



# Compliance

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## Today's mid-tier Consumer Packaged Goods executives face unparalleled compliance pressures and challenges never anticipated by their predecessors.

The need to manage the business with a single version of the truth is more critical today than ever before, and is both internally and externally driven including:

- **Compliance with Financial Regulators** – Traditional concerns about effective trade promotion and settlement management with key partners have been overshadowed with meeting the stringent rules of accountability associated with Sarbanes-Oxley.
- **Compliance with the FDA** – 9/11 changed everything especially how consumers view the safety of their food supply. Integrated within the spirit of the President's bio-terrorism laws are current and future planned FDA rules and enforcement processes that require CPG companies to more effectively track and report on product quality from supplier to retailer.
- **Compliance with Key Retailer Requirements** – Item Synchronization, RFID/ePC standards and true Supply Chain Collaboration are being mandated by Wal\*Mart, Target, Home Depot and other top retailers to improve top line growth, reduce out of stock, lower shrinkage and improve operating margins.

Coupled with the above is board and shareholder pressure on CEOs to drive its own top line growth and manage operating costs including IT investments. While large CPG companies can make the significant investment in people and technology to support these compliance requirements, most mid-tier companies find that it can quickly overwhelm the staff, add significant cost, occupy management time and impact the bottom line.

What we at Oracle hear from many of our mid-tier CPG Company customer executives is that they want an out of the box solution, from a proven and stable supplier, that supports all phases of compliance. What they don't want to be is in the IT R&D business, the multi-vendor integration and support business or the application customization business.

Oracle, listening to and working with key customer and business partners have developed an integrated set of solutions that effectively provides to the CPG manufacturer "Compliance Out Of The Box".

### Compliance Out Of The Box – More than an application

First, to meet the unique needs of the CPG industry, it is necessary to understand the key business flows that enable compliance. To meet these needs Oracle has developed a comprehensive set of integrated flows, based on best practices, that go across key processes in trade management, process manufacturing, supply chain optimization, transportation, warehouse and asset management. These flows become the cornerstone of deploying enabling solutions and ensure adherence to key compliance requirements.

Second, to maximize scarce IT resources the **Compliance Out Of the Box** solution is built on and takes advantage of Oracle's proven technology stack.

- ▶ Key requirements as maintaining the highest level of data security needed for food traceability data is integrated into the solution.
- ▶ Enabling RFID, Oracle's Application 10g connect to readers and sensors at the edge of your infrastructure to capture and store key data.
- ▶ Information is stored in one place and provides the secure and highly accessible repository needed to assess, plan and quickly react to changing business dynamics.

Third, Oracle provides an integrated set of applications, built on a common data model, that supports key compliance requirements including:

- **Trade and Promotion Management** – Enables effective promotion spend planning, tracking, management and integration into demand planning, collaborative trade settlement and allocation of costs needed to assure alignment to stringent financial rules and meet the compliance requirements of Sarbanes-Oxley.
- **Advanced Product Catalogue** – Provides the vehicle to manage item descriptions and multiple attributes needed to support existing and future UCCNet synchronization compliance requirements. Coupled with Oracle's **Customer Data Hub**, it is the foundation for providing a holistic view of the business.
- **Process Manufacturing** – The industry standard for managing the various processes required to move raw materials to products while meeting the compliance requirements for tracability, Electronic Record Keeping and Signature associated with 21 CFR Part11.
- **Warehouse Management** – An RFID-enabled solution that manages the allocation, storage and movement of materials and products and provides a real time view of what and where.
- **Collaborative Planning** – An integrated solution that enables the retailer and manufacturer to effectively build a common and consistent set of product requirements driving to both a reduction in out of stock and finished goods in the pipeline.

In summary, Oracle is committed to providing solutions to the mid-tier CPG market which support compliance and eliminate high IT costs. More importantly, Oracle's mid-tier solutions enable Business Leadership to focus on key issues and manage to a single version of the truth by aligning the access of information to the velocity of the business..

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