

E-Business Suite

Creating A Networked Value Chain with
Oracle Supply Chain Management



General Overview

Any Business That Hopes to Survive, and Thrive, Must Become An E-Business

In challenging economic times, companies must manage costs while increasing profitability and make decisions based on timely analysis of accurate data.

Oracle E-Business Suite is a complete set of business applications that run entirely on the internet, enabling you to cut costs and increase revenues across your front- and back-office functions.

The applications in Oracle E-Business Suite are built on a unified information architecture. The Suite's *single and complete data model* ensures that you have only one customer definition shared by all applications. You get better information out of your system and also benefit from consistent, accurate, and enterprisewide data. With data stored in one place, it's now possible to run all your applications on fewer instances—even a single instance. And by eliminating the need for software interfacing, data translation, and integration, you can significantly reduce your IT expenses.

Whether you implement one module or the entire Suite, Oracle E-Business Suite can help you make smarter decisions with better information, share unified information across the enterprise, reduce IT expenses, and run your business more efficiently.

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Grow Beyond Transactional Supply Chain Requirements

Increasingly unique and unpredictable customer demands for innovation, speed, quality, and service compel supply chain participants to rapidly adopt new e-business practices. These practices allow companies to lower costs, increase velocity, and drive new business, enabling them to survive and thrive in an increasingly competitive environment.

Creating a supply chain that fosters collaboration and offers trading partners visibility into demand and supply is essential to reducing overall supply chain costs, inventory carrying costs, and order fulfillment time. But to make the leap from integrated enterprise to fully networked value chain, organizations need to adopt collaborative solutions that embrace supplier relationship management strategies and offer real-time visibility throughout all tiers of the supply chain. Business intelligence capabilities are critical to improving forecast accuracy, research and development productivity, and management of variable customer demand. Critical decision support tools enable companies to dominate when faced with the challenges of global competition.

As a key element of Oracle E-Business Suite, Oracle Supply Chain Management is the only completely integrated solution to deliver value in five critical business areas—product development, planning, procurement, manufacturing, and order fulfillment—offering both enterprise-based and business-to-business collaboration solutions. Oracle delivers intelligence capabilities that enable companies to monitor and continuously improve supply chain performance. A fast, flexible, modular implementation approach fits the needs of different companies and entire supply chains, resulting in the biggest impact and return on investment—real bottom line value delivered throughout your entire supply chain. Oracle Supply Chain Management breaks down the barriers to communication among organizations, spots opportunities for revenue growth and savings, employs true business intelligence in every decision at every step in a process, and gets the job done better and faster while using fewer resources.

Manage Products from Concept to Release

Collaborate to Create More Innovative and Competitive Products and Services

Product development, the lifeblood of a majority of companies today, faces unprecedented challenges. Efforts that once required years must now be executed in months, frequently on leaner budgets. To meet market expectations, businesses must be able to gain customer input from all points of interaction, distribute it to strategic partners, and collaboratively execute product improvements and new product designs.

Oracle's Product Development solution enables companies to collaborate with partners throughout the entire product lifecycle, from concept to release.

Integrate Product Lifecycle Activities

Collaboration with design partners is vital to building product differentiation and competitive advantage. Surprisingly, data relevant to the development of new products and services typically reside hidden and inaccessible in countless fragmented systems. Oracle's Product Development solution provides a platform to create, record, and control product structure information throughout a product's lifecycle. It enables control of the execution of product lifecycle activities through an internet-based project management system. Oracle Sourcing allows execution and optimization of the entire sourcing process from

request for quotation to award.

Integrated with Oracle Manufacturing, Oracle's Product Development solution streamlines the release to manufacturing, seamlessly updating vital information such as items and bills of material changes as well as propagating and executing engineering change requests.

Drive Continuous Process Improvement

Accelerating time to market requires the ability to set targets, monitor performance, and take corrective action to stay competitive. Oracle offers a deep intelligence application with out-of-the box analysis and measurement functionality that allows companies to focus on continuous improvement of their product development processes. Utilize the performance management framework to define the product development improvement approach,

monitor and control performance with pre-defined performance indicators, and reference out-of-the-box strategy and scorecard criteria as recommended by the Product Development Management Association (PDMA). A single portal can access the breadth and depth of information covering the entire product development portfolio at any level in the hierarchy and across the complete product lifecycle.

