

# JD EDWARDS ENTERPRISEONE OPERATIONAL SOURCING

## OPERATIONAL SOURCING HIGHLIGHTS

- Structure response formats
- Assign weights to questions and responses
- Publish events in PDF or XML format
- Automatic creation of emails to potential bidders
- Invite existing or ad hoc suppliers
- Automatically create address book records for new suppliers
- Send preview of event to potential suppliers if appropriate
- Award bids to one or multiple suppliers
- Automatically create item master records for ad hoc items

*Manual processes for sourcing parts, materials, and commodity services are labor intensive and time consuming. Plus, it is difficult to coordinate activities between multiple buyers in multiple locations to insure consistency in quality, pricing, and terms. For many companies, automating the sourcing process can have a quick and significant impact on operating margins through increased efficiency and leveraging all your purchasing power.*

### The Issue

It seems like such an easy concept. Ask suppliers for a price. Maybe add a question about their supply lead-time, or quality reject rate. Collect their answers. Pick the bidder with the best answers. Regrettably, this process can only be that simple for companies with a handful of suppliers, and only a few standard products to purchase.

Reality check. You're growing fast—adding buyers, searching for quality suppliers, and facing supply needs that constantly shift with the wind. As volumes increase, you need visibility across all purchasing to insure bids reflect the best value based on your organizations procurement strategies. Sometimes, the extra price paid is offset by shorter delivery lead times, less rejects, or the supplier managing the inventory for you.

Only an automated operational sourcing solution—integrated to core enterprise applications—can provide the consistency, simplicity, and speed required to make your sourcing process a competitive advantage.

Historically, the common school of thought has been that only large enterprises with massive purchasing volumes and hefty software budgets could realize the bottom line benefits of sourcing software. Most small and midsize companies have been reluctant to take on the additional burden and cost of third party, bolt-on applications for a process that is not—technically—broken.

### Automate and Standardize Sourcing Events

Times have changed. With Oracle's JD Edwards EnterpriseOne Operational Sourcing, smaller companies can implement a solution that streamlines sourcing events and insures the best value from suppliers. This web-based, collaborative application simplifies the process of creating, publishing, analyzing, and awarding sourcing events. Plus, it's developed on the EnterpriseOne toolset and features built in integration with existing inventory and procurement functionality to help keep your information management costs down.

### Develop a Sourcing Event

The success of every sourcing event hinges on a set of well-crafted questions that will generate easy to evaluate responses for an apples to apples comparison. EnterpriseOne Operational Sourcing provides the capability for developing unique questions for a single event or lets buyers draw from a pre-defined library to accelerate the event creation process.

You have the flexibility to structure response fields for consistency, requiring suppliers to enter a date, choose from a list, set a price, or allow free form text responses. This fits the need to present questions both at the event level for company information as well as line level detail that more clearly describes the products and services you are looking for. Buyers can send invitations for a Request for Information (RFI) to explore potential new suppliers or a Request for Quote (RFQ) to gather detailed information and pricing for products and services. Services and items can be included in the same event.

Not all products are commodities and not all suppliers are equal. EnterpriseOne Operational sourcing lets buyers assign weights to questions and their anticipated responses. Some things aren't negotiable, such as the gauge of a steel fitting, labor expertise, or number of years in business. Weighting effectively eliminates suppliers that can't match specifications and helps quickly narrow analysis to those that are the best fit for the event's requirements.

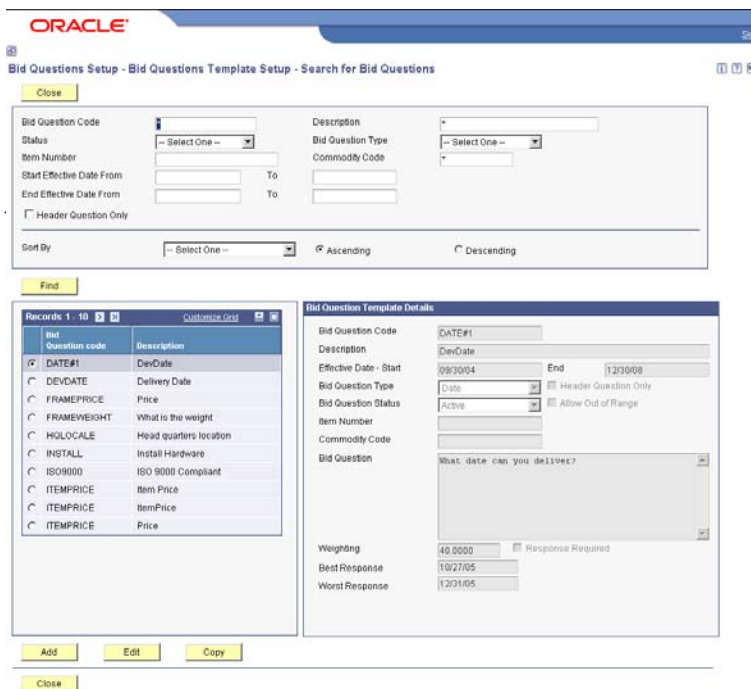


Figure 1—Bid Question Template

### Publish a Sourcing Event

EnterpriseOne Sourcing creates email invitations for bidders that include event details and sign-on information. Bidders can be existing suppliers or invited on an ad hoc basis. Aspiring bidders are directed to a portal for registration. Existing suppliers bypass registration while address book records are created for new bidders.

