Oracle Supply Chain Management and the Adaptive, Intelligent Supply Chain

GEN6347 – SCM General Session

Rick Jewell
Senior Vice President, SCM Applications
Oracle

Accelerate Your Digital Transformation in the Cloud
Safe Harbor Statement

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle’s products remains at the sole discretion of Oracle.
Oracle SCM Cloud Adoption is Well Underway ...
Profound Medical Corp.
Profound Medical Corp. is a medical device company that is developing and commercializing ground-breaking technology in the area of localized prostate cancer. It is headquartered in Toronto, Ontario, Canada.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Solution</th>
<th>Expected Results</th>
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</table>
| Profound Medical Corp. was looking for a manufacturing and supply chain solution that is simple enough to deploy for their initial product launch and robust enough to scale to support their projected rapid growth. | Oracle SCM Cloud:  
• Oracle Product Hub Cloud  
• Oracle Order Management Cloud  
• Oracle Manufacturing Cloud  
• Oracle Procurement Cloud | ✓ Faster time to market with integrated Agile PLM, Product Hub Cloud and Manufacturing Cloud  
✓ Serialized Manufacturing and Inventory providing traceability of critical components  
✓ Simple shop floor and warehouse execution, with robust costing and reporting |
Abcam enables life science research by providing high-quality protein research tools, up-to-date data and expert technical support globally. It is based in Cambridge, UK and has offices in multiple regions in North America, Europe and Asia.

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| Abcam struggled with an IT landscape that involved custom built and non-integrated solutions. As part of a global digital platform transformation, it was looking at adopting cloud based ERP and SCM solutions to help enable and accelerate its future growth. | Oracle SCM Cloud:  
• Oracle Innovation Management Cloud  
• Oracle Product Development Cloud  
• Oracle Product Hub Cloud  
• Oracle Order Management Cloud  
• Oracle Manufacturing Cloud  
• Oracle Planning Central Cloud  
• Oracle Procurement Cloud  
• Oracle Global Trade Management Cloud | ✓ Streamlined new item introduction with integrated tools from ideation to commercialization  
✓ Improved margins through better supply chain visibility and lower inventory and obsolescence |
Ballard Power Systems

Ballard Power Systems is a global leader in PEM (proton exchange membrane) fuel cell technology. We provide clean energy fuel cell products enabling optimized power systems for a range of applications. Ballard offers smarter solutions for a clean energy future.

**Challenge**

Ballard struggled with aging, disconnected systems with multiple “work arounds” and Band aids had created silos of data and silos of groups inside to org. The resulting lack of operational efficiency and visibility across all groups was becoming a hindrance to growth.

**Solution**

Oracle SCM Cloud:
- Oracle Order Management Cloud
- Oracle Manufacturing Cloud
- Oracle Planning Central Cloud
- Oracle Procurement Cloud

**Expected Results**

- Improved revenue and margin by leveraging planning central’s embedded analytics to better balance supply and demand
- Reduced supply chain costs and improved agility.
- Improved shop floor control and efficiency
Western Digital
Western Digital Corporation is one of the largest computer hard disk drive manufacturers in the world.

**Challenge**

Western Digital as part of their ERP transformation and adoption in the Cloud was looking for a solution to consolidate item masters and catalogs across multiple ERP systems (SAP/EBS) they have assimilated through the HGST and Sandisk acquisitions. Additionally product data quality is poor with a lot of duplication across item masters.

