Oracle Applications and the Value Chain Transformation

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Oracle Applications

complete
SOLUTIONS

complete
CHOICE
Complete Solutions

ENTERPRISE APPLICATIONS

- ERP
- CRM
- GRC
- HCM
- SCM
- EPM

INDUSTRY APPLICATIONS

- Aero & Defense
- Automotive
- Chemicals
- Consumer Products
- Communications
- Education & Research
- Engineering & Construction
- Financial Services
- Health Care
- High Tech
- Industrial Manufacturing
- Life Sciences
- Media & Entertainment
- Natural Resources
- Oil & Gas
- Professional Services
- Public Sector
- Retail
- Travel & Transportation
- Utilities

APPLICATIONS PLATFORM

- Business Intelligence
- Content Management
- SOA & Process Management
- Identity & Access
- User Experience
- Developer Tools

Applications

 Middleware

- Database
- Operating System
- Virtual Machine
- Servers
- Storage
Fusion Applications - The Driving Force

Innovation
- Easy Extensions
- Upgrade-Friendly
- Standards-Based

User Experience
- Intelligent
- Social
- Mobile

Deployment
- Incremental
- Cloud
- Engineered
The Making of Fusion Applications

Started with a Modern Platform
Industry-leading, standards-based, configurable, adaptive and secure Fusion Middleware

Built to Co-exist
Co-existence with E-Business Suite, PeopleSoft, JD Edwards, Siebel, CRM On Demand, Hyperion

Reinvented the User Experience
Role-based user interface, embedded decision support, pervasive collaboration

Made Ready for the Cloud
Private or public cloud

All in Collaboration with Oracle’s Customers and Partners
Oracle Fusion Applications
The New Standard for Business

The New Standard for Innovation
Complete Suite That Is Easy To Configure And Extend

The New Standard for Work
Complete User Experience That Shows You What You Need To Know And Do

The New Standard for Adoption
Complete Choice Of Options, From Cloud To Device And Module To Suite
Extremely Productive
For Workers On The Go

any device
ANYWHERE
Extremely Flexible
Easy To Adopt – Your Choice Of Strategy

Public Cloud

Private Cloud

On Premise

Hybrid
Extremely Connected
Integrated Social Collaboration

Activity Streams provide real time updates

Network at Work allows you to build collaborative teams

Discussion forums fuel collaboration on important topics

Social networking access via Facebook & LinkedIn integration
Stages in Transformation
From Fragmented Supply Chain to Integrated Value Chain

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fragmented Silo-Based Processes</td>
</tr>
<tr>
<td>2</td>
<td>Internal Process, Data Integration</td>
</tr>
<tr>
<td>3</td>
<td>Point Capabilities</td>
</tr>
<tr>
<td>4</td>
<td>Integrated &amp; Aligned Value Chain</td>
</tr>
</tbody>
</table>

**Performance**
- ERP plus spreadsheets & manual processes
- Automate enterprise planning & transactional processes
- Collaboration and Some advanced capabilities
- Multi-Enterprise Integrated demand, supply & product alignment

**Capabilities**
- Limited Collaboration
- Standardization, Integration, Foundational
- Selective Demand, Supply Improvements
- Multi-Enterprise Orchestration
Transformations in SCM & Manufacturing

Outsourcing & Globalization

Companies are differentiating based on SCM capabilities and flexibility

Collaboration & Orchestration

SCM & Manufacturing is now a multi-system, multi-enterprise collaboration & coordination process

Becoming Demand-Driven

Driving Profitable Innovation

Lean & Green Sustainability
Growth of Global Outsourced Manufacturing

Massive shift in paradigm creating shift to multi-enterprise systems

- $0.5 Trillion in spend being supported by systems designed for now-obsolete ERP-centric approaches to manufacturing and supply chain

- Global electronics contract manufacturing technologies was $345 billion in 2009 and expected to reach $519 billion in 2013, for a compound annual growth rate (CAGR) of 8.5%.

Source: BCC Research
The Shrinking Scope of ERP
Outsourcing reduces ERP span of control & increases risk
Simplified Outsourced Manufacturing Flow
Major Value Chain Inhibitors

- Enterprise-centricity & single-level organizational models
- Financial-Physical transaction binding
- Inflexible process flows
- Inconsistent Master Data Management
- Point to Point B2B Integration, not partner collaboration
Value Chain Network

- Common representation of the entire value chain (internal and external) across multiple locations, functions, instances
- Models (and drives) required transactional relationships between nodes

- Provides common framework for execution, visualization and analysis

Value Chain on a map

Value Chain nodes and material flow

Easily represent and link locations

KPIs by Geography

Exception Conditions

Selective Highlights
Separate Orchestration of the Physical and the Financial Flows

