

# Oracle Value Chain Planning Demantra Real-Time Sales and Operations Planning



*Do you want to implement a more demand-driven sales and operations planning process? Do you want to incorporate emerging best practices such as more precise forecasts, collaboration, and postponement strategies? Do you need to consolidate disparate sources of information into a central repository to drive consensus and make better decisions? Oracle's Sales and Operations Planning solution enables you to implement a continuous and proactive sales and operations planning process that profitably balances demand, supply, and budgets.*

**KEY FEATURES**

- Consensus demand planning
- Leverage Oracle Hyperion® financial plans for financial gap analysis
- Shape demand with marketing and promotion plans and new product introductions
- Automated exception reporting and alerts
- Role-based, configurable, spreadsheet-like worksheets
- Audit trail and comments
- Out-of-the-box best practice templates for faster time to benefit and greater return on investment
- Expand beyond traditional realm by including inputs from strategic design, inventory postponement optimization, promotion planning, and financial planning
- Leverage Oracle® Advanced Planning Command Center to engage management in the S&OP process: Executive Review dashboard and drill downs

**KEY BENEFITS**

- Evolve to a best in class integrated business planning process
- Interactively engage senior executives in the process
- Drive decisions directly to Execution

**Enable next-generation Sales and Operations Planning**

Oracle's solution for Sales and Operations Planning enables a unique and best-in-class process by bringing three key solution elements together. First is the ability to put your key decision makers in charge with an S&OP dashboard that monitors corporate S&OP performance metrics and trends and provides comprehensive scenario management to orchestrate alternative business scenarios. Second, it enables you to operate a continuous and proactive – instead of reactive and static – process that combines demand, supply, and product insight to all constituents. With Oracle® Demantra Real-Time Sales and Operations Planning's prebuilt best business practice templates you can get started quickly yet expand your S&OP process beyond the traditional boundaries. Third, you can use various tools to profitably balance demand, supply, and budgets and address promotion, allocation, cost, and customer service level issues, enabling you to better align your tactical plans as you execute your S&OP plan.

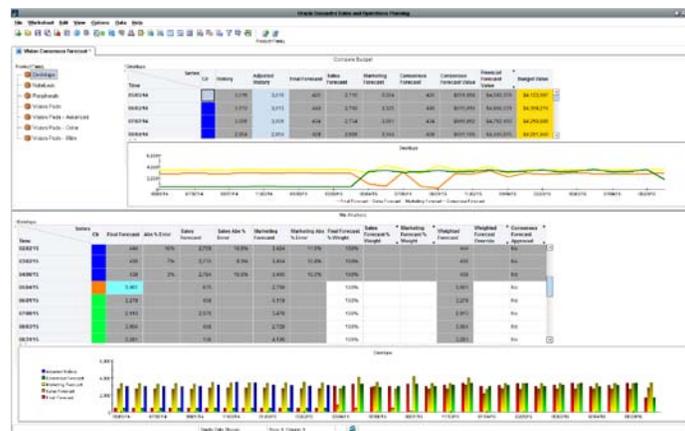


Figure 1: Demantra Real-Time Sales and Operations Planning – Planner Workbench

## Interactively engage management into your S&OP process

To move from a static and periodic to a more proactive and continuous S&OP process you need to empower key decisions makers to react to more real-time information that is presented to them via corporate S&OP metrics rather than detailed operational data. In addition, they need to be able to perform root-cause analysis by leveraging an intuitive “Executive Review” dashboard that presents the data across the dimensions that analysis is required. When deviations to performance are highlighted they need to also be able to direct their planners to run alternative and corrective business scenarios, which they can then compare to their current baseline. By seamlessly integrating Oracle Demantra Real-Time Sales and Operations Planning with Oracle® Hyperion Planning and Oracle® Advanced Planning Command Center, Oracle’s Value Chain Planning solution enables you to implement and operate a better S&OP process, uniquely blending the power of analytics with the power of statistics and optimization.

### Executive Review, Demand Review, Supply Review, and Financial Review

When analyzing sales and operations planning performance, you need a 360 degree holistic view of key performance metrics and trends across performance across a wide variety of metrics, dimensions and at various levels of aggregation. Key decisions makers, supply chain analysts, and tactical planners can leverage the Advanced Planning Command Center (APCC) dashboard as a starting point for their S&OP analysis, be proactively alerted to problems, perform root cause analysis, and drill down within context to their operational planning tools to take immediate action.

