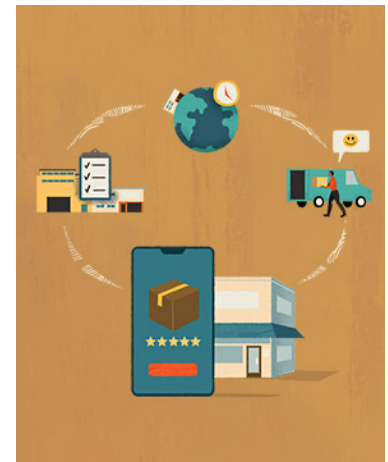


Oracle Fusion Cloud Order Management Global Order Promising Solution Brief

To deliver perfect orders while optimizing profit, you need accurate order promising. Oracle Fusion Cloud Order Management helps you meet customer expectations by promising deliveries based on the availability of on-hand and in-transit inventory, production capacity and purchases across your supply network. It also allocates popular items and prioritizes order backlogs to keep fulfillment on track when demand exceeds supply.

LEVERAGE ALL AVAILABLE SOURCES OF SUPPLY

From consumers to corporate purchasing departments, today's shoppers and buyers leverage all available channels to find the best price and availability. To stay competitive, it's not enough to only provide standard lead times. Companies need to optimize order fulfillment by leveraging the actual stock, production capacity, delivery options, and comparing costs and lead time of every potential source of supply.



Capabilities

- Real-time availability checking and order scheduling
- Profitable-to-promise selection among potential fulfillment locations
- Capable-to-promise sourcing to make, transfer, or buy supply to fill demand
- Interactive order prioritization and what-if alternative selection
- Assemble-to-order, configure-to-order, and pick-to-order item promising
- Tight integration with other Oracle Cloud Supply Chain Management applications

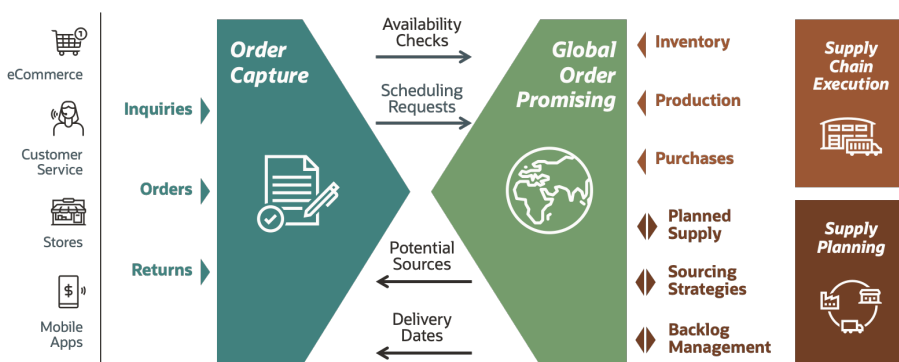


Figure 1. Global order promising matches incoming orders to all available supply sources

As part of Oracle Fusion Cloud Order Management, global order promising capabilities provide the fastest delivery dates by managing available supplies across your entire fulfillment network. It allows you to tailor sourcing rules by location, category, customer, or demand class. For example:

- An industrial manufacturer ships larger orders directly from the plants, and fulfills smaller, one-time orders from distribution centers.
- A high technology firm forwards their make-to-order requests to contract manufacturing partners for production and drop shipment to customers.
- A retailer picks regularly stocked items from their local stores, and ships specialty items to customers directly from suppliers to deliver a broader, “endless aisle” assortment of goods.

Like other Oracle Order Management capabilities, global order promising can work with Oracle Fusion Cloud SCM solutions as well as on-premises, third-party vendors’ supply chain execution solutions. It also supports hybrid configurations, simplifying the migration process to the cloud.

HANDLE COMPLEX FULFILLMENT SCENARIOS

Effective order promising can “save the sale” when a fixed lead time promise date would have been too conservative, or when current stock is limited but with more items to be produced, transferred, or bought to meet demand. Just as important, it can prevent unrealistic promise dates that lead to late deliveries, especially in complex fulfillment scenarios.

Capable to Promise (CTP) Sourcing and Scheduling

Global order promising uses capable to promise (CTP) to plan internal material transfers, manufacturing work orders and purchases to fill an order when existing on hand, in transit, or on-order supply is not available. For back-to-back items, it pegs the supply orders to the sales orders to respect existing material reservations.

You can use a bill of resources to limit capacity and availability checking to the subset of resources, components, and materials that are likely to be constrained. The bill of resources streamlines the user experience and reduces the risk that a fixed lead time for a non-essential component or an overly strict capacity limit would push delivery dates out unnecessarily.

