

Oracle Cloud Order Management Global Order Promising Solution Brief

Tap every source of supply to deliver on time, every time, at the lowest cost. The global order promising features of Oracle Cloud Order Management help you meet the most demanding customer expectations by checking availability and scheduling delivery using all potential sources, including production capacity and purchases from suppliers. When demand exceeds supply, global order promising also limits access to hot items and intelligently manages the order backlog to keep your fulfillment operations on track.



LEVERAGE ALL AVAILABLE SOURCES OF SUPPLY

From consumers to corporate purchasing departments, today's buyers leverage all available channels to find the best price and availability. To respond competitively, you can't just quote standard lead times. You need to compare the actual stock, production capacity, delivery options, and costs of every potential source of supply.

Capabilities

- Real-time availability checking and order scheduling
- Profitable-to-promise selection among potential fulfillment locations
- Capable-to-promise sourcing to make, transfer, or buy supply to fill demand
- Interactive order prioritization and what-if alternative selection
- Assemble-to-order, configure-to-order, and pick-to-order item promising
- Tight integration with other Oracle Cloud Supply Chain Management applications

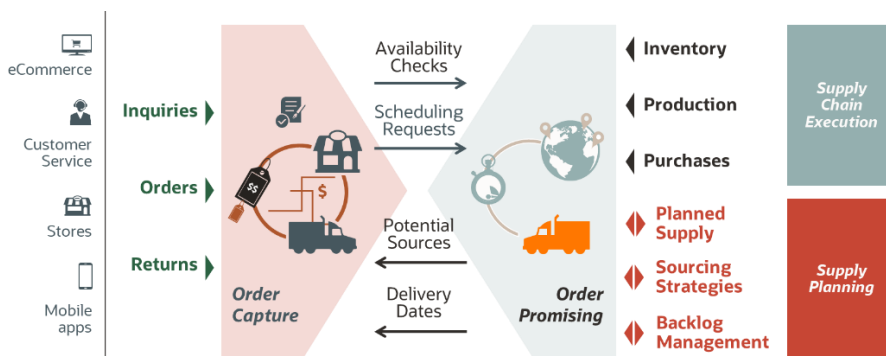


Figure 1. Global order promising matches incoming orders to all available supply sources

Global order promising gives you a competitive advantage by managing the availability of supply across your entire fulfillment network. It lets you set sourcing rules that match your business needs, from global defaults all the way to individual item-organization combinations. For example:

- An industrial manufacturer ships all orders above a certain quantity directly from the plant, saving distribution center stock for smaller, short-term orders.
- A high technology firm forwards their make-to-order demand to contract manufacturing partners for production and drop shipment to the customer.
- A retailer picks regularly stocked items from local stores but also ships directly to customers from suppliers to deliver a broader, “endless aisle” assortment of specialty goods.

HANDLE COMPLEX FULFILLMENT SCENARIOS

Effective order promising can “save the sale” when a fixed lead time promise date would have been too conservative, or when current stock is limited, but more can be produced, transferred or bought to meet demand. Just as importantly, it can prevent unrealistic promise dates that lead to late deliveries, especially in complex fulfillment scenarios.

Capable to Promise (CTP) Sourcing and Scheduling

Global order promising uses capable to promise (CTP) to plan internal material transfers, manufacturing work orders and purchases to fill an order when supply is not available. For back-to-back items, it pegs the supply orders to the sales orders to respect existing material reservations.

Capable-to-promise calculations can include multiple levels of component sourcing, transfer, and assembly. They can also consume planned supply from Oracle Cloud Supply Planning or an external planning solution. This allows you to schedule demands beyond your execution horizon. It also maximizes the planning system’s flexibility to adjust total supply to meet demand, so you are not limited by what is already in the process of being purchased, procured, or transferred.

Configure to Order (CTO) Item Promising

When complex items with multiple configuration options are assembled or picked to order, global order promising considers each required option’s availability and lead time, as well as option-dependent sources. If an item is already on-hand that matches the configuration being ordered, it can fulfill the order.

Drop Shipment Scheduling

Global order promising can model promising scenarios that include drop shipments from a supplier directly to the customer. To derive an accurate promise date, it considers:

- Available transit modes
- Supplier-to-customer delivery lead times and calendars
- Supplier order processing time and capacity

SELECT THE MOST EFFECTIVE DELIVERY METHOD

If there are multiple sources and delivery methods that can meet the customer’s delivery date, global order promising selects the one with the lowest total fulfillment cost. Called “profitable-to-promise,” this feature can improve margins while maintaining customer satisfaction.

