

# JD EDWARDS ENTERPRISEONE MANUFACTURING – ETO FOUNDATION

**ORACLE®**

**JD EDWARDS ENTERPRISEONE**

## PRODUCT HIGHLIGHTS

- Integrate project, shop floor, and financial management
- Monitor status and profitability at the project level
- Streamline project planning for customized items
- Accurately track customer quotations to streamline order cycle time
- Effectively procure raw materials, component parts, and sub-assemblies specifically for a project to reduce costs
- Efficiently pre-purchase, allocate, or reserve inventory tied to a specific project in order to streamline administrative tasks
- Precisely manage activities, tasks, and costs at a project level in a work breakdown structure (WBS) to insure on-time project delivery to the customer
- Efficiently and effectively roll up all project-based costing activities for accurate margin analysis
- Avoid borrowing from other projects to avoid stock-outs
- Accurately capture project costs throughout the project life cycle
- Readily include components from multiple vendors into your project
- Integrate all phases of the ETO project into your enterprise system

*Address your needs to employ project-based processes for Engineer-to-Order (ETC) and Configure-to-Order (CTO) products throughout your enterprise. Utilize the ability to track customer quotations, procure materials and components specifically to a project. Accurately manage activities, tasks and costs at a project level within industrial manufacturing and electronic products environments.*

## **The Issue: Project-Based Processes Within Multimode Manufacturing**

When you employ multiple modes of manufacturing, it can be difficult to bring all the information together in one place. You need to see the entire demand for resources—production, labor, and materials—across all your processes. Sometimes, you must purchase materials and services for one specific project and be able to track costs throughout the project lifecycle to determine true profitability at the project level. You don't have the time or the extra staff to consolidate disparate systems when you're trying to manage production proactively to meet your profit margin targets.

Manufacturers are in an increasingly competitive marketplace with ongoing pressures to meet deadlines, making it harder to sustain desired profit margins. This picture is complicated since many firms outsource many project tasks or material requirements. As a result, it is necessary to scrutinize costs at a lower level and to more effectively manage supplier and customer relationships.

This is coupled with in-place ETO and CTO business processes that cannot purchase to a specific project that leaves the possibility that required materials, labor or components will not be available when needed. A missed completion date might have a ripple affect not only for your firm and customers but also for your suppliers. This can all lead to financial exposure of potentially millions of dollars.

To avoid this risk, firms may purchase excess material inventory to avoid stock-outs or to have to pull from other projects to meet an immediate need. These behaviors can lead to excessive inventory carrying costs and under-estimation of the true costs associated with a given project. Unbudgeted costs are often incurred when managers step outside of their processes to move inventory or pay extra to get a task accomplished with a shortened lead-time.

## **The Solution: Integrated Manufacturing Project Management**

With JD Edwards EnterpriseOne Manufacturing-ETO Foundation, engineer-to-order

capabilities are now an integral part of the Oracle's JD Edwards EnterpriseOne Manufacturing suite solution. These capabilities enable you to manage project-based ETO processes throughout all phases of the project lifecycle. From project initiation through close, you have visibility to costs and activities that are linked to a specific project, customer, or demand. This module gives you extensive capabilities around:

1. **Project Estimating and Quoting** – leads to a detailed basis of project work and budget in a Work Breakdown Structure (WBS);
2. **Project Scheduling** – maintaining relationships between the WBS and work orders;
3. **Actual Cost Accounting** – which tracks actual costs to each project phase from the WBS with complete roll up from lower levels with WBS parent/child relationships;
4. **Project Requirements and Planning** – for manufacturing planners to manage and recommend acquisition and adjustment of supplies for the quoted project with a detailed view of supply and demand for the work;

### Get Off to the Right Start

Often, the success of a project is determined in the earliest stages based on your ability to accurately estimate requirements and their related costs. The ETO capabilities provide a project workbench to build a pro forma work breakdown structure (WBS) that depicts tasks that must be performed to meet customer demands at the margins you require. From this one location, you can access all of the solutions that can assist in rapidly producing a project plan.