Accelerate Collaboration with Customers and Suppliers

Companies worldwide are increasingly choosing to out-source product development. To dramatically improve the way products and services are developed requires effective collaboration among all members of the design team. Oracle's Product Development solution enables customers, suppliers, and internal employees to collaboratively develop and share information via a collaboration workspace, an internet-based portal, or view, into project-specific product, document, and issue and change management information. Features such as internet conferencing and Oracle CADView3D, a browser-based CAD view and markup application, allow you to unleash critical engineering and design information for improved planning and visibility at much lower costs, better coordination of schedules, shorter queue times, and faster time-to-market.

Share and Protect Intellectual Capital

Product development data is of little use if it cannot be easily accessed yet kept secure from competition. Oracle's Product Development solution centrally stores, secures, and manages all product, project, and document details to protect valuable corporate intellectual capital and turn data into information and insight. Teams can fully describe individual projects, products, and documents by assigning them to categories with specific attributes, enabling organizations to mine for information using advanced parametric searching techniques. Oracle's Product Development solution also ensures security of proprietary information with multi-company registry function, role-based security, and single sign-on capabilities.

Drive Performance from Forecast to Plan

Enable Real Time Collaboration Among Trading Partners

Business leaders know that they must make the right products at the right times at the lowest cost in order to achieve growth. However, typical forecasting processes are inaccurate, the result of limited collaboration and visibility among manufacturing, sales, and marketing departments, or with customer planning processes. Advanced planning solutions can offset risk and help improve forecast accuracy, which in turn helps improve revenue and reduce costs.

Oracle Advanced Planning delivers a holistic, synchronized view of your supply chain to help you achieve accurate consensus forecasts faster, optimized inventory, faster planning cycles, increased on time delivery, and extended visibility across all tiers of the supply chain.

Rapidly Drive to An Accurate Consensus Forecast

The typical forecasting process is inefficient and inaccurate as a result of limited collaboration among manufacturing, sales, and marketing departments. Further, these forecasts are usually disconnected from the customers' forecasting processes. Oracle Advanced Planning improves the predictability of your demand by providing a collaborative demand solution. Improved

forecast accuracy results in increased revenues and reduced costs.

Reduce Inventory Costs, Improve Delivery Performance

Too little inventory can adversely affect revenues due to lost sales and missed opportunities. On the other hand, too much inventory can significantly affect operating margins due to carrying costs and potential inventory writeoffs. Oracle Advanced Planning allows you to take control of your inventory management problem and to maximize delivery performance while minimizing inventory investment. This means you can improve your performance to your customers while simultaneously reducing your costs and becoming more competitive.

Shorten Supply Chain Planning Cycle Times

Historically, companies have used multi-step planning processes that result in longer planning cycles and multiple, discrepancy-ridden plans to reconcile. Oracle Advanced Planning allows you to generate a single holistic supply chain plan that simultaneously provides long range aggregate planning and short term detailed scheduling. It allows planning of all material requirements, capacity requirements, and replenishments.

Increase Promise Date Accuracy

Rapid, accurate order promising is paramount to retaining existing customers and attracting new customers. Oracle Advanced Planning allows businesses to make quick, reliable delivery promises 24 hours a day by taking into account the availability of material, as well as manufacturing, supplier, and transportation capacity to ensure the most accurate promise date.

Extend Visibility and Respond to Exceptions Across All Supply Chain Tiers

Companies that don't collaborate with their customers and suppliers put their businesses at a significant competitive disadvantage. Oracle Advanced Planning provides global visibility to demand and supply across an extended multi-enterprise supply chain. Built on a completely internet platform, Oracle Advanced Planning leverages the ease of access and reach of the internet to connect global trading partners in real-time. It provides faster, simpler implementation, higher data integrity, and lower total cost of ownership. It enables quick detection and collaborative resolution of problems at all locations and tiers within a supply chain. And, it offers the ability to drive continuous improvement through a closed-loop plan-execute-measure-improve process.

Maximize Savings from Procure to Pay

Automate All Types of Purchases for Greater Efficiency

Procurement processes traditionally have been manual and inefficient, resulting in inefficient processes and missed opportunities for savings. E-businesses are using the internet to automate, decentralize, and analyze purchase transactions in order to drive down costs.

With Oracle iProcurement, companies can identify savings opportunities with spend analysis, as well as source, negotiate, and collaborate more effectively with suppliers, automate desktop requisitioning and receiving for all employees, and lower the cost of each transaction with online payment to suppliers.