Capable-to-promise calculations can include multiple levels of component sourcing, transfers, assembly, and alternative resources to expedite productions. They can also consume planned supply from Oracle Cloud Supply Planning or an external planning solution. This allows you to schedule orders for future dates beyond the horizon when manufacturing work orders, transfer orders, and purchase orders are released for execution. It maximizes the planning system’s flexibility to adjust total supply to meet demand.

Configure to Order (CTO) Item Promising

When complex items with multiple configuration options are assembled or picked to order, global order promising considers each required option’s availability and lead time, as well as option-dependent sources. If an item is already on-hand that matches the configuration being ordered, it can fulfill the order.

High-Volume Promising for Fast-Moving Inventory

Retailers, distributors, and wholesalers face unique order promising challenges. They need to include stock from hundreds of stores or branches in their inventory

Benefits

- Source from a wide range of fulfillment locations, including stores, warehouses, plants and supplier sites
- Promise against current, future, and planned supply
- Automatically select the lowest cost source and delivery method that meets the customer’s needs
- Plan drop shipments, back-to-back orders and internal material transfers
- Prevent delays by splitting order lines or substituting items to fulfill orders
- Select alternative resources in the manufacturing work definition to expedite productions
- Control availability of high-demand products by customer, channel, or other priorities

availability decisions. Frequent inbound shipments and local point-of-sale also impact supply balances throughout the day.

Oracle Order Management offers a high-volume order promising mode that accesses on hand inventory and in transit receipt quantities in real time. It also accounts for store counter sales. Finally, you can set cutoff times by shipping location, destination, and carrier so orders received late in the day will ship on the next open calendar date.

Drop Shipment Scheduling

Global order promising can model promising scenarios that include drop shipments from a supplier directly to the customer. To derive an accurate delivery date, it considers:

- Available transit modes
- Supplier-to-customer delivery lead times and calendars
- Supplier order processing time and capacity

SELECT THE MOST EFFECTIVE DELIVERY METHOD

If there are multiple sources and delivery methods that can meet the customer’s delivery date, global order promising selects the one with the lowest total fulfillment cost. Called “profitable-to-promise,” this feature can improve margins while maintaining customer satisfaction.

Costs Considered in Profitable to Promise Source Selection:

- **Standard cost** at internal organizations and supplier locations
- **Transfer cost** between organizations and from supplier to internal organizations
- **Transit cost** from ship-from location to customer site, by ship method

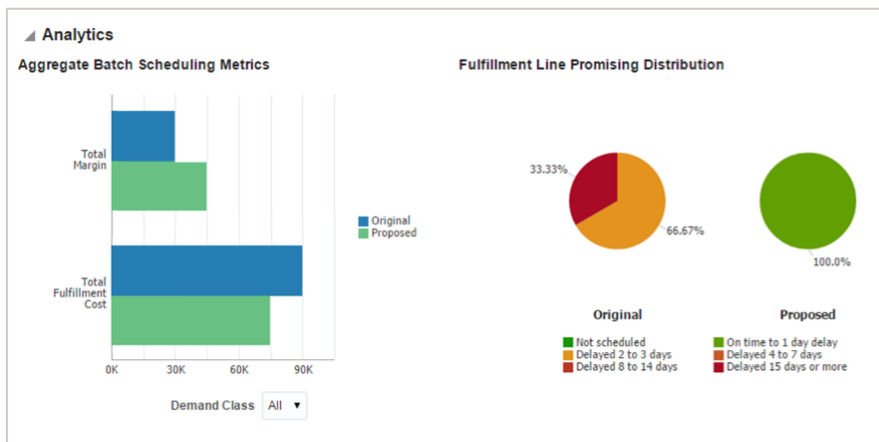


Figure 2. Review the margin, cost and delay impact of your order promising decisions

You can update the standard cost of the inventory as well as delivery costs to reflect updated supply prices or deplete excess stock. Real-time analytics compare before-and-after cost, margin, and delay.

RESPOND TO CHANGING BUSINESS CONDITIONS

Global order promising can handle most orders in “lights out” fashion, automatically enforcing your fulfillment policies. However, complex orders may need special attention. You also may need to reschedule orders to respond to changing business conditions. What-if availability checking shows you fulfillment alternatives that you can select to meet customers’ requirements.

