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Oracle Fusion Cloud Supply Planning
Order Backlog Management

Supply chain disruptions are inevitable, and when they occur, you need to respond quickly and intelligently to satisfy customers, while avoiding excessive costs. Oracle Fusion Cloud Supply Planning's *Order Backlog Management* features help you prioritize and reschedule your open orders using the latest supply status. You can simulate fulfillment alternatives based upon your business objectives. Then when you're satisfied with the results, you can save and release scheduled date changes to reduce delivery delays, increase sales, or maximize margin.

Replace daily ad hoc updates with strategic order fulfillment

As business continues to accelerate, supply and demand constantly change. Sudden market shifts, missed shipments, equipment breakdowns, and other supply chain disruptions compound the problem. Many companies find themselves firefighting as a result: spending more to expedite transit, diverting supply from one order to fill another, or offering deals on alternative products to reduce demand on constrained items. If left unchecked, these types of ad hoc responses can impact margins, reduce service levels, and compromise customer relationships.

Order Backlog Management replaces manual one-off changes with intelligent, rules-based simulation and rescheduling of open orders aligned with your business strategy. It looks across your entire order backlog to prioritize the most important orders in context. Backlog Management complements and extends global order promising solutions, which schedule orders on a "first come, first served" basis as orders are submitted.

Figure 1. Backlog Management reschedules orders based on the latest supply and your business priorities

Key business benefits

- Respond more effectively to unexpected changes in supply and demand

- Fulfill the most important orders first when demand exceeds supply

- Allocate supply to ensure fair distribution of scarce items

- Maximize the revenue or margin of orders to be shipped within a fiscal period

- Relieve critical supply constraints by rescheduling the demands that cause them
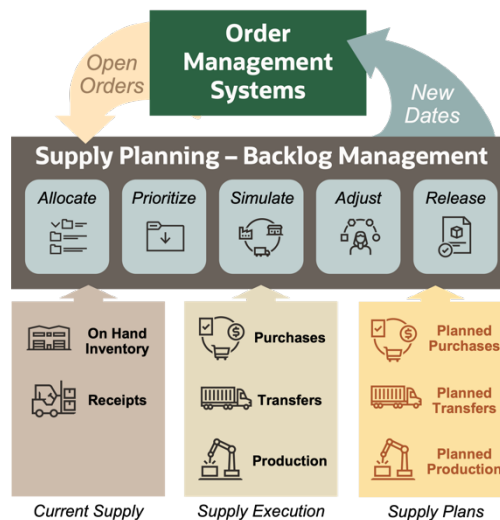
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Review your order scheduling performance

You need to understand the overall performance of your scheduling operations to solve order backlog problems effectively. Backlog Management graphically summarizes your current and projected on-time fulfillment, the number and value of late demands, and your potential to improve. You can easily drill through the summary graphs and charts to isolate and reschedule orders that have the greatest impact on your business.
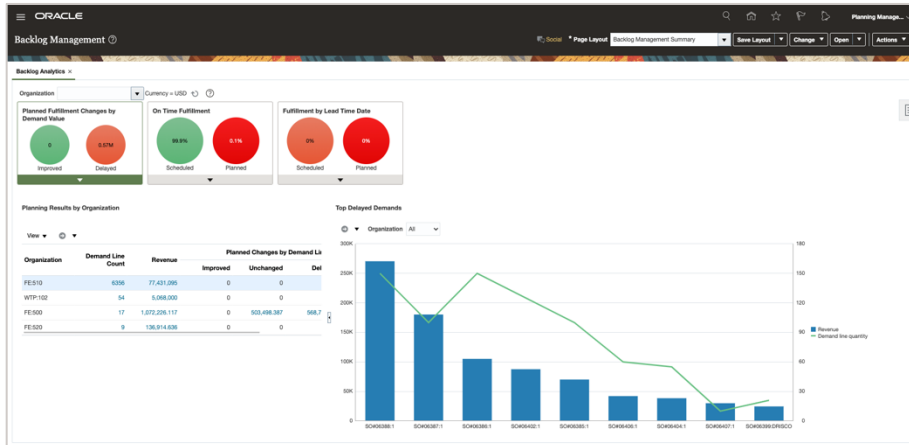