Source for the Best Value

The Oracle Procurement solution includes Oracle Sourcing, which offers sophisticated negotiation capabilities that reduce the time it takes buyers to source new products or services, and optimize the value of existing contracts. Sophisticated negotiation tools allow you to utilize the right sourcing strategy for every situation. You can optimize the results of bargaining by employing reverse auctions as well as traditional RFIs, RFPs, or RFQs. Oracle Sourcing handles all kinds of mediation, no matter how extensive, long, or complex. Its

online collaboration replaces the complexity of multiple paper transactions with real-time negotiations and many bidding attributes.

Automate Complete Procure to Pay Business Flow

The Oracle Procurement solution leverages other Oracle E-Business Suite modules to optimize and automate all steps of the complete procure-to-pay business flow. The solution components, iProcurement, Purchasing, iSupplier Portal, Purchasing Intelligence, Payables, and General Ledger, offer a comprehensive set of capabilities to manage your procurement process, as well as a platform to integrate other e-business solutions. With its customizable workflow engine, Oracle iProcurement automates business processes based on your company policies. The Oracle Procurement solution offers end-to-end automation that maximizes profits while reducing cost.

Extend Efficiencies Through Supplier Collaboration

Timely self-service access to performance metrics, forecasts, and planning schedules enables vendors to accurately predict demand and proactively adjust their processes to meet ever changing customer needs.

A powerful collaborative platform from which a buyer can manage relationships with its global supply base, this solution allows suppliers to be immediately notified of and respond to events in the purchasing and planning process. Oracle facilitates convenient, secure self-service business transactions via the internet. Its XML messaging standard provides business partners and third parties with a choice of integration strategies.

Identify Savings and Supplier Improvement Opportunities

Businesses can spend sixty percent or more of their revenues to buy goods and services, but most fail to ask the questions that will help them identify and capture significant opportunities to save money and improve performance. Consolidating and analyzing purchasing data results in timely insight that will assist users in sourcing new items, analyzing supplier performance, developing a commodity strategy, and scrutinizing spend. Driving more purchases through your company's approved procurement processes results in savings and more-accurate spending information with which to negotiate better contracts in the future. Designed for multiple levels of users, the Oracle Procurement solution will help you gain unparalleled knowledge of your purchasing and supply operations. With this knowledge, you can quickly identify savings opportunities, improve supplier relationships, improve supplier service, optimize operational efficiencies, and make strategic decisions that maximize profitability.

Deliver Personalization from Demand to Build

Speed Time to Market for Products and Services

The challenge to manufacturers is to make and deliver high quality products that satisfy the unique needs of each customer. Oracle Manufacturing provides a comprehensive selection of manufacturing solutions combined on one backbone, along with the flexibility to employ these solutions concurrently for maximum efficiency. Such flexibility is fundamental to adoption of mass customization, the key strategy to help manufacturers meet the demands of customers for personalized goods and services.

Fully integrated with Oracle E-Business Suite, Oracle Manufacturing products offer customers a high-performance manufacturing solution that enables businesses to incorporate any manufacturing method into the planning model.

Build to Customer Order

Building and maintaining long term customer relationships while competing in a volatile marketplace are among the most serious challenges facing most companies today. You must be able to respond in real time to make personalized versions of products, at any volume, and ship them from anywhere in the world. Oracle provides a build-to-order manufacturing model that enables the flexibility to produce and deliver small and frequent shipments on very little notice, and the visibility to see and react to real demand as it occurs. Oracle E-Business Suite utilizes a

completely integrated process flow from multi-channel order capture; creating the work orders and bill of materials; purchasing and allocating materials and resources; to scheduling, manufacturing, and delivery.

Respond to Changing Market Demand

Oracle Manufacturing provides leading capabilities for mass customization and configure-to-order production to respond to changing market demands for personalized products. Process manufacturers enjoy unique capabilities, such as production management capabilities at the operational level that capture changes to ingredient consumption and resource usage as they occur. Co-products and by-products can be yielded at any step. This real-time data feeds advanced planning and scheduling applications, such as Oracle Advanced

Planning, to further optimize the production scheduling of bottleneck resources and ingredients restricted by supply.

Increase Plant Flexibility and Efficiency

Regardless of industry or size, companies typically need to employ more than one manufacturing method. Deploying various manufacturing methods concurrently and flexibly across the enterprise—by plant, by product family, by production line, or by process, ensures the optimal style of manufacturing for each of your operations. Oracle Manufacturing addresses manufacturers needs by providing an agile manufacturing approach to deploying the most efficient, flexible manufacturing process for any product—discrete, assemble-to-order, engineer-to-order, repetitive, process, lot-based, or flow methods. All of the modules are fully integrated within Oracle E-Business Suite, which enables companies to simultaneously run hybrid, high-velocity manufacturing.

