

SUPPLY CHAIN MANAGEMENT CHECKUP

5 QUESTIONS TO DETERMINE THE WEAKEST LINKS IN YOUR SUPPLY CHAIN



UNDERSTAND HOW GAPS IN YOUR MANAGEMENT PROCESS IMPACT YOUR ABILITY TO MEET MARKET NEEDS

Businesses must constantly adapt to market influences. Whether it's a new product introduction, expansion into a new region, or an acquisition, agility maximizes growth opportunities. Implementing cloud-enabled supply chain management (SCM) solutions can provide the flexibility businesses need to respond rapidly and effectively.

In fact, about 75 percent of organizations are deploying three or more SCM processes in the cloud, according

to an IDG Connect survey. End-to-end, integrated SCM solutions that offer a wide range of functions are helping these companies attain their strategic goals. Still, you may wonder whether cloud-enabled SCM is right for your organization at this time?

The following five questions will help you determine whether your current SCM systems can meet the demands of today's rapidly evolving business environment.



1

Do I have enough visibility into my supply chain to know where my products, supplies, and processes are, so I can identify challenges (such as stock-outs or shipping delays) and opportunities for improvement?

At its core, supply chain visibility means you always know where your inventory is in your supply chain. Few companies have complete visibility across their entire supply chain. Advancements in SCM

technologies, including open cloud architectures, are helping companies move toward total supply chain visibility. To determine whether your supply chain is lacking transparency, ask yourself:



Can I identify the precise location of inventory at every site across my organization in real time or near-real time?



Can I track product inventory or vendor supplies while they're in transit or at a distribution center?



Do I know the status of all my orders at any given time?

If you answered “no” to any of the above questions, you likely lack the visibility you need to flexibly respond to market demands. Cloud-based SCM

systems can help you move toward the end-to-end visibility you need to maximize supply chain efficiency, flexibility, and responsiveness.

2

Am I getting the right products to market, and am I doing so in a timely manner so I can maximize profits?

Product innovation is often tied to the health of your supply chain. To ensure you're getting the best products to market in the most efficient and cost-effective way, it's important to standardize product development processes and integrate

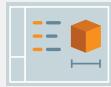
them with critical functions such as logistics, engineering, and production. To determine whether your supply chain is optimized for product development, ask yourself:



Do I have seamless data integration between product development and other processes, such as logistics and manufacturing?



Do I have a standardized SCM system that provides insight into logistics costs, supplier capabilities, production lead time, and other key variables during the innovation process?



Am I using templates to gather ideas and move them toward product development?



Can I continually monitor and evaluate product data for design and supply readiness?

If you answered "no" to any of the above questions, your product development process isn't closely aligned with other key functions. You need an

integrated, streamlined system so you can determine logistics costs, supplier requirements, and lead times before you enter the production phase.





3 Do I have “connected intelligence,” or am I pulling data into spreadsheets from dozens of systems to manage my supply chain?

As your business has grown, you may have noticed that you’re accumulating many different technology systems and processes. Various departments may have their own methods or ways of using technology, and companies you’ve acquired could have data-management systems

that are not compatible with your existing technology. This siloed environment can result in increased costs and supply chain inefficiencies. Answer the following questions to determine whether you have the seamless connectivity needed to make informed decisions:



Do I have platforms for different processes that communicate with each other (e.g. logistics communicates with finance on shipping options for immediate feedback on the impact on the forecast)?



Can you easily leverage information from other business functions to perform your processes better?



Do you have an open cloud architecture that allows your different data systems to connect at a functional level?



Can you make changes to one supply chain system without causing delays or disruptions to other processes?

If you answered “no” to any of the above questions, you’re likely operating in silos. This means different departments and business units aren’t communicating effectively with each other,

leading to resource inefficiencies. An open cloud architecture can help you rationalize data from multiple systems for streamlined data sharing and communication across the organization.

4

Do I have comprehensive data analytics and end-to-end measurement?

Unfortunately, many companies don't know how their supply chain strategy impacts their profits. Comprehensive data analytics should provide insights into how decisions throughout the supply chain impact on margins. For example, next-day delivery may increase costs, but what

if it boosts sales by 5 percent? If you don't have that information, you may undertake cost-cutting initiatives without understanding the impact on overall performance. Ask yourself the following questions to determine your end-to-end measurement capabilities:



Can I determine my supply chain efficiency based on margin contribution?