Suppliers may decline an invitation to bid but still register. This exchange of company information based on event level questions benefits both parties. Also, buyers have the option to publish a preview of an event to allow supplies to prepare a higher quality response. During the event, buyers cannot change parameters unless it is paused, which ultimately results in a new batch of emails sent to all invited parties. Flexibility is provided to publish event in a PDF or XML format.

### Collect and Compare Supplier Responses

First time bidders are required to register to make sure a complete address book record is captured. Buyers determine whether bidders will have visibility to their response scores that reflect weighing criteria. Bidders have the ability to save a partially completed response for later updates. Bid responses are unavailable to the buyer until the bidder actually submits their complete response.

With responses reflecting a common format and weighted scores, buyers can more quickly and objectively determine the optimal source for desired products and services. Operational Sourcing allows up to three responses to be viewed and analyzed at once—side by side—and in summary or detail form. Bidders have visibility to response scores during the event if the buyer has enabled the feature.

The screenshot displays the Oracle Event Workbench interface for analyzing supplier responses. The top section shows event details: Event Number 14981, Event Format RFx, Business Unit 90, and End Date and Time 04/2008 14:49:57. Below this is a table of records with columns for Bidder Name, Bid Amount, Total Score, Header Score, Bid Quantity, UIC, Line Score, and Award Action. The table lists four sourcing suppliers with their respective bid amounts and scores.

| Select                              | Bidder Name                       | Bid Amount | Total Score | Header Score | Bid Quantity | UIC | Line Score | Award Action |
|-------------------------------------|-----------------------------------|------------|-------------|--------------|--------------|-----|------------|--------------|
| <input checked="" type="checkbox"/> | Sourcing Supplier - American 1141 | 7,000.00   | 68.2673     | 50.0000      | 1000.0000    | EA  | 83.9996    | N            |
| <input checked="" type="checkbox"/> | Sourcing Supplier - American 1142 | 15,000.00  | 50.9002     | 25.0000      | 1000.0000    | EA  | 73.0004    | N            |
| <input checked="" type="checkbox"/> | Sourcing Supplier - American 1145 | 16,000.00  | 62.6705     | 37.5000      | 1000.0000    | EA  | 79.4008    | N            |
| <input checked="" type="checkbox"/> | Sourcing Supplier - Canadian 1146 | 10,000.00  | 71.6801     | 60.0000      | 1000.0000    | EA  | 77.6801    | N            |

The bottom section shows a detailed view of a bid line (RFx Line) for Event Line Number 1. It includes a table of questions with columns for Question Code, Question, Weight, Head, Sourcing Supplier, and Sourcing Supplier. The questions are weighted and scored based on supplier responses.

| Question Code | Question   | Weight  | Head     | Sourcing Supplier | Sourcing Supplier |
|---------------|--|---------|----------|-------------------|-------------------|
| PRODUCEDDATE  | What was this item first produced by your company? | 20.0000 | 01/01/90 | American 1141     | American 1142     |
| FRAMEPRICE    | What is your price for the frame?                  | 50.0000 | 20.0000  | 7.0000            | 15.0000           |
| FRAMEWEIGHT   | What is the weight of the frame in pounds?         | 10.0000 | 5        | 6                 | 8                 |
| LISTCOLOR     | Please specify the color of the product            | 10.0000 | Red      | Red, Silver       | Black, Silver     |
| MATERIALLIST  | What material is the item made of?                 | 10.0000 | Titanium | Titanium          | Aluminum          |

At the bottom, the Total Weight is 100.0000, and there are buttons for View All Responses, Recalculate Scores, and Score Test Questions.

Figure 2—Analyze supplier responses

**MAKE SOURCING YOUR  
COMPETITIVE ADVANTAGE**

OPERATIONAL SOURCING  
CARRIES ON THE  
ENTERPRISEONE  
TRADITION

Buyers become more efficient by reusing content from previous events and letting the system generate emails to potential bidders. The merits of each bid are more quickly evident through weighted questions, structured responses, and side-by-side comparison. Keeping events within the enterprise system helps insure consistency in products and serves and helps aggregate total spend to drive better prices.

RELATED PRODUCTS  
AND SERVICES:

Other related Supplier  
Relationship Management  
products:

- ENTERPRISEONE  
BUYER WORKSPACE
- ENTERPRISEONE  
SUPPLIER WORKSPACE
- ENTERPRISEONE  
REQUISITION SELF  
SERVICE

**Award the Event**

Bids can be awarded in splits to multiple suppliers at both the header and detail level. Purchase orders are automatically created or the award may be used to create a blanket purchase. First time suppliers are automatically created from the bidder information. Ad-hoc items automatically become standard items in the item master.

**Make Sourcing Your Competitive Advantage**

Oracle's JD Edwards EnterpriseOne customers have long realized benefits from implementing a broad suite of applications with built-in integration drawing on a single data model. The EnterpriseOne approach helps companies do more with less. Extend more capabilities to users with less drain on information technology resources. Deploy more strategic software applications with less money. Make processes more streamlined with less interruption.

Operational Sourcing carries on that tradition by automating manual processes and providing visibility across the entire organization. Buyers become more efficient by reusing content from previous events and letting the system generate emails to potential bidders. The merits of each bid are more quickly evident through weighted questions, structured responses, and side-by-side comparison. Keeping events within the enterprise system helps insure consistency in products and serves and helps aggregate total spend to drive better prices.

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