In preparation for the S&OP meeting, Oracle® Demantra Real-Time Sales and Operations Planning is used to drive the consensus planning process, shape demand, simulate constrained supply scenarios, and perform financial reconciliation. After analyzing various supply, demand, budget, and promotion scenarios, the S&OP analysts can publish the best alternatives for review and final executive decision making in the APCC S&OP dashboard. This enables a direct and continuous connection between the key executives making the Sales and Operations Planning decisions and the analysts preparing the plans and proposals to be reviewed.



Figure 2: Oracle Advanced Planning Command Center – S&OP Dashboard

## Move from a periodic reactive to a real-time proactive process

Oracle's solution for Sales and Operations Planning enables you to move beyond the traditional approach of periodic review of supply and demand metrics to a more balanced process that factors in additional drivers such as impacts of promotion planning decisions, new product introductions, constrained supply decisions, inventory postponement decisions, and even strategic decisions around supply chain risk mitigation, and spare parts management.

### Automate consensus planning

The first step in moving to a more real-time sales and operations process is to capture all demand and supply data real time, much closer to the point of consumption at a very granular level, and then consolidate it in a central and secure repository. Once you bring all the data together, the next step is to automate the collaboration process that needs to be executed to bring everyone to consensus. The final step is expanding beyond simply compiling the consensus, to direct and interactive connection to the underlying planning processes where the detailed work of demand planning, supply planning, promotion planning, financial planning, and product planning are performed.

Oracle Demantra provides that central repository, and provides all the participants with tailored worksheets, with security to control what they can see and edit, in a simple, flexible, and intuitive layout with any data at any level of aggregation they need to perform their tasks. Data can be edited at any level and automatic aggregation and allocation rationalize the data to all levels so you can make adjustments top down, bottom up, or middle out. This enables you to combine top-down business planning with precise bottom-up planning. Deriving the baseline consensus plan can be automated and based on weighting the inputs from various groups. The consensus plan can be revised as the business requires based on the latest real-time information and alerts.

### Improve forecast accuracy through better statistics

One key element of the S&OP process is the prediction of future demand. Oracle Demantra Real-Time Sales and Operations Planning builds on Oracle® Demantra Demand Management to enable you to start with a more accurate and precise estimate of demand. You can sense demand signals real time and extend the consensus forecasting process by bringing your customers into the process. Oracle Demantra Demand Management's forecasting engine generates highly accurate forecasts that provide a better starting point for the consensus process, without the need for comprehensive statistical expertise.

### Shape demand with interactive promotion planning

With the optional Oracle® Demantra Advanced Forecasting and Demand Modeling, you can extensively manage the impact of events and promotions. The promotion-modeling engine generates lift factors from historical data from past events to predict the impact of future promotions and marketing programs. Lifts are decomposed to identify both positive and negative cannibalization effects, enabling you to model the impact on other related products. Events can be assigned along any dimension in your demand plan. Oracle Demantra Demand Management helps you shape demand with marketing programs and promotions with greater predictability.

### Shape demand by accelerating or decelerating new product introductions

Also important in actively shaping demand is incorporating product portfolio planning in the sales and operations planning process and deciding on the timing of product introduction and phase outs based on revenue and profitability implications. Oracle's Sales and Operations Planning solution enables you to automatically identify products that have similar characteristics to a new product to be introduced, identify the lifecycle shape of the existing products and other factors like outliers in the history data, and then accurately forecast the demand of the new product to be introduced.

### Increase profitability by better balancing demand, supply, and budgets

As you arrive at a consensus forecast, the demand needs to be balanced with supply in a way that profits are maximized and financial targets are met. Oracle Demantra Real-Time Sales and Operations Planning can leverage Oracle Hyperion Planning to seamlessly integrate financial goals into the overall Sales and Operations Planning process. Perhaps the most important difference in the best practice process enabled by Oracle versus a typical sales and operations planning process is to concurrently and interactively perform the demand and supply review, and against corporate financial targets. Seeded supply streams and worksheets provide templates to compare the unconstrained consensus forecast with supply, perform rough cut capacity planning, and collaborate on how to allocate constrained supply to demand.

Oracle Demantra Real-Time Sales and Operations Planning can leverage the integration with other Oracle Value Chain Planning products, or be deployed with other non-Oracle systems, to interactively evaluate demand scenarios, supply constraints and financial goals. When used with Oracle® Strategic Network Optimization, Oracle® Advanced Supply Chain Planning, or Oracle® Rapid Planning, the supply planning and optimization engines are called interactively from the Oracle Demantra Real-Time Sales and Operations Planning user interface for a seamless interactive simulation process.