When all you have is a hammer …

- Linked Orders/PO’s required to simulate complex financial-only flows

Requirement:

- Support complex, global corporate structures without compromising supply chain efficiency
- Financial Orchestration so that a single movement orchestrates multiple internal financial transactions

Benefits:

- Support complex tax-advantaged organizational structures, without increased operational complexity
Orchestrating Collaborative Order Fulfillment

Customers can order products across multiple channels

Direct Sales  Call Center  eCommerce Sites  Mobile
Siebel / Third Party CRM  ATG / Third Party  Mobile Apps

Mapping services to/from common format
Rules-based selection of Fulfillment plan
Status and updates sent back

Common order promising services

Decomposition based on selected fulfillment plan
Mapping to/from fulfillment system format
Status and Jeopardy conditions detected and resolved

Distributed Order Orchestration

Oracle Retail / Third Party  Third Party Apps  eBusiness Suite
Stores  Warehouses  Drop-ship Vendors  Plants

They can satisfy demand through a growing set of supply sources

Standards and rules-based application to orchestrate all orders, across all capture & fulfillment systems
Orchestrating Broader Value Chain Flows

**Planning**

**Value Chain Orchestration**

- Mapping services to/from common format
- Rules-based selection of Orchestration plan
- Status and updates sent back

**Extension of Concept to All Sources of Supply and Demand**

- Design
- Source
- Make
- Deliver

- Internal Applications
- Third Party Applications
- Partner Apps

- Suppliers
- Contract Manufacturers
- Logistics Service Providers
- Customers

- Standards and rules-based application to orchestrate all orders, across all supply and demand systems

Common Orchestration Approach Across Entire Value Chain
Challenges of Fragmented Product Information

Rapid Innovation, Increased Regulation, Multiple Systems

- 66% use custom code or manual
- 75% have don’t standardize product data
- Product lifecycles shortened by 35%
- 73% have no centralized data ownership
- 2 or more PLM/ERP/CRM systems / Co.
- 37% have limited integrations
- 43% make an acquisition each year
- 79% synchronize only some or no product data with trading partners

Resulting Challenges

- 25% increase in order and invoice errors
- 20% missed product launch targets
- 26% of parts missing in distributors’ system
- Increased cost of maintaining integrations
- Up to $6.1m / Co. in Inventory write-downs due to non-compliance
- 15% increase in product returns

Requires an extensible solution that allows consolidation, cleansing, enrichment and harmonization of product data across the enterprise
Fusion Product Information Management
Harmonize product data across the extended enterprise

Customers have increasingly complex application requirements

ERP | eCommerce | CRM | SCM | POS
Field Service | Mobile Apps | PLM | Sourcing | MES

Consolidate Product Information
Cleanse the data, remove duplicates and errors
Provide central Governance structure

Oracle EDQ-P
Real-time and batch Data Quality enforcement

Fusion Product Information Mgt
Extend information as needed
Share information across systems and processes

Data Pools | Regulations | Sales Catalogs | Partners
Acquisitions | Compliance | Analytics | Portfolio

As part of an overall MDM Strategy
Centrally manage the Common Product Record

Required by an increasingly complex set of business functions
The Point to Point B2B Death Spiral
No longer a viable collaboration model
Move to the Cloud
Evolution, not Revolution

Tier 3  Tier 2  Tier 1

Customers  3PL’s  Distributors

Suppliers  3PL’s  Outsourced Mfg

Retailer  Tier 2  Tier 3

Upstream Suppliers

Trading Community Platforms with Collaboration and Shared Services

Standards Messaging

ERP Systems

Legacy  Oracle  SAP  Infor

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Evolution, not Revolution

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Adoption of Open Standards
Fusion B2B Messaging

• Reduce cost and complexity of B2B implementations
  – Enable B2B out of the box
  – Framework support for all messaging protocols and standards
  – Configuration driven Trading Partner and messaging setup
  – Message monitoring and management capabilities
  – Self service setup, testing and enablement for Trading Partners

• Reduce proliferation of standards
  – Oracle’s B2B hub processes 3 million messages annually using OAGIS as a canonical
  – OAGIS is the primary messaging standard for Oracle Supplier Network (OSN)
  – OAGIS platform as our preferred messaging standard
    • Work with B2B solution providers to build OAGIS interoperability with Fusion Applications
    • Provide features to reduce implementation cost – e.g. automate Fusion extensibility mapping to OAGIS

User Area

OAGIS Platform

Automotive (AIAG, STAR)
Chemical (CIDX)
HR (HR-XML)
OAGIS BODs
B2MML (Manufacturing)
Hardware and Software

Engineered to Work Together