**Solution**

Oracle SCM Cloud:
- Oracle Product Hub Cloud
- Oracle Purchasing Cloud
- Oracle Inventory Cloud
- Oracle Order Management Cloud
- Oracle Manufacturing Cloud

Oracle ERP Cloud:
- Oracle Financials Cloud
- Oracle Project Portfolio Management Cloud
- Financial Reporting Compliance Cloud

**Expected Results**

- ✓ Centralized Item Master for ERP Cloud
- ✓ Governance and workflow for product maintenance
- ✓ Improve Product Data Quality and Reduce duplicate items
- ✓ Integrated and scalable ERP solution that simplified decision making
The time is now for your transition to the Oracle Supply Chain Cloud

- 80% of organizations are already using or considering supply chain cloud
- Cloud growth is 10x that of on-premise
- Supply Chain leaders are Cloud leaders

Oracle’s SCM Strategy
be FIRST
be BETTER
be COMPLETE

• By 2019 total Cloud IT spend will be $140bn and be 6x that of on-premise

2013 $1.8 billion
2018 $4.5 billion

$1.8 billion
$4.5 billion
Oracle SCM Cloud

Guiding Principles

Broader
Comprehensive Suite of Supply Chain Applications For Industrial & High Tech

Better
Exceptional User Experience Digital by Design

Faster
Faster Implementation Configurable & Extensible Automated Upgrades

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Oracle’s Comprehensive Supply Chain Management Cloud

**Ideate to Commercialize**
- Innovate: Innovation Management, Project Management, Product Development, Product Hub
- Unified PLM solution for Ideas to Commercialization on common MDM Platform

**Source-to-Settle**
- Source: Sourcing & Contracts
- Contract: Supplier Qualification Management
- Purchase: Purchasing, Self-Service & Supplier Portal, Payables
- Settle: Best in Class Breadth and Depth with ERP Integration and Flexible Deployment Options

**Order-to-Cash**
- Capture: Order Management
- Promise: Configurator & Pricing, Global Order Promising
- Orchestrate: Inventory & Shipping, Transportation & Receivables
- Deliver & Bill: Comprehensive built-in Capabilities on Omni-Channel Orchestration Architecture

**Plan-to-Produce**
- Plan: Planning Central
- Make: Manufacturing, Inventory & Costing, Supply Chain Orchestration
- Optimize: Integrated demand & Supply Planning, Orchestration-driven Manufacturing

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Oracle Signs Agreement to Acquire Logfire

Complements existing Oracle SCM Suite with leading SaaS Warehouse Management
LogFire’s Warehouse Management Cloud Delivers the Flexible Capabilities Customers are Demanding

- A **leading** warehouse management solution
- The predominant **built-for-cloud** solution in the marketplace
- Over **8,700 active WMS users**
- More than **100 million** transactions processed in **2015**
- Over **54 million** transactions YTD
- More than **250 stores live**
- Over **40 customers**
Together, Oracle and LogFire Provide Customers the Ability to Grow from Point WMS Solution to Full SCM Transformation

**LogFire**

- Warehousing Excellence
  - Warehouse Management
  - WMS Workforce Management
  - Store Inventory Management

**Integrated Logistics**

- Oracle Transportation Management
- LogFire Warehouse Management
- Oracle Global Trade Management

**Omni-Channel Fulfillment**

- Oracle Order Management
- Oracle Logistics
- Oracle CPQ
- Oracle Commerce

**Supply Chain Transformation**

- Idea to Commercialize
- Order to Cash
- Source-to-Settle
- Plan to Produce

*Pending

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LogFire Extends Oracle SCM Cloud with WMS
Offering a Modern, Built-for-the-Cloud SCM Suite

LogFire complements the logistics functionality of the Oracle SCM Cloud by adding innovative warehouse management capabilities

*Pending*
Driving towards the Adaptive, Intelligent Supply Chain

Collaboration & Visibility

Digital Transformation

Flexibility & Responsiveness

Empowering User Effectiveness
Leaders know that Collaboration is key for Enhanced Visibility and Control

**Problem:** lack of supply chain visibility

80% of brand owners will not be able to provide end-to-end supply chain visibility to internal departments and external trading partners.

