Oracle Transportation Management (OTM / GLOG) Overview
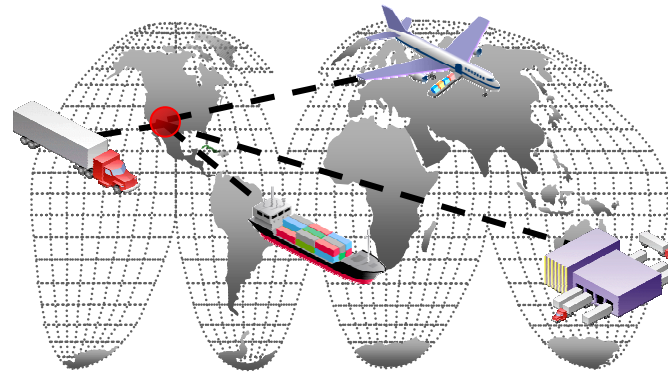
Agenda

OTM…
- Capabilities
- Integration
- Roadmap

Business Pressures

Shipper Pressures…

- Escalating end-customer expectations
- Globalization driving complex global supply chains
- Lean initiatives and increased volatility increasing supply risks
- Shrinking margins due to commoditization of basic services

Carrier Pressures…

- Capacity shortages of drivers, railcars, ocean slots, and ports
- Escalating fuel costs
- Increased regulation on hours of service rules and security procedures
- Shrinking margins due to commoditization of basic services
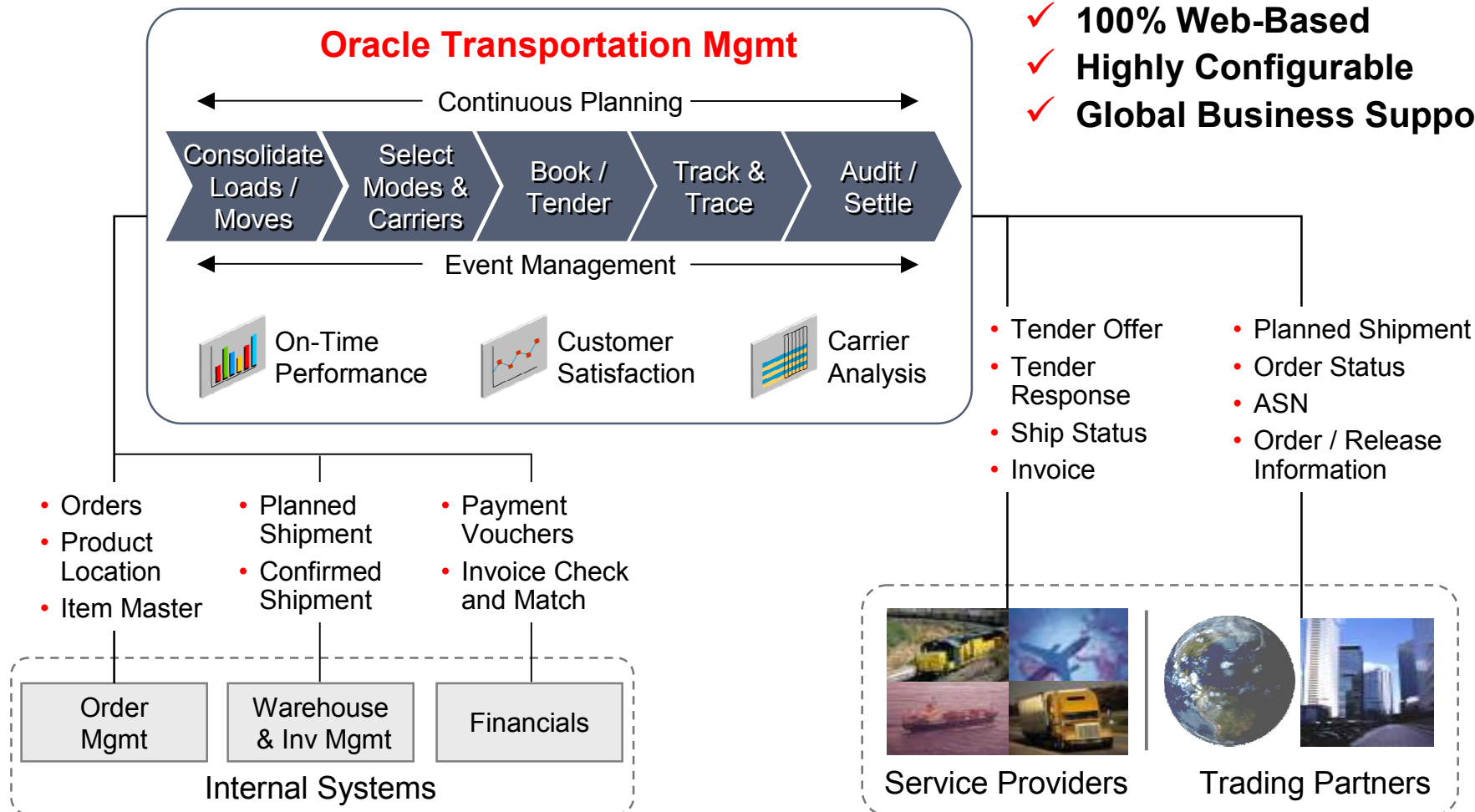
…Impact

- Transportation costs (6% of GDP) growing at an increasing rate