### Perform interactive financial reconciliation – Integrated Business Planning

All of the interactive demand, supply, and product planning come together in the management review process. Oracle Demantra Real-Time Sales and Operations Planning enables you to easily bring together all of the inputs and proposed plans, and provides the framework for developing the typical exhibits used in the decision making process in the management review meeting. It provides the ability to track all of the assumptions that went into the plan and an audit trail of the adjustments that were made. The ad-hoc reporting support enables you to present data easily in any desired format and also provides both pre-defined and flexible metrics to measure performance and drive continuous improvement. For example, you can compare consensus forecast and constrained forecast to the financial plan; view demand and supply translated into revenue, cost, and gross margin by period; track year-to-date performance of aggregate fiscal year constrained forecast versus budget.

### Manage by exception

Oracle Demantra Real-Time Sales and Operations Planning enables you to quickly identify and react to demand and supply changes and exceptions. Alerts and actions can be triggered by users, the systems, or the analytic engines and you can apply worksheet color coding based on exceptions. Stakeholders can be engaged to drive corrective actions and automated escalation workflows ensure responsiveness.

## RELATED PRODUCTS

- Oracle® Demantra Demand Management: consensus demand management and statistical forecasting
- Oracle® Demantra Advanced Forecasting and Modeling: advanced statistics and causal analysis
- Oracle® Demantra Predictive Trade Planning and Trade Promotion Optimization: integrated account planning and promotion optimization
- Leverage Oracle® Hyperion Planning to integrate financial targets in the S&OP process
- Oracle® Advanced Supply Chain Planning and Oracle® Rapid Planning: constrained supply and capacity planning
- Use demand scenarios and demand variability (MAPE, MAD) in Oracle® Inventory Optimization
- Oracle® Strategic Network Optimization and Oracle® Inventory Optimization: simulate risk management, postponement, and network design scenarios as input to strategic S&OP decisions
- Use Oracle® Advanced Planning Command Center: perform executive review, demand review, and supply review

## Enforce decisions and monitor performance for accountability

The last, and maybe most important, area where Oracle uniquely enables a better process is in the direct tight integration of sales and operations planning with other planning processes and execution to enforce sales and operations planning decisions by driving tactical decisions and enforcing accountability with integrated performance management. For example, allocation decisions made in the S&OP process can be defined and enforced via Oracle® Global Order Promising, and Oracle® Advanced Planning Command Center enables you to close the loop and monitor and manage the process with embedded analytics.

## Start quickly with best practice templates and easily adapt

Oracle Demantra Real-Time Sales and Operations Planning gets you started quickly by providing seeded data streams, metrics, templates, worksheets, and workflows that represent a typical best practice process as a starting point. Its flexibility however enables you to fine tune the process to conform precisely to your unique business processes.

## VALUE CHAIN PLANNING — A COMPLETE SOLUTION

Oracle's Value Chain Planning solution enables companies to efficiently design, plan, and service their value chains from factory to shelf. Its componentized architecture enables you to start with any product and expand to other areas at any point in time. The Oracle Value Chain Planning architecture leverages the scalability and security of Oracle's Database and Fusion Middleware technology and can be deployed as a single instance with Oracle E-Business Suite, or integrated with other systems. Whether you implement one module or the entire product solution, Oracle Value Chain Planning enables you to share unified supply chain planning information across the enterprise so you can make informed decisions faster.

**ORACLE®**

## CONTACT US

For more information about Oracle Demantra Real-Time Sales and Operations Planning, visit [oracle.com](http://oracle.com) or call +1.800.ORACLE1 to speak to an Oracle representative.

## CONNECT WITH US

-  [blogs.oracle.com/oracle](http://blogs.oracle.com/oracle)
-  [facebook.com/oracle](http://facebook.com/oracle)
-  [twitter.com/oracle](http://twitter.com/oracle)
-  [oracle.com](http://oracle.com)

## Hardware and Software, Engineered to Work Together

Copyright © 2015, Oracle and/or its affiliates. All rights reserved. This document is provided for information purposes only, and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document, and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.

Intel and Intel Xeon are trademarks or registered trademarks of Intel Corporation. All SPARC trademarks are used under license and are trademarks or registered trademarks of SPARC International, Inc. AMD, Opteron, the AMD logo, and the AMD Opteron logo are trademarks or registered trademarks of Advanced Micro Devices. UNIX is a registered trademark of The Open Group. 1115



Oracle is committed to developing practices and products that help protect the environment