**Solution:** collaborate with partners

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<th>Followers</th>
<th>Leaders</th>
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<tr>
<td>Forecasting collaboration</td>
<td>53%</td>
<td>88%</td>
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<tr>
<td>Visibility to 3rd party production, capacity or shipments</td>
<td>51%</td>
<td>78%</td>
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</table>

Source: Gartner, 2014

Source: Deloitte, 2014

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Coming Soon: Oracle Supply Chain Collaboration Cloud
Delivering Collaboration across your Supply Chain for both Planning and Execution

Flexible orchestration allows you to tailor the collaboration process to your business strategy

Brand Owner

Multi-tier Suppliers

Publish Supply Plan → Supply Capacity → Production Reports → Purchase Order → Acknowledgement → ASN, Invoice

Oracle Supply Chain Collaboration Cloud

Publish Order Forecast ← Post Supply Commits ← Post Production Reports ← Purchase Order ← Acknowledgement ← ASN, Invoice

*: Planned for 2017

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**Intelligent Supply Chain Planning delivers Competitive Advantage**

<table>
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<tr>
<th>65%</th>
<th>Leaders employ demand shaping techniques to influence customer demand</th>
<th>91%</th>
<th>Customer retention rate by leaders with best in class S&amp;OP vs. 70% for laggards</th>
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<tbody>
<tr>
<td></td>
<td>Source: Gartner</td>
<td></td>
<td>Source: Oliver Wight</td>
</tr>
<tr>
<td>35%</td>
<td>Leaders have 35% lower frozen time periods i.e. higher flexibility</td>
<td>29%</td>
<td>Increase in forecast accuracy of leaders over competition</td>
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<tr>
<td></td>
<td>Source: : McKinsey</td>
<td></td>
<td>Source: Aberdeen</td>
</tr>
</tbody>
</table>

Source: Gartner
Oracle Supply Chain Planning Cloud
Next Generation Planning: Expandable, Flexible, Powerful

Sales & Operations Planning*
- Best Practice S&OP Process
- IBP Review Dashboard
- Demand-Supply-Budget Balance
- Aggregate Plan and Simulations
- Consensus Planning

Demand Management*
- Demand Sensing
- Collaborative Forecasting
- Demand Shaping

Supply Planning*
- Global Planning
- Detailed Plan Analysis
- Plan Simulations

Planning Central (R11)
- Plan demand, safety stock and supply on one screen
- Analyze changes and plan recommendations
- Prioritize actions and release orders

*: Planned for 2017

Common SCP Framework, Global Network, Unified Demand and Supply Model
Coming Soon: Oracle Quality Management Cloud
Drive Quality Best Practices from Issue to Resolution

Define
- Connect items to inspections
- Align with design for quality

Identify
- Perform receiving, WIP, and ad hoc inspections
- Quickly identify defective components or finished goods

Analyze
- Identify and manage quality issues
- Solve problems in a controlled and auditable manner

Correct
- Implement corrective and preventative actions
- Use the latest in cloud technology to create solutions

*: Planned for 2017

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Coming Soon: Oracle Maintenance Cloud
Enabling efficient and productive maintenance operations

Define
Visually design your maintenance process

Execute
Quickly see status and take action on the go

Cost
Efficiently analyze work order charges and asset costs

Quickly establish maintenance standards for material and resources

Simplify maintenance experience & manage key metric

Ensure compliance to established standards

*: Planned for 2017
Coming Soon: Analytics Driven Navigation

*: Planned for 2017
Coming Soon: Shopping-Cart Style Requisitioning

*: Planned for 2017
The Adaptive, Intelligent Supply Chain: Leveraging Oracle Cloud Technologies

Oracle Cloud Technologies

Oracle IoT Cloud

Supply Chain Events

Trends & Causal Factors

Supply Chain Planning

Social Analytics

Quality & Production Issues

Manufacturing & Quality

Syndicated Data

Supply Chain Disruptions

Logistics & Procurement

Oracle Data Cloud

Curated Data Providers

Social/Web Data Sources

IoT Devices

Oracle SCM Cloud

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### Oracle Applications: Current Release and Roadmap

