

# Oracle Value Chain Planning Collaborative Planning



*Do you want to reduce your supply chain planning cycle times and inventory levels? Do you want to automate your inventory replenishment? Do you know how a sudden reduction of supplier capacity impacts your customers' demand? Do you know how a change in customers' demand impacts your downstream suppliers? Oracle® Collaborative Planning is an Internet-based collaboration solution that rapidly and significantly improves supply chain performance by providing advanced capabilities for collaborative demand, supply, and inventory planning across your virtual supply chain.*

**KEY FEATURES**

- Multi-enterprise collaborative planning
- Global inventory and fulfillment visibility
- Vendor managed inventory
- Collaborate with customers – Receive customer forecast; compare to order forecast; publish supply commits
- Collaborate with suppliers and contract manufacturers – Publish order forecast; receive supply commits
- Supply chain exception management
- Horizontal and vertical bucketed planning views
- Supply chain pegging and waterfall analysis
- Publish new buy and external repair order forecast and to receive order commits for service parts
- Leverage MS Excel for integration

**KEY BENEFITS**

- Reduce inventory
- Improve responsiveness
- Include your trading partners in your planning process

**Overview**

Today's collaborative planning processes are often a collection of multiple disconnected processes. In most cases, limited collaboration with customers leads to low forecast accuracy; low visibility to customer forecasts and supplier commits leads to holding too much 'just in case' inventory, increasing inventory costs; 2nd-tier suppliers that deliver key components have no means to interact directly with you; and, indirect costs are high because of extensive expediting and inefficient communication. The entire process has little collaboration, requires multiple steps, and takes a long time. Oracle provides a better way to planning: a collaborative, holistic, e-business planning process that enables you to include all your trading partners, reduce the number of steps, and identify and react quickly to supply chain exceptions.

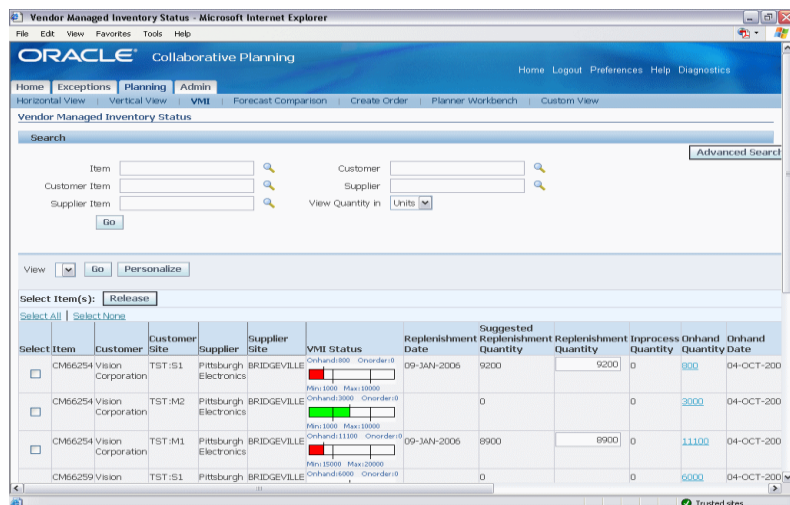


Figure 1. Collaborative Planning Workbench – Vendor Managed Inventory

## Reduce inventory cost through responsive replenishment

Oracle Collaborative Planning provides advanced Vendor Managed and Customer Managed Inventory (VMI, CMI) support to enable you to automate inventory replenishment and reduce inventory holding cost. Your trading partners receive proactive notifications when inventory needs to be replenished and they can immediately post the replenishment information in your system.

### Vendor Managed Inventory

You can implement vendor managed inventory (pay on receipt) with both your suppliers and customers. You can set up agreements with your partners and as the consumption of the materials is recorded, the system can automatically send replenishment notifications, which can automatically trigger the related order flows. Oracle Collaborative Planning also supports consigned inventory (pay on use) flows with both suppliers and customers.

### Stock-Out Analysis

As you share inventory levels and locations with selected trading partners you 'pool' the inventory for critical parts. As a result you can reduce stock-outs and increase service levels, as you can easily find inventory and determine the best supply location when a customer needs a critical part. Often, order policies are not reviewed until multiple shortages occur, or it becomes apparent that excess inventory has been held for an extended period of time. Oracle Collaborative Planning provides comprehensive stock-out analysis to analyze trends per location over time and enables you to proactively adjust order policies before problems occur.

## Multi-enterprise collaborative planning and forecasting (CPFR)

Traditionally, when collaborating with your customers and suppliers, it takes weeks of individual planning cycles to synchronize plans and get the correct order forecast and supply commits aligned. Incorporating collaboration with key trading partners in your planning process enables you to further reduce your planning cycle time and increase the adaptability of your supply chain.

