Oracle® Value Chain Planning Integration Base Pack 3.1 - Release Notes

Release 3.1

Part No. E20586-04

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Overview of Oracle Value Chain Planning Integration Base Pack 3.1

This direct integration initiative enhances JD Edwards EnterpriseOne technology to facilitate integration with current and future planning applications in the Oracle EBS Value Chain Planning Suite. This direct integration also provides PeopleSoft Enterprise Supply Chain Management integration with Demantra Demand Management.

By integrating with the Oracle EBS Value Chain Planning Suite, it gives JD Edwards EnterpriseOne and PeopleSoft users access to a broader set of tools for their Advance Planning System, beyond the Demantra and Oracle Numetrix applications.

Value Proposition for Oracle Value Chain Planning Integration Base Pack 3.1

Oracle Value Chain Planning Integration Base Pack 3.1 is focused on the following key areas:

- Predict Market Requirements and Supply Chain Risk

- Shape Demand for Profitability

- Align Operational Plans with Corporate Goals

- Monitor and Manage Supply Chain Performance in Real Time

- Leverage Modular and Open Architecture for Quick ROI

With Oracle Value Chain Planning Integration Base Pack 3.1, JD Edwards ERP customers are able to adopt the Oracle Value Chain Planning solution. Oracle Value Chain Planning is the most complete supply chain planning solution on the market and will provide JD Edwards customers with capabilities not found in the prior supply chain planning solution, such as inventory optimization, integrated supply chain analytics, and process automation capabilities to enable you to streamline your entire planning process.

Predict Market Requirements and Supply Chain Risk

The first key step to improved profitability and efficiency is to be able to translate real-time demand visibility to profitable market strategies. By understanding what your customers' buying and investment patterns are or where product mix and market shifts are taking place, you can react quickly by shifting your own strategy.

Rapid response to changing market demand starts with getting demand signals at a very granular level, close to the point of consumption, and by automating the evaluation of those signals. In addition, you need to be able to augment your own shipment records with syndicated point-of-sale data when operating a highly consumer driven demand chain. Designed to enable demand-driven planning, Oracle Value Chain Planning enables you to sense demand from multiple data sources including shipment and order history, distribution center withdrawals, customer collaboration, point-of-sales, and marketing data.

Better real time demand insight is only useful if you can translate it into a more accurate consensus forecast. First, you need to move away from a static demand analysis to a more continuous process to maintain consensus. Oracle Value Chain Planning enables this by providing a robust workflow and event driven collaboration paradigm across all constituents – Sales, Marketing, Finance, Operations, and even suppliers and customers. While collaborating, each participant still gets the information tailored to their needs to be able to make key decisions. In addition, the system keeps an audit trail of all changes, with notes that capture key decisions and assumptions. It also generates exceptions to ensure responsiveness to rapidly changing demand signals.

Oracle Value Chain Planning helps you design more resilient supply chains. Leveraging the strategic network design and optimization capabilities, you can evaluate value chain strategies in the context of risk and net delivered cost; determine the risk and benefits of single versus dual sourcing strategies using local and global suppliers; analyze the effect of increased lead times and increased logistics costs on working capital and cash flow as a result of outsourcing and off-shoring; and consider increased buffer stock needed to hedge against increased variability.

Another important aspect of risk mitigation is to be able to identify 'choke points' in your extended supply network and to understand the cost and disruptions of planned and unplanned events.

Another important element that drives supply chain resiliency and profitability is to identify the right inventory postponement strategy. To determine how to meet your customer service commitments at the lowest cost, you need to consider all distribution, manufacturing, customer and supplier locations; account for all demand, supply, and lead time uncertainty; and have visibility to new product introductions and product phase-outs. By simulation what-if scenarios, you can quickly determine how to allocate your scarce inventory investment to most profitable channels, products, as well as manage contractual commitments to key customers. Oracle Value Chain Planning's inventory postponement optimization enables you to choose the best service level strategy based on costs (inventory carrying cost, production cost, procurement cost, transportation cost), revenue, profit, target service levels, capacity constraints, and budgets. You can simultaneously evaluate all fixed and variable cost impacts of sourcing strategies and the cost impacts of variability and service level objectives – this enables you to assess the true net delivered cost of strategic decisions.

Shape Demand for Profitability

The next step to profitability is to move from only reacting to demand to profitably shaping demand. Traditionally, companies treat demand as a fixed input to the supply planning process and simply ask Operations to determine the best way to fulfill it. However, demand can be shaped by leveraging instruments like promotions and incentives, product lifecycle events, and supply events. Oracle Value Chain Planning provides unique capabilities like predictive trade planning and real-time sales and operations planning that enable you to shape your demand and profitably balance supply and demand to meet your financial objectives.

With product life cycles getting shorter, you need to be able to quickly add new products and forecast their demand based on the sales history and characteristics of 'like' products. Oracle Value Chain Planning helps you to determine in which channels and locations to introduce new products first, before expanding globally. In addition you can identify the revenue impacts and profitability of new product introduction schedules, evaluate the cannibalization of existing products on revenue and inventory goals, and determine price breaks and promotions that can be leveraged for sell-off or ramp-up.