#### Oracle Supply Chain Management Cloud: Overall

<table>
<thead>
<tr>
<th>Current Release (Release 12)</th>
<th>Release +1</th>
<th>Futures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Order Management &amp; Inventory Clouds</strong></td>
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<td><strong>Order Management &amp; Inventory Clouds</strong></td>
</tr>
<tr>
<td>- Visual rule builder</td>
<td>- Price overrides/approvals; Credit check &amp; card payment</td>
<td>- Subscriptions, Service Agreements &amp; Coverages, Sales Contracts</td>
</tr>
<tr>
<td>- OAGIS support</td>
<td>- CTO Integration to CPQ &amp; Commerce Clouds</td>
<td>- Enhancements to: CTO, Mobility, Fulfillment, Returns. PAR Cart Mgt.</td>
</tr>
<tr>
<td>- Web services: mobile inventory and internal ordering</td>
<td>- Web services: mobile, 3PL/WMS, PAR</td>
<td><strong>Logistics Cloud</strong></td>
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<tr>
<td><strong>Logistics Cloud</strong></td>
<td>- Internal orders via requisition</td>
<td>- Inbound logistics with SCM Cloud</td>
</tr>
<tr>
<td>- UX: New Mobile apps</td>
<td>- Logistics Cloud</td>
<td>- Duty relief programs</td>
</tr>
<tr>
<td>- Fleet Mgmt Cloud – new</td>
<td>- Integrated outbound logistics; Logfire WMS integration</td>
<td>- Multi-modal Procurement</td>
</tr>
<tr>
<td><strong>PLM Cloud &amp; Product Hub Cloud</strong></td>
<td>- Free trade agreements</td>
<td><strong>PLM Cloud &amp; Product Hub Cloud</strong></td>
</tr>
<tr>
<td>- D2R Item &amp; Change Usability; Change Audit</td>
<td>- PLM Cloud &amp; Product Hub Cloud</td>
<td>- CAD integ., Document, ECO, Audit, Search enhs.</td>
</tr>
<tr>
<td>- Requirements traceability; Portfolio Analytics</td>
<td>- D2R Change Types; BOM Costing; Roadmapping</td>
<td>- Quality containment, Decision support</td>
</tr>
<tr>
<td><strong>Manufacturing Cloud &amp; Planning Clouds</strong></td>
<td>- UI &amp; search modernization, Adv Catalog Mgt.</td>
<td><strong>Manufacturing &amp; Supply Chain Planning Clouds</strong></td>
</tr>
<tr>
<td>- Mobile Supervisor; Manufacturing Exceptions</td>
<td><strong>Procurement Cloud</strong></td>
<td>- Lot-based, Co-Products, Operations Yield</td>
</tr>
<tr>
<td>- External planning data import services</td>
<td>- Quality Inspections, Outside Processing</td>
<td>- Usability enhancements</td>
</tr>
<tr>
<td><strong>Procurement Cloud</strong></td>
<td>- Genealogy; Maintenance – new product</td>
<td>- Forecast diagnostics, Quality analytics</td>
</tr>
<tr>
<td>- Contracts: Oracle Social, Conditional Contract Term Approvals, Enhs Amendment summary</td>
<td>- Demand Planning – new product</td>
<td><strong>Procurement Cloud</strong></td>
</tr>
<tr>
<td><strong>Cross-SCM</strong> - B2B, Services &amp; Events</td>
<td>- Supply Planning – new product</td>
<td>- Master Contracts, Asset Proc,</td>
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<td></td>
<td>- Supply Chain Collaboration – new product</td>
<td>- Sell-side auctions, Contract Award, Mass download</td>
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<td></td>
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<td>- Extensible profile attributes</td>
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**Cross SCM** - Apps Composer Extensibility Framework

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Flexible Paths to the Cloud
Complementary, Incremental or Transformational

Divisional Transformation
- Financials
- Procurement
- Inventory
- Order Management
- Manufacturing
- Planning Central