Figure 2. Analyze fulfillment performance and navigate to problem areas with one click

Allocate scarce items to preferred customers or channels

Allocation rules help you honor commitments and distribute high-demand items more fairly by ensuring that a specified quantity or percentage of supply is available to meet demand. You can allocate supply by customer, organization, region, demand class, or any other plan attribute to prevent orders with a higher demand priority from consuming all available supply.

You can arrange allocation rules in a hierarchy to balance the allocation of supply across your network. Child allocations share supply allocated to the parent node when needed. For example, you could use stock allocated for the European region if that allocated to the country of Spain runs out. You can also let higher-priority allocations consume supply from a lower-priority allocation pool. An interactive workbench helps you review supply availability, manage allocation rules, and override the automated output to achieve the best overall result.

Use flexible business rules to prioritize important orders

Backlog Management ranks competing demands based upon criteria you set, such as requested date, order creation date, item category, and customer, in addition to other attributes that affect your business. You can use these rule-based priorities to maximize the value of orders that can be shipped within a fiscal period, fulfill orders that are reaching critical delay thresholds, or deploy available supply to the highest margin orders. You can apply alternative rules to compare the results and adapt to changing business conditions.

Key features

- Allocate a quantity or percentage of supply by customer, channel, and other attributes
- Prioritize orders in the backlog using flexible business rules
- Reschedule orders using the latest supply information
- Model what-if changes to sourcing, transit mode and fulfillment policies to improve results
- Lock demands that should not be rescheduled
- Simulate multiple fulfillment alternatives to identify the best strategy
- Release the best plan for execution, and cancel or reschedule them as needed

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Sometimes you must ship or deliver a critical order on a particular date. Backlog Management allows you to specify and lock dates on individual orders so they are preserved during rescheduling.

Improve order schedule dates and solve fulfillment problems

Once your priorities are set, you can review problem order lines and revise their sourcing and fulfillment policies to improve scheduling results. To help you address order scheduling issues and opportunities, Backlog Management highlights the value of orders that you can reschedule to earlier dates, as well as those that no longer have supply available to meet their current shipment or delivery plan.

You may need to update an order's sourcing, shipment method, or other fulfillment attributes to maximize availability. You can edit these attributes for groups of order lines in Backlog Management, simulate, and review the results of your changes. You can save the edits that best meet your objectives.

Figure 3. Review and update sourcing, shipping, and fulfillment policies for selected orders

When a group of items should ship or arrive together, limited availability of a single component can delay the entire order. Backlog Management's guided resolution pinpoints the components or items that are delaying scheduling of a set, so you can decide whether to remove them, find a different source, or substitute another item to meet demand.

Simulate order scheduling results

At any time during the process, you can run the plan to simulate rescheduling. The system applies your rules and edits to calculate order sources and dates based upon the latest supply data. Backlog Management graphically displays the results, highlighting improvements and any additional delays.

Rescheduling orders unnecessarily can reduce customer satisfaction. By default, Backlog Management preserves existing scheduled dates for orders as it identifies opportunities to improve dates for backlogged demands. This minimizes the need to communicate and negotiate changes to delivery dates.

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Clearing the *Enforce Current Commit* flag allows you to delay lower priority orders and satisfy higher priority ones if needed.

Large anticipated orders can have a major impact on your order backlog. To account for them, you can simulate demand with an "inquiry order" via a file or REST service that consumes supply just like any other order but cannot be scheduled. Inquiry orders help you project the proposed order's delivery date and predict how lower-priority orders might be delayed without affecting execution systems.

