

Global Order Promising

To attract and keep customers, you must tap every source of supply to deliver on time, every time, at the lowest cost. The global order promising features of Oracle Order Management Cloud can help you meet the most demanding customer expectations by checking availability and scheduling delivery based upon actual supply across all potential sources, including production capacity and purchases from suppliers. Global order promising can also limit access to hot items and intelligently manage the order backlog when demand outstrips availability, so you can keep your fulfillment operations on track.

GAIN COMPETITIVE ADVANTAGE FROM BETTER FULFILLMENT

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.

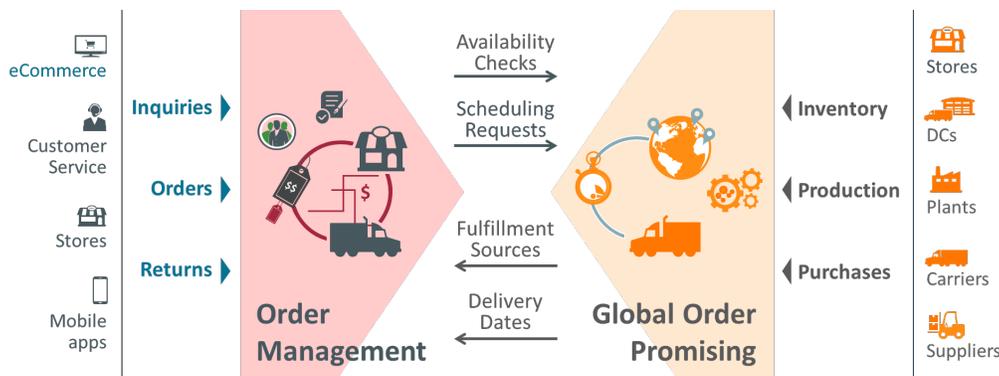


Figure 1. Global order promising matches incoming orders to all available supply sources

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:

- A retailer picks regularly stocked items at a local store, but then uses a central DC or suppliers to deliver a broader, “endless aisle” assortment of specialty goods.
- An industrial manufacturer ships all orders above a certain size 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.

Key Business 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

Key Features

- 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 SCM Cloud applications

PROMISE ORDERS WITH 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 move, make or buy supply to fill an order when it is not on-hand. For back-to-back items, it pegs the supply orders to the sales orders so any rescheduling respects existing material reservations.

CTP calculations can include multiple levels of component sourcing, transfer and assembly. They can also be based upon planned supply from Oracle Supply Planning Cloud 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 items are assembled or picked to order based upon a product model with multiple configuration options, 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 Shipments

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 takes into account:

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

SELECT THE LOWEST COST DELIVERY METHOD THAT MEETS THE NEED

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.

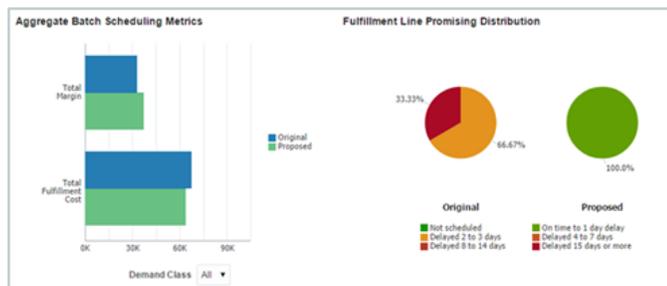


Figure 2. Track the margin, cost and delay impact of promising decisions

Potential Sources of Supply

You can promise orders based on any combination of:

- On hand
- In-transit supplies
- Internal material transfers
- Manufacturing work orders
- Purchase orders
- Supplier requisitions
- Planned supply

Costs Considered in 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

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, and you may need to reschedule orders to respond to changing business conditions. What-if availability checking screens help you compare fulfillment alternatives to select a preferred alternative to address issues.

Availability Options							
Availability Option	Availability Status	Option Summary	Fulfillment Cost	Days of Delay	Available Item	Available Quantity	Expected Arrival Date
Current O	On Time	Default Option	500.00 USD	0	*BJ-DIAL-F	10	04/03/2015
Alternative	On Time	Different drop ship supplier	600.00 USD	0	*BJ-DIAL-F	10	03/27/2015

Figure 3. Select from multiple fulfillment alternatives

Enhanced Backlog Management

A dedicated backlog management interface gives you the tools to identify, prioritize and reschedule past-due orders. You can select alternate fulfillment locations by changing individual lines or making mass changes across multiple orders at a time. 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.

A highly configurable interactive dashboard gives you an at-a-glance picture of your overall promising performance as the system continues to schedule orders.

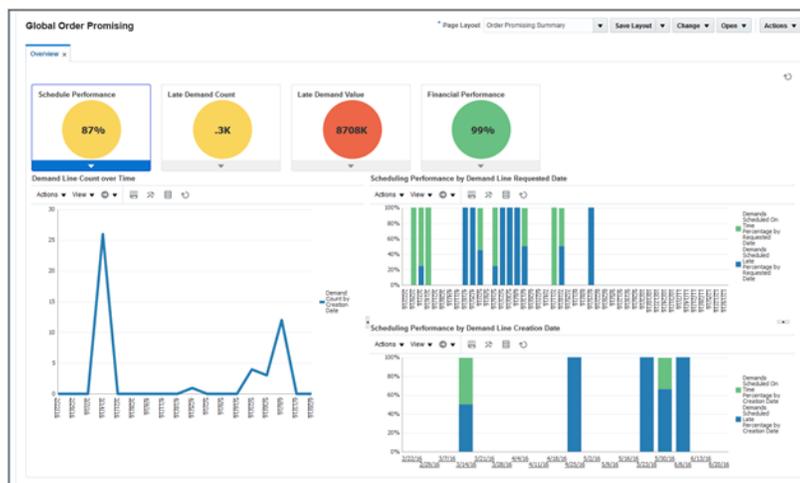


Figure 4. Review order promising effectiveness

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 so the total quantity is divided 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 substitute items under certain conditions if the ordered item is not available.

Intelligent Choices

- Guided navigation – backlog management puts the most critical orders at the top of your to-do list
- Intelligent resolution - review and select among multiple fulfillment alternatives

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 Order Management Cloud solution capabilities

Oracle Order Management Cloud supports omnichannel customers by connecting your sales, fulfillment and finance organizations. Integration of these key business functions improves order accuracy, drives fulfillment efficiency and ensures consistency in pricing, order status reporting and billing, leading to more profitable sales and higher customer retention. (Global order promising can also provide availability checking and scheduling for external order management solutions via built-in web services.)

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Related Products

- **Oracle Supply Planning Cloud** plans material and capacity and responds to demand, availability and resource issues as they occur.
- **Oracle Supply Chain Execution Cloud** handles manufacturing, maintenance, shipping/receiving and stock management operations.
- **Oracle Procurement Cloud** integrates sourcing, contracts and purchasing of goods and services from suppliers.