Legacy ERP/SCM
- Financials
- Procurement
- Inventory
- Order Management
- Manufacturing
- Planning (ASCP)

Phase I
- Financials
- (Indirect) Procurement
- Inventory
- Order Management
- SCO & SFO
- (Direct) Procurement

Phase II
- Financials
- Procurement
- Inventory
- Order Management
- Manufacturing
- Planning Central

Phase III
- Financials
- Procurement
- Inventory
- Order Management
- Manufacturing
- Planning Central

Phase IV
- Financials
- Procurement
- Inventory
- Order Management
- Manufacturing
- Planning Central

Innovate at the Edges
- Warehouse Management
- Product Hub
- GTM / OTM
- PLM
- Sourcing / Contracts
- Order Management

ORACLE
Options to Balance Your External and Internal Factors

INNOVATE AT THE EDGE
(Co-Existence)

COMPLETE TRANSFORMATION
(Cloud Transformation)

OPERATIONAL EXCELLENCE
(Consolidation & Hosting)

DIVISIONAL MODERNIZATION
(Two-Tier ERP/SCM)
Oracle’s Path to the Cloud
## Oracle’s Path to Cloud

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
<th>Phase 5+</th>
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</thead>
<tbody>
<tr>
<td>Core HCM &amp; Base ERP</td>
<td>Core ERP &amp; CRM</td>
<td>Forward Supply Chain</td>
<td>Extended ERP</td>
<td>Reverse Supply Chain</td>
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<tr>
<td><strong>HCM</strong></td>
<td><strong>CX</strong></td>
<td><strong>ERP</strong></td>
<td><strong>ERP</strong></td>
<td><strong>HCM</strong></td>
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<tr>
<td>Global HR</td>
<td>CRM (Sales Force Planning)</td>
<td>Accounts Receivable</td>
<td>Project Resource Mgmt</td>
<td>Offers &amp; On-Boarding</td>
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<tr>
<td>Talent Management</td>
<td>Customer Hub</td>
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<td>Revenue Management</td>
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<td>Workforce Compensation</td>
<td>Partner Management</td>
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<td><strong>ERP</strong></td>
<td><strong>Expenses</strong></td>
<td><strong>Order Management</strong></td>
<td><strong>ERPs</strong></td>
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<td>Fusion Accounting Hub</td>
<td>Project Accounting</td>
<td>Direct Procurement</td>
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<td>OFSS on Public Cloud</td>
<td>Indirect Procurement</td>
<td>Direct Accounts Payable</td>
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<td><strong>CX</strong></td>
<td>Indirect Accounts Payable</td>
<td>Manufacturing</td>
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<td>Marketing</td>
<td>Cash Management</td>
<td>Quality</td>
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<td>Incentive Compensation</td>
<td>Planning &amp; Collaboration</td>
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<td>Financial Risk &amp; Compliance</td>
<td>PLM</td>
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<td>Product Management</td>
<td>Logistics</td>
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<td>CPQ Cloud</td>
<td>Global Trade Management</td>
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<td><strong>EPM</strong></td>
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Next Steps

1. **Take a Closer Look**
   Learn about solutions that other customers have found most valuable
   - demos
   - videos
   - cloud.oracle.com

2. **Business Case Development**
   Understand business value

3. **Path to Go Live**
   Discuss options for implementation and go-live
Summary

**Complete**
- Best-in-Class Cloud Portfolio
- Deep Global & Industry Capabilities
- Full HCM and CX Portfolio Integration

**Modern**
- Robust BI & Embedded Analytics
- Consumer UX Across Devices
- Collaborative Business Processes

**Proven**
- 2900+ ERP/SCM Customers, 1000+ Live
- Full/Modular Rapid Adoption
- Secure & Scalable Global Operations

*Oracle*
Integrated Cloud
Applications & Platform Services

For more information on the Adaptive, Intelligent Supply Chain: cloud.oracle.com/scm