

JD EDWARDS ENTERPRISEONE ORDER PROMISING



KEY BENEFITS

- Provide accurate, profitable real-time delivery commitments
- Improve margins with strategic order fulfillment
- Reduce inventories through improved visibility

Quick, accurate and profitable delivery commitments based on available-to-promise (ATP), capable-to-promise (CTP) and profitable-to-promise (PTP) capabilities. Promises are based on user-defined business objectives such as profitability and customer service goals.

The Issue: Providing the Right Order Information at the Right Time

When your customers place their orders, they want to know order status immediately. Are the goods available? When will the order ship? You must make several considerations before committing to a customer. For example, how profitable is the order just placed? Would it be more profitable if the order were shipped next month instead of next week? Should working overtime be considered so that the order can be shipped immediately? Your challenge is to keep your customers happy while operating in the most profitable, cost-efficient way possible.

You might benefit from negotiating regular, future-looking allocations with key customers. For example, you could guarantee a reservation of 10 percent of a specific machine's capacity or a set quantity of product each week or each month. But ultimately, the goal is to ensure that the promised capacity is not consumed by other demand.

The Solution: Real-Time Promising of Profitable Orders

Oracle's JD Edwards EnterpriseOne Order Promising module gives you the exact information you need to provide quick, accurate, and profitable delivery commitments to your customers — in real time. The following three functions help you determine the optimal way for you to promise an order.

Function	Description
Available-to-Promise (ATP)	ATP determines whether an order be fulfilled from existing inventory or planned production and purchase receipts. Available inventory could be anywhere in the multi-site organization.
Capable-to-Promise (CTP)	If no inventory or planned receipts are available, CTP determines if using unallocated capacity and materials can fulfill and order. CTP respects constraints on production capacity and material availability and can perform material substitutions as appropriate
Profitable-to-Promise (PTP)	PTP indicates the costs and margins associated with different order fulfillment scenarios, providing alternatives that are sorted based on business objectives you define.

So, how do all these processes work? You start by defining business objectives, which are sets of promising rules that help govern the fulfillment process. Business objectives you define might include minimize costs, maximize customer service, and maximize profitability.

Rules can be added regarding logistics, manufacturing, customer priorities, and product substitution. You can set objectives for one customer or for groups of customers, as well as by product or product group. Depending on the way you set your objectives, JD Edwards EnterpriseOne Order Promising generates different fulfillment scenarios.

For example, your objective for a given order is to maximize customer service. Your customer requests the order by 9 a.m. on Tuesday. By splitting the order across two facilities, it can be delivered on time. If you can make the delivery by 3 p.m., however, the entire order can be fulfilled from the closest facility — saving additional shipping costs. With the customer still on the phone, you can ask if afternoon delivery is acceptable. If the customer agrees, you have just increased the profitability of the transaction. Integration with front- and back-office applications provides real-time visibility to both sales orders and inventory-related transactions. If changes occur in your supply chain, such as late purchase orders or scrapped production, you have the most current information on which to base your promises.

Cost Control Through Customer Prioritization

JD Edwards EnterpriseOne Order Promising can help you easily organize your customers into service groups by building rules to tailor services while controlling costs. Say that you want to provide the highest customer service levels to customers in Group A. Rules for Group A might include various options for product substitution and multi-site sourcing to speed delivery times — and ensure good margins.

On the other hand, customers who won't accept substitutes might be organized in Group B, with different rules assigned. And, your least profitable customers might be organized into Group C, with rules that place limits on shipping methods so that you're not paying premium freight for low-margin orders.

Reservations Management for Guaranteed Supply

The ability to offer and negotiate terms for a forward-looking allocation of capacity or products can give you a strong competitive advantage. Customers like the guaranteed supply, and JD Edwards EnterpriseOne Order Promising reservations management functionality helps ensure that you keep the commitment. Furthermore, you don't lose out on sales.

If the customer has not ordered against the reservation within the specified time frame, the capacity or product can be made available for other demand. Reservations can also be defined for customer groups. For example, in a high-demand situation, you may want to limit availability for an indirect channel to no more than 1,000 boxes each week.

Improved Customer Service and Profit Margins

With JD Edwards EnterpriseOne Order Promising, you have the ability to improve customer service while containing costs. You are able to:

- Greatly improve customer service by providing accurate, real-time delivery information.
- Improve margins by quickly finding the most profitable way to fulfill an order.
- Reduce inventories through improved visibility into your entire supply chain.

Feature/Function Highlights

- Available-to-promise function.
- Capable-to-promise function.
- Profitable-to-promise function
- Capacity and product reservations
- Scenario management
- Auto-promise function.
- Real-time delivery information.
- Fast memory-resident database.
- Proximity search.
- Real-time visibility to supply and demand events.

Solution Integration

- JD Edwards EnterpriseOne Supply Chain Management
 - Advanced Forecasting Modeling module
 - Advanced Pricing module
 - Demand Forecasting module
 - Manufacturing – ETO Foundation
 - Manufacturing – Shop Floor
 - Sales Order Management
 - Transportation Management
 - Warehouse Management
- JD Edwards EnterpriseOne Customer Relationship Management
- JD Edwards EnterpriseOne Supply Management
 - Procurement and Subcontract Management module

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