Availability Option	Availability Status	Option Summary	Fulfillment Cost	Days of Delay	Available Item	Available Quantity	Expected Arrival Date	Expected Ship Date	Expected Ship from Warehouse	Expected Ship from Warehouse Name
Current Option	On Time	Default Option	112,560.00 USD	0		1,200	10/12/15	10/8/15	003	Chicago
3000001093322931	On Time		3,520.00 USD	0	*AS46334	40	10/12/15	10/8/15	003	Chicago
1-1	On Time		109,040.00 USD	0	*AS46335	1,160	10/12/15	10/8/15	003	Chicago
Alternative Option 1	On Time	Different ship location	110,065.00 USD	0		1,200	10/13/15	10/8/15	001	Seattle
3000001093322931	On Time		5,829.00 USD	0	*AS46334	67	10/13/15	10/8/15	001	Seattle
1-1	On Time		104,236.00 USD	0	*AS46335	1,133	10/13/15	10/8/15	001	Seattle

Figure 3. Select from multiple fulfillment alternatives

Reschedule Pending Orders

Global order promising gives you the tools to identify, prioritize, and reschedule past-due orders. You can select alternate fulfillment locations by:

- Changing individual order lines
- Making mass changes across multiple orders at a time
- Clearing the ship-from location to reschedule automatically with the best current source

An interactive dashboard gives you an at-a-glance picture of your overall promising performance as the system continues to schedule orders. You can also review the sourcing strategy used for each line, along with the available and allocated supplies for each item and fulfillment location. Supply status can be refreshed at regular intervals to reflect the latest conditions.

If you have more extensive order backlog management requirements, Oracle Fusion Cloud Supply Planning offers a comprehensive solution. It includes more flexible demand priority rules and what-if simulation capabilities.

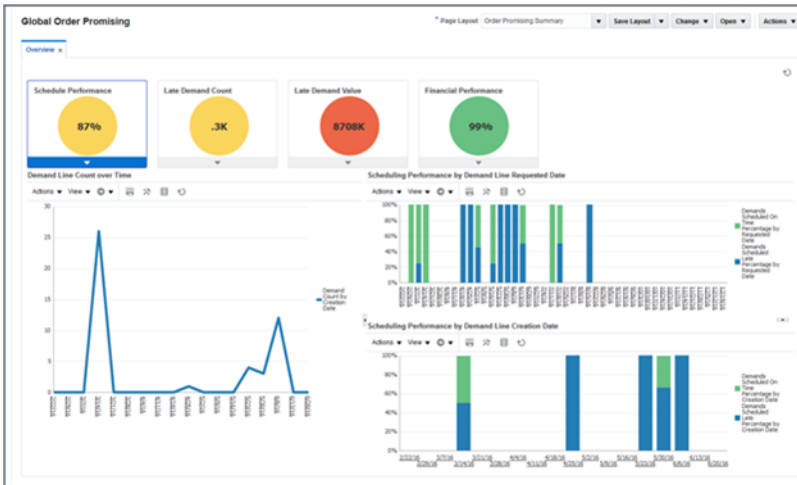


Figure 4. Quickly assess order promising effectiveness

Order Line Splitting and Item Substitution

When there isn't enough supply available at any single location, global order promising can split an order line between two fulfillment centers. You can also ship a part of an order line on time, while scheduling whatever is not available to a future date. You can even substitute items for some or all of the order line quantity under certain conditions if the ordered item is not available.

Manage the Availability of High Demand Items

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 order attribute to prevent orders 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. Allocation rules are shared with the backlog management component of Oracle Supply Planning, which offers further simulation capabilities.

TRANSFORM YOUR ENTIRE ORDER-TO-CASH PROCESS

Global order promising is just one part of Oracle’s comprehensive, Cloud-based order-to-cash solution.



Figure 5. Oracle Cloud Order Management solution

Oracle Order Management supports omnichannel commerce and fulfillment by connecting your sales, fulfillment, logistics and financials processes. Integration of these key business functions:

- Improves order accuracy
- Drives fulfillment efficiency
- Ensures consistency in pricing, delivery, order status reporting, and billing

More effective order fulfillment can increase sales margins and boost customer satisfaction.

Related Products

- *Oracle Fusion Cloud Supply Planning* plans material and capacity and responds to demand, availability, and resource issues as they occur.
- *Oracle Fusion Cloud Inventory Management* optimizes inventory levels and use of working capital to reduce costs and drive higher customer satisfaction.
- *Oracle Fusion Cloud Manufacturing* streamlines global, mixed mode manufacturing with an integrated manufacturing execution system (MES)
- *Oracle Warehouse Management* manages complex fulfillment operations and gains total inventory visibility from the distribution center to the store shelf
- *Oracle Transportation Management* plans and executes multi-modal transit processes to reduce freight costs, optimize service levels, and automate operations so that you can deliver more efficiently.
- *Oracle Global Trade Management* manages the legal, regulatory, and corporate complexities of cross-border transactions.

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