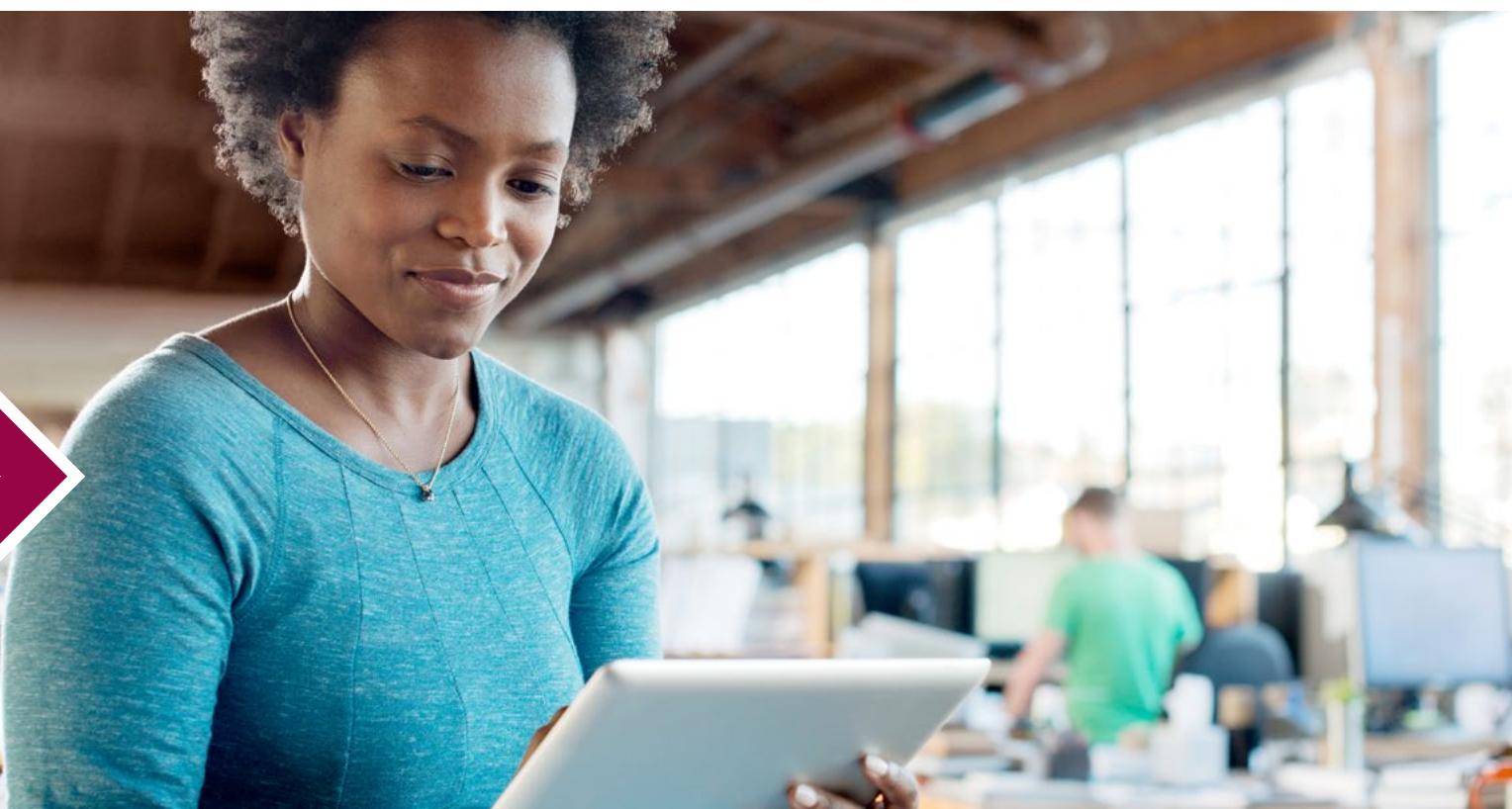
Do I have a comprehensive dashboard that displays and communicates how the overall supply chain is performing?



Do I have access to a cloud-based library of reports and decision-ready metrics?

If you answered "no" to any of these questions, you likely do not have the analytical data needed to make smart decisions. Consider cloud-based

analytical tools that include "what-if" scenarios for strategic decision-making.



5

How prepared is my business for our next acquisition, including potential integrations and customizations?

Change is always difficult for companies. From a systems perspective, it takes effort to figure out how the acquired company's existing systems can work with what the acquiring company uses. But the cloud allows organizations to minimize

disruption by migrating their data—rather than their systems—when the business changes or expansion requires integrations. To determine whether your business is prepared for integrating multiple systems, ask yourself:



Can I integrate systems in a reasonable timeframe?



Do my SCM solutions enable my corporate strategy, and can I apply new SCM initiatives without waiting for my ERP to be upgraded?



Are my IT resources focused on strategic projects, such as Internet of Things (IoT) implementations, rather than on maintenance, upgrades, or troubleshooting?



Do I have a common, open and standards-based architecture that allows me to map data feeds and integration points to my existing systems?

Answering "no" to any of the above questions indicates that it's time to consider either a cloud or hybrid cloud SCM solution to easily integrate

multiple systems and minimize disruptions during the migration process.



SCM OPTIMIZATION: THE NEXT STEPS

Take a moment to review your responses. If you answered "no" to more than a few questions, a cloud-based SCM strategy may provide exactly the type of flexibility your organization needs to respond to today's demand-driven environment. A single, overarching cloud architecture also facilitates integration between departments or business units, making your organization far less vulnerable to inefficiencies, cost increases, delays, and quality issues.

Relying on legacy systems, rather than a cloud-based SCM solution, impacts your strategic goals, including the ability to bring new innovations to market and successfully execute the post-merger or acquisition process.

Oracle offers several cloud-based SCM options to help your organization overcome these challenges. This includes hybrid solutions that allow you to keep your existing systems while gaining the benefits of the cloud.

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