Benefits

- Source from a wide range of fulfillment locations, including stores, warehouses, plants and supplier sites
- Promise against both current and future supply
- Automatically select the lowest cost source and delivery method that meets the customer’s needs
- Plan drop shipments, back-to-back orders and internal material transfers
- Prevent delays by splitting order lines or substituting items when necessary
- Control availability of high-demand products by customer or channel

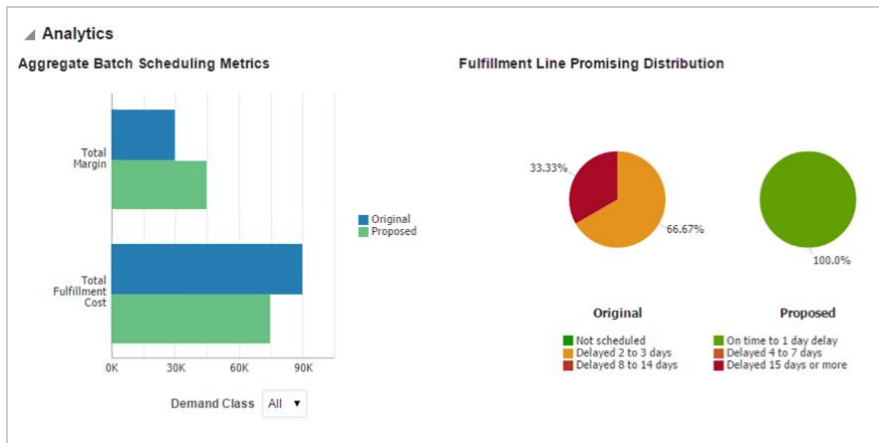


Figure 2. Review the margin, cost and delay impact of your order promising decisions

You can update the standard cost of the inventory as well as delivery costs to reflect updated supply prices or deplete excess stock. Real-time analytics compare before-and-after cost, margin, and delay.

RESPOND TO CHANGING BUSINESS CONDITIONS

Global order processing can handle most orders in “lights out” fashion, automatically enforcing your fulfillment policies. However, complex orders may need special attention. You also may need to reschedule orders to respond to changing business conditions. What-if availability checking shows you fulfillment alternatives that you can select to meet customers’ requirements.

| Availability Option | Availability Status | Option Summary | Fulfillment Cost | Days of Delay | Available Item | Available Quantity | Expected Arrival Date | Expected Ship Date | Expected Ship-from Warehouse | Expected Ship-from Warehouse Name |
|----------------------|---------------------|-------------------------|------------------|---------------|----------------|--------------------|-----------------------|--------------------|------------------------------|-----------------------------------|
| Current Option | On Time | Default Option | 112,560.00 USD | 0 | | 1,200 | 10/12/15 | 10/8/15 | 003 | Chicago |
| 3000001093322931 | On Time | | 3,520.00 USD | 0 | *AS46334 | 40 | 10/12/15 | 10/8/15 | 003 | Chicago |
| 1-1 | On Time | | 109,040.00 USD | 0 | *AS46335 | 1,160 | 10/12/15 | 10/8/15 | 003 | Chicago |
| Alternative Option 1 | On Time | Different ship location | 110,065.00 USD | 0 | | 1,200 | 10/13/15 | 10/8/15 | 001 | Seattle |
| 3000001093322931 | On Time | | 5,829.00 USD | 0 | *AS46334 | 67 | 10/13/15 | 10/8/15 | 001 | Seattle |
| 1-1 | On Time | | 104,236.00 USD | 0 | *AS46335 | 1,133 | 10/13/15 | 10/8/15 | 001 | Seattle |

Figure 3. Select from multiple fulfillment alternatives

Reschedule Pending Orders

Global order promising gives you the tools to identify, prioritize, and reschedule past-due orders. You can select alternate fulfillment locations by:

- Changing individual lines
- Making mass changes across multiple orders at a time
- Clearing the ship-from location so global order promising can automatically select the best current source

An interactive dashboard gives you an at-a-glance picture of your overall promising performance as the system continues to schedule orders. You can also review the sourcing strategy used for each line, along with the available and allocated supplies for each item and fulfillment location. Supply status can be refreshed at regular intervals to reflect the latest conditions.

If you have more extensive order backlog management requirements, Oracle Cloud Supply Planning offers a comprehensive solution. It includes flexible demand priority rules and what-if simulation capabilities.