Streamline Collaboration with Suppliers and Subcontractors

Internet-based self-service applications promote supplier and subcontractor efficiencies and ensure ongoing profitable business relationships by allowing them timely notification and access to information. Oracle Manufacturing, along with Oracle iSupplier Portal extend efficiencies to a larger base of suppliers, subcontractors and trading partners—improving communication and collaboration. By enabling the sharing of delivery and quality metrics, invoice and payment information, forecast and planning schedules, operating instructions, and components over the internet, self-service strengthens subcontractor relationships, increases quality, and lowers costs.

Control Product Cost and Quality

Ensure the delivery of high quality products at the lowest possible cost. Oracle Cost Management supports multiple costing methods—Standard, LIFO, FIFO, and Average—and provides perpetual and periodic cost systems for purchasing, inventory, work in process, and order management transactions. Integration with Oracle E-Business Suite financial applications and business intelligence capabilities helps identify variances and aid in controlling costs. Oracle Quality, a component of Oracle Manufacturing, is a flexible enterprise-wide quality management system that lets you collect, distribute, and analyze critical quality data throughout your supply chain. Oracle Quality's tight integration with Oracle Manufacturing, Oracle Purchasing, Oracle iSupplier Portal, and Oracle Service, enables you to collect quality data at the source to enhance responsiveness to customers specific requirements and ensure compliance with industry standards via continuous improvement programs, such as resource lot traceability, that help you track cost and defect problems through to resolution.

Streamline Fulfillment from Order to Cash

Respond Quickly to Changing Customer Demand

Your business starts with your customers—first by understanding and capturing their needs, and next by delivering a high quality, low-cost product in a timely fashion. Oracle offers the only integrated solution for managing all aspects of your customer relationships—from the inception of the sales cycle to post-sales service and support.

Oracle's Order Fulfillment solution connects customer facing activities and the supply chain to dramatically increase efficiency and productivity. Additionally, Oracle's Order Fulfillment solution links your Web store to your supply chain so you can quickly respond to and fulfill customer orders.

Support the Complete Order to Cash Business Flow

Oracle's tightly integrated Order Fulfillment solution delivers the depth of functionality needed to capture and fulfill any type of order. Oracle provides a multi-channel order capture and fulfillment capability that allows you to capture orders using its tailorable, native interface, as well as any Oracle E-Business Suite sales applications, or EDI transactions and XML transmissions. With Oracle, customers can interact with your business—Web, tele-sales, field sales, service, and partners—from anywhere in the world. Customers

can directly configure complex or custom products and services to meet their unique needs, increasing customer satisfaction, loyalty, and retention. Advanced pricing capabilities define sophisticated pricing rules that target pricing policies to meet the needs of any industry or market segment. Finally, Oracle Global Order Promising communicates real order delivery and status information to the customer, resulting in improved customer service and satisfaction.

Maintain Dynamic Business Processes

Sellers must be able to respond to changes in customer expectations and market demand with little or no delay. With industry consolidations driving acquisitions and mergers in many industries, businesses often find themselves with unexpected new products and new customers. Oracle's Order Fulfillment solution provides the flexibility and adaptability to

accommodate diverse business models and react swiftly to change. Oracle Order Management's workflow architecture enables quick modification to fulfillment processes to adapt to dynamically changing business conditions. Whether you use predefined or tailored flows, you can dynamically select from alternate order fulfillment flows, such as ship from stock, ship from vendor, ship from incoming material, depending on business conditions. Workflow enabled order line independence allows you to mix multiple business flows within a single order.

Integrate Supply Chain Logistics

Transportation expenditures can be costly, averaging as much as six percent of a company's revenue. If companies improve their negotiating ability, ship at the lowest possible costs, and manage their transportation requirements more effectively, the savings will be substantial. Oracle helps shippers—companies that manufacture or distribute goods—and transportation providers communicate, collaborate, and seamlessly manage their collective transportation requirements. From picking through final delivery, the entire logistics supply chain can be automated. Shippers who effectively collaborate with their transportation providers to reduce delivery transit times and inventory carrying costs, and eliminate costly delays in the transportation process enjoy customer loyalty and improved customer satisfaction.

