify equipment requirements for each order and also configured OTM for the equipment combinations. It also established the equipment requirements for common carriers. Using OTM along with these configurations allowed Mutual to optimize utilization of its specialized fleet, add value to customers at the point of delivery, and reduce logistics costs. The overall implementation achieved substantial cost-saving from planning outputs and reduced the company’s reliance on common carriers. Going forward, Mutual Materials plans to integrate a Qualcomm application with the OTM message hub to streamline its dispatch function.

**Conclusion**

The Oracle Transportation Management SIG is a cohesive and collaborative group of transportation management system users. This year’s event included a number of informative case studies on implementing OTM and Oracle’s more recently released Fusion Transportation Intelligence solution. The conference continues to serve as a neutral and valuable arena for users to exchange ideas, discover best practices, and provide direct input to the company for future OTM product development.

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