Execute the new supply plan

When you're satisfied with the results, you can release new shipment and delivery dates, sources, and transmit modes for affected orders to Oracle Cloud Order Management or to export files that you can load into an on-premise order management system. You can also automate the whole process of gathering the latest supply information, rescheduling, and releasing updated orders for execution.
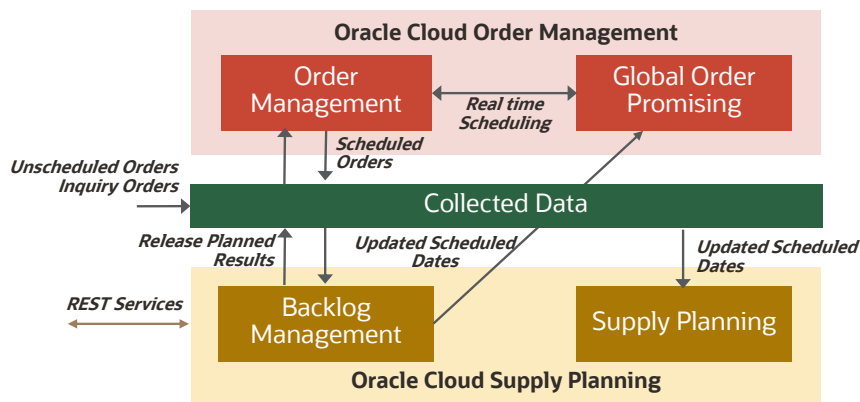
Figure 4. Backlog Management is tightly integrated with Oracle Cloud Order Management

Backlog Management also works in tandem with the Global Order Promising component of Oracle Cloud Order Management. You can schedule orders as they arrive in real time using Global Order Promising and refine the schedule dates later in Backlog Management. Alternatively, if your company does not immediately provide customers with a promise date when they place an order, you can load unscheduled orders into Backlog Management from an external order management solution and schedule them in the context of the overall backlog.

Complement Supply Planning by rescheduling demands

Supply planners usually work to satisfy a given set of demands by resolving supply constraints. Yet these demands may include orders that have become infeasible. By prioritizing and rescheduling these orders in Backlog Management based upon your latest supply plans and execution status, you can take pressure off overtaxed resources, or free up supply to reduce or eliminate other constraints. Iterating between Supply Planning and Backlog Management can rebalance supply and demand to satisfy the greatest number of customers with a given set of resources, suppliers, and materials.

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Bridge the gap between order execution and planning

Backlog Management is an integral part of Oracle's end-to-end Cloud-based fulfillment solution. It bridges the gap between order execution and planning the production, purchases, and transfers to deliver. The components work together to synchronize scheduled dates so everyone works in unison.
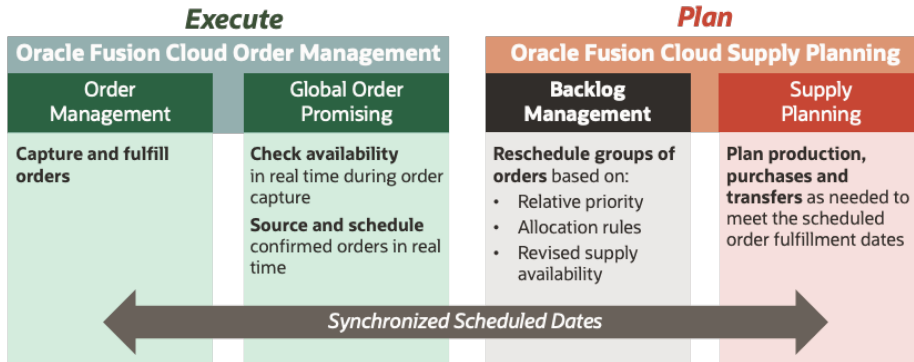

Figure 5. Order Management and Supply Planning work together

To learn more about Order Backlog Management and the other capabilities of Oracle Fusion Cloud Supply Planning, visit oracle.com/scm/supply-chain-planning/supply-planning.

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