Complete, Collaborative, Intelligent, and Open

Oracle is the Leader in E-Business Supply Chain Management Solutions

Complete

Oracle enables transactions to flow seamlessly throughout Oracle's supply chain modules without delay or redundancy. This is possible because Oracle built Oracle Supply Chain Management from the ground up leveraging leading internet practices and a common data model. Critical information is shared across applications, eliminating the need to synchronize and ensuring accuracy so you can rapidly respond to and satisfy changing customer demands. As the only provider of one hundred percent internet-based applications, tools, and database technology, as well as global consulting, education, support, and partner services, Oracle provides the most complete e-business supply chain management solution.

Collaborative

By extending automation beyond your enterprise to include your trading partners and customers, you can share real-time information about critical activities, such as designs, forecasts, capacities, and deliveries. Oracle's collaborative exchange applications, an integrated part of Oracle Supply Chain Management, make it possible to conduct business with multiple trading partners from a common transaction platform, enabling a more flexible and efficient response to dynamic market conditions. Oracle's pre-configured, role-based portals also speed collaborative communication among trading partners.

Intelligent

Oracle Supply Chain Intelligence automatically generates exception notifications based on tolerances you specify. You can immediately drill down to the specific transaction(s) causing the alert. For instance, you can learn of manufacturing cost overruns as they occur and determine whether the cause is related to supplier quality issues or manufacturing process problems, so you know immediately what action to take to resolve the problem.

Open

Comprehensive and tightly integrated, Oracle Supply Chain Management is also open and modular. This means you can implement modules based upon your business priorities. A company can start with Oracle's Procurement solution, and then add Oracle's Planning, Manufacturing, or Fulfillment solutions in the future. The Oracle modules seamlessly integrate with each other, or can be connected with third party or legacy systems via Oracle's workflow engine, XML/EDI connectors, and published API's. Pre-defined workflows that control transaction processing can be easily modified using a "drag-and-drop" interface and are preserved through upgrades.

Creating A Networked Value Chain with Oracle Supply Chain Management

ORACLE SUPPLY CHAIN MANAGEMENT PRODUCTS				
Product Development	Advanced Planning	Procurement	Manufacturing	Order Fulfillment
Product Development Exchange	Advanced Supply Chain Planning	Sourcing	Discrete Manufacturing	Order Management
CADView-3D	Demand Planning	iProcurement	Process Manufacturing	Configurator
Project Resource Management	Global Order Promising	iSupplier Portal	Flow Manufacturing	Configurator Developer
Project Contracts	Inventory Optimization	Purchasing	Project Manufacturing	Advanced Pricing
Project Accounting	Supply Chain Exchange	Payables	Shop Floor Management	Release Management
Product Development Intelligence	Supply Chain Intelligence	Exchange Marketplace	Manufacturing Scheduling	Warehouse Management
		Purchasing Intelligence	Bills of Materials	Mobile Supply Chain
			Formulation Management	Transportation
			Work in Process	
			Production Management	
			Quality Management	
			Cost Management	
			Manufacturing Intelligence	

About Oracle Supply Chain Management

Historically, supply chain solutions have focused on internal automation. Now, Oracle Supply Chain Management extends automation beyond your enterprise to include your trading partners and your customers. As the only company to offer a fully integrated family of applications for global, enterprise-wide supply chain management, Oracle enables companies to leverage leading new e-business practices to automate internal processes and to collaboratively extend automation across the supply chain. This comprehensive solution is open and modular to satisfy all supply chain needs from product development to procurement to planning to manufacturing to order fulfillment.

Further, as you seek to outpace your competition, you need to make well-informed decisions based on metrics that represent real-time functional performance. Oracle Supply Chain Intelligence is not a toolkit, rather it is an out-of-the-box application that is fully integrated with the underlying transactional systems to deliver the up-to-the-minute information you need for success.

ORACLE E-BUSINESS SUITE

Balanced Scorecard	Product Development	Professional Services Automation
Marketing	Advanced Planning	Projects
Sales	Sourcing and Procurement	Accounting
Service	Discrete Manufacturing	Budgeting and Planning
Interaction Center	Process Manufacturing	Human Resources
E-Commerce	Order Fulfillment	Payroll
Activity Based Management	Business Intelligence	Travel Management

The Next Step

For more information on becoming an e-business with Oracle E-Business Suite, visit our Web site <http://www.oracle.com/applications>. You can also call your local Oracle sales representative or visit the Oracle Store, at <http://store.oracle.com>.