### Collaborate with Customers

The typical demand planning process is inaccurate because of inflated customer forecasts. Oracle Collaborative Planning helps you to drive towards a more accurate consensus demand forecast by enabling key customers to directly post their forecast, match these forecasts with your sales forecast and supply commits, and to jointly resolve exceptions. Customers that use Oracle® Service Parts Planning can leverage Oracle Collaborative Planning to manager spare part levels at customer locations.

### Collaborate with Suppliers

Most companies today collaborate with their suppliers to a limited extent, often limited to a few key tier-1 suppliers. Oracle Collaborative Planning offers a more robust process that enables you and your suppliers to compare order forecasts and supply commits, view exceptions for demand-supply mismatches, and analyze supplier commit performance over time through waterfall analysis. You can react faster to supplier's

constraints and reallocate key components and make alternate sourcing decisions.

Oracle Collaborative Planning in combination with Oracle Advanced Supply Chain Planning enables a completely integrated internal and external view of the supply plan. For example, the output of your plan can be published to your suppliers directly from the Planners Workbench. The commitments from your suppliers come back as supplier capacity that is considered as a constraint in determining what you can produce to meet your demand based on your supplier capabilities. In addition, planners can view both supply chain collaboration exceptions and plan related exceptions in a single place.

Oracle Collaborative Planning in combination with Oracle Service Parts Planning enables you to manage your order forecast for spare parts (both new buy and external repaired parts) with your spare parts suppliers.

### Multi-enterprise collaborative planning

As companies have increasingly outsourced more of the manufacturing process, the next logical step in collaboration becomes multi-enterprise collaboration. Often the key issues and constraints in your supply chain come from further down the supply chain than your immediate suppliers. You can use Oracle Collaborative Planning to communicate supply and demand signals across all tiers of your extended supply chain synchronously. For example, you can decide to publish your customer's order forecast or your own order forecast to tier-1 as well as tier-2 suppliers. This can enable them to more quickly report the impacts, in terms of committed capacity, back to you, speeding up the overall planning process.

## Respond quickly through supply chain exception management

Oracle Collaborative Planning provides a variety of tools to give you full visibility to the supply-demand mismatches between you and your trading partners and how they trend over time.

### Configurable exceptions and supply chain pegging

Oracle Collaborative Planning provides comprehensive support for supply chain exception management. You can start by leveraging the many seeded exceptions or define your own, prioritize them, enable notification, as well as define thresholds at various levels (items, customers, suppliers, combinations, and more) to filter exceptions. For example, your supplier's supply commit is less than your order forecast, or the purchase order promise date is later than your need-by date. In addition, Oracle Collaborative Planning provides supply chain pegging capabilities to determine the impact of short (or late) supply to your end demand, and vice versa, for you and your trading partners.

### Waterfall analysis

The system supports detailed analysis of supplier commits, order forecasts, and customer forecasts over time through waterfall analysis. You can track how your customer forecasts change over time and compare your forecasts with your customer's. You can also track how your supplier's commits change over time and compare your order forecast with your supplier's commits. Having complete visibility, versioning, and audit trail, enables you to improve your collaboration process as you continue to work with your trading partners.

## RELATED PRODUCTS

- Oracle® Demand Management: use customer forecast for consensus forecasting process
- Oracle® Advanced Supply Chain Planning and Oracle® Rapid Planning: publish order forecast to suppliers and contract manufacturers; receive supply commits from suppliers
- Oracle® Service Parts Planning: publish new buy and external repair forecast to spare parts suppliers and receive supply commits; manage spare parts at customer locations (VMI)
- Oracle® Purchasing: generate replenishment orders; share products, suppliers, order modifiers, approved supplier lists (ASLs), and sourcing rules
- Oracle® iSupplier Portal: collaborate with suppliers for execution and planning via a single supplier portal (requires single instance)

## Configure to your business needs

### Secure access through Portals

Oracle Collaborative Planning provides robust data security and leverages secure portals to enable trading partners to only access the supply chain information that you decided to share with them. You can define flexible security rules that govern which data your suppliers and customers can view and enter, and which exceptions they receive at what thresholds.

### Workflow automation – Reduce planner workload

Oracle Collaborative Planning makes extensive use of workflow to enable process automation and automated corrective action. This enables you to significantly reduce the non-value added costs of manual activity. For example, workflow notifications will be sent when the exception engine detects supply-demand mismatches, VMI stock-outs, forecast fluctuations, and uncommitted supply.

## 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.

## CONTACT US

For more information about Oracle Collaborative Planning, visit [oracle.com](http://oracle.com) or call +1.800.ORACLE1 to speak to an Oracle representative.

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## Hardware and Software, Engineered to Work Together

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