Oracle Value Chain Planning uniquely enables a best practice sales and operations planning process that ensures that management can interactively engage in the S&OP process by reviewing performance to baseline, assigning execution to baseline, comparing alternative business scenarios that address performance deviations, and by analyzing corporate metrics by various dimensions and aggregation levels (with the ability to drill down to root-cause planning information). Oracle Value Chain Planning enables you to get started quickly by leveraging best practice templates that can be adapted quickly to support your unique business processes.

Align Operational Plans with Corporate Goals

Oracle Value Chain Planning helps you align your operational plans with your corporate goals. You can perform simultaneous material and capacity planning across multiple facilities and time horizons in a single planning run, while at the same time accounting for the latest consensus forecast, sales orders, production status, purchase orders, and inventory policy recommendations. As a single solution for both supply chain distribution and manufacturing planning, it is based on a common supply chain model and setup. Its flexible configuration, however, enables you to define different models that can co-exist and evolve as your organization grows. You can choose to immediately start with more advanced constrained and optimized planning constructs, leveraging the out-of-the-box optimization, or decide to get to that point gradually by starting with unconstrained planning.

Oracle Value Chain Planning improves on-time delivery by accurately promising orders across a global supply chain based on material, manufacturing, transportation, and supplier capacity to determine the best location to fulfill demand. Its unique database-centric order promising engine helps you effectively deal with allocation and backlog scheduling problems, whether you promise orders from a web store, call center, or your order management application, on a 'zero downtime' 24x7 basis. Improvements in customer service and profitability can be achieved by leveraging the robust rules-based allocation engine to manage allocation and ensure service to your key customers.

After you have promised your orders, you can still be faced with throughput issues on the shop floor as a result of poor bottleneck visibility and production disruptions. Oracle Value Chain Planning enables you to model your shop floor in a flexible way and react quickly to changes on the shop floor for either actual or planned work. Oracle Value Chain Planning provides detailed shop floor connectivity and embedded analytics to deliver business insight and speed to your manufacturing operations (see Manufacturing RVP for details).

To reduce your planning cycle even more, you can directly involve selected customers and suppliers in your supply chain planning processes. Having full visibility to their demand and supply changes enables you to adapt more quickly to changing business conditions and therefore reduces planning cycle time. Highly configurable exception management enables you to implement a high degree of automation on how to deal with supply-demand mismatches in your collaboration process.

Monitor and Manage Supply Chain Performance in Real Time

Oracle Value Chain Planning puts key decision makers in charge by enabling them to analyze high level demand and supply trends and metrics. Key managers as well as planners can leverage the embedded analytics to quickly analyze the root-cause of problems. Prebuilt dashboards and reports enable slicing and dicing of planning information across key dimensions and at various levels of aggregation. In addition, you can directly drill-down, in context, to the powerful planning workbenches to simulate possible solutions or take actions. Configurable alerts enable decision makers to proactively respond to deviations in performance and focus on the immediate problems.

Oracle Value Chain Planning helps you orchestrate planning processes that span demand management, inventory optimization, sales and operations planning, network design, and supply planning by leveraging web services. This web services-based approach enables Oracle Value Chain Planning to support systemic operational improvements in a wide variety of functional areas through integration with other applications – even in highly heterogeneous application environments. You can also include approval and review steps to ensure proper manual intervention where needed.

Leverage Modular and Open Architecture for Quick ROI

Oracle Value Chain Planning Integration Base Pack 3.1 leverages the scalability and security of Oracle's RDBMS and Fusion Middleware technology to provide an open architecture that can be deployed, integrated and out-of-the-box, with JD Edwards EnterpriseOne Release 9.0 and PeopleSoft Enterprise Supply Chain Management.

The modular architecture also enables you to start your implementation with any product, helping you to address your most important business problem first. Additional products can be plugged in quickly as you gradually extend your solution and leverage the same platform foundation, avoiding expensive reconfiguration and modifications. For example, you can decide to start with improvements to your demand management process because you have a forecast accuracy problem, and then implement constrained supply planning or a sales and operations planning process. Oracle Value Chain Planning provides detailed shop floor connectivity via Manufacturing Operations Center (details can be found in the following Release Value Proposition Document.

Product Enhancements for Oracle Value Chain Planning Integration Base Pack 3.1

The release of Oracle Value Chain Planning Integration Base Pack 3.1 is not an upgrade release and contains no new features.

Additional Resources

There are additional resources that can help your organization learn more about this release.

Resource	Location
Process Integration Pack Implementation Guides	Oracle Technology Network: http://www.oracle.com/technetwork/index.html
Foundation Pack Guides	Oracle Technology Network: http://www.oracle.com/technetwork/index.html
Installation and Upgrade Guide	Oracle Technology Network: http://www.oracle.com/technetwork/index.html
Known issues, workarounds, and current list of patches	My Oracle Support https://support.oracle.com/

Visit the My Oracle Support site frequently to keep apprised of ongoing changes.

For other sources of documentation, visit Oracle Technology Network: Oracle Documentation.

For training opportunities, visit Oracle University.

For Value Chain Planning training opportunities, reference:

http://education.oracle.com/pls/web_prod-plq-dad/db_pages.getsearchpage?page_id=13&p_search_category_id=53

Press Release:

- http://www.oracle.com/us/corporate/press/018657

- http://www.oracle.com/us/corporate/press/018280

Data Sheet:

Value Chain Planning Data Sheet