Through Resource Assignments, you identify the equipment and people resources that are the best fit for the project. Scheduling capabilities enable you to set the timeline by using standard constraints, such as task dependencies, critical paths, and resource availability. You can work with planned and estimated costs to determine budget and quote amounts, but you don't have to allocate inventory or generate financial commitments until the project becomes a reality.

Once you are ready to communicate the project plan to the customer, you can pull in the WBS to build a quote. You decide what level of detail is appropriate to articulate requirements clearly and to gain customer acceptance. And, because quoting is a two-way street, you can provide your customers with appropriate security to access the proposal online, thereby facilitating dialogue through multiple iterations.

### Ensure Visibility to Project Requirements at All Planning Levels

Once the quote is accepted, your pro forma project becomes the real thing. At this point, you may decide to refine the WBS to reflect the project plan at its most detailed level. By running Project Requirements Planning, you generate purchase orders and work orders to match the detailed task requirements on the WBS. This action puts the replenishment plan in place to ensure that materials consumed are replaced through your inventory management processes. Plus, through integration to JD Edwards EnterpriseOne Configurator, you can use configured purchase orders and work orders to

simplify managing configured products—both internally and across the entire supply chain.

For longer, more complex projects, JD Edwards EnterpriseOne Manufacturing – ETO Foundation capabilities allow you to connect to JD Edwards EnterpriseOne Project Costing. By linking the project’s WBS to a corresponding cost code structure in JD Edwards EnterpriseOne Project Costing, you greatly expand the ability to manage costs. Sophisticated forecasting and change management become part of the plan, making it possible to perform revenue recognition or create an audit trail of cost variances. Additionally, this connection enables you to use the JD Edwards EnterpriseOne Contract and Service Billing modules for managing the terms and conditions of contracts and service agreements.

Based on durations and dependencies, you can now schedule the project for execution— based either on the earliest start date or the latest completion date—with float built in as desired. Integration to Microsoft Project gives project owners the means by which to examine and update the project plan in a familiar, graphical format.

### **Execute to Your Plan**

Many times, your ability to realize profit margins is through proactive management of cost variances. Through the project workbench interface, you can monitor all aspects of project performance and make adjustments while they can still impact end results. Based on alerts you set up for individual tasks, messages are sent to project owners so that appropriate action can be taken to ensure that project goals are met.

Whether you use the integrated JD Edwards EnterpriseOne Project Costing to forecast final values or perform a cost rollup, you’re aware immediately of problems that result from cost overruns. Additionally, throughout the execution phase, you can revalue work in progress so that the end result is a true assessment of project profitability.

### **Improve Future Project Performance**

Before closing the project, you can run the Project Close Analyzer to make sure that all manufacturing and purchasing activities have been completed or canceled and that all delivery requirements have been met.

Reports within JD Edwards EnterpriseOne Manufacturing – ETO Foundation, Financial Management, or Project Costing modules provide you with an analysis of project performance. Knowledge is captured for reuse on the next project to improve future performance.

### **Feature/Function Highlights**

- Visibility to requirements across all manufacturing modes
- Intuitive project workbench
- Task-based work breakdown structure

- Project estimating and quoting system
- Scheduling based on task dependencies and durations
- Profitability assessment by project, customer, or demand
- Support for configured purchase orders and work orders

### Solution Integration

This module is designed to be integrated with these JD Edwards EnterpriseOne products and families across your operations using common tools and a Pure Internet Architecture:

- JD Edwards EnterpriseOne Supply Chain Manufacturing
  - Configurator
  - Manufacturing – PDM
  - Manufacturing – Shop Floor
  - Quality Management
- JD Edwards EnterpriseOne Order Management
  - Sales Order Management
- JD Edwards EnterpriseOne Supply Management (Procurement)
  - Procurement Management
- JD Edwards EnterpriseOne Supply Chain Execution (Logistics)
  - Inventory Management
- JD Edwards EnterpriseOne Project Management
  - Project Costing
  - Project Change Management
  - Contract and Service Billing

This module also works with:

- Microsoft Project

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