Costs Considered in Order Promising

- **Standard cost** at internal organizations and supplier locations
- **Transfer cost** between organizations and from supplier to internal organizations
- **Transit cost** from ship-from location to customer site, by ship method

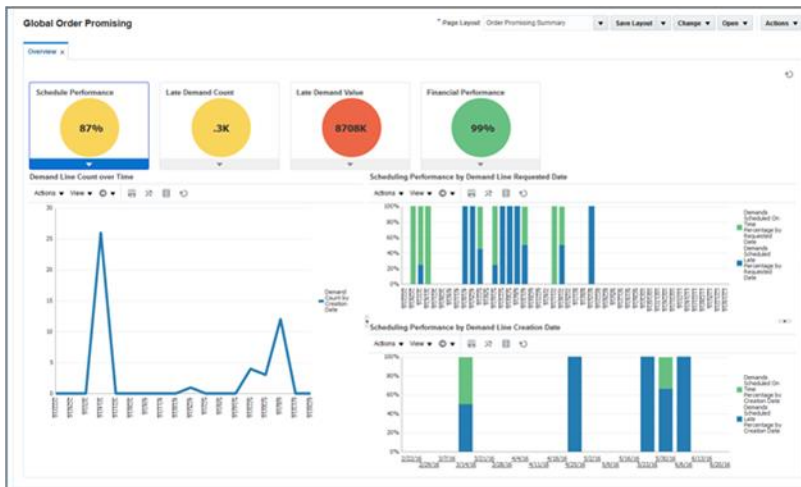


Figure 4. Quickly assess order promising effectiveness

Order Line Splitting and Item Substitution

When there isn't enough supply available at any single location, global order promising can split an order line between two fulfillment centers. You can also ship a part of an order line on time, while scheduling whatever is not available to a future date. You can even substitute items under certain conditions if the ordered item is not available.

LIMIT AVAILABILITY OF HIGH DEMAND ITEMS

Sometimes you want to reserve a portion of supply for specific customers when long-term contracts are in place. Or you need to set aside supply for in-store business when online orders are picked from stores. Global order promising uses demand classes to identify a specific quantity, percentage, or ratio of supply with a particular customer or channel. Orders that do not specify the demand class do not have access to the supply that's associated with it. You can override these allocation rules when necessary to deal with customer escalations or backlog issues.

TRANSFORM YOUR ENTIRE ORDER-TO-CASH PROCESS

Global order promising is just one part of Oracle's comprehensive, Cloud-based order-to-cash solution.

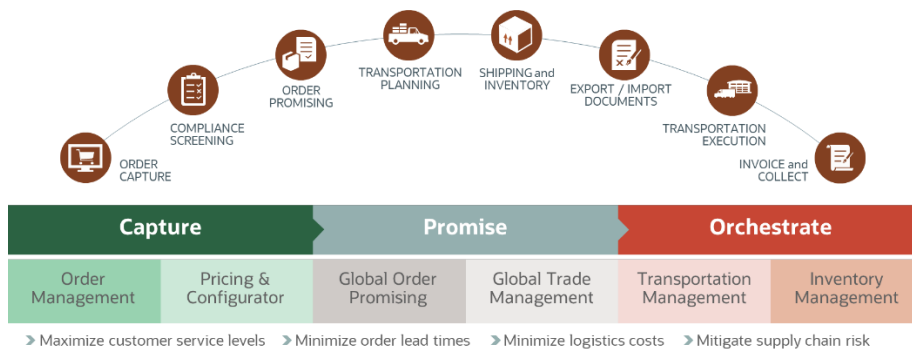


Figure 5. Oracle Cloud Order Management solution components

Oracle Cloud Order Management supports omnichannel customers by connecting your sales, fulfillment, logistics and finance organizations. Integration of these key business functions:

- Improves order accuracy
- Drives fulfillment efficiency

Related Products

- *Oracle Cloud Supply Planning* plans material and capacity and responds to demand, availability, and resource issues as they occur.
- *Oracle Cloud Supply Chain Execution* handles manufacturing, maintenance, shipping/receiving, and inventory management operations.
- *Oracle Transportation Management* plans and executes multi-modal transit processes to reduce freight costs, optimize service levels, and automate operations so that you can deliver more efficiently.
- *Oracle Global Trade Management* manages the legal, regulatory, and corporate complexities of cross-border transactions.

- Ensures consistency in pricing, delivery, order status reporting, and billing

More effective order fulfillment can increase sales margins and enhance customer retention.

Global order promising can also provide availability checking and scheduling for external order management solutions via built-in web services, providing a migration path for companies that want to move their fulfillment operations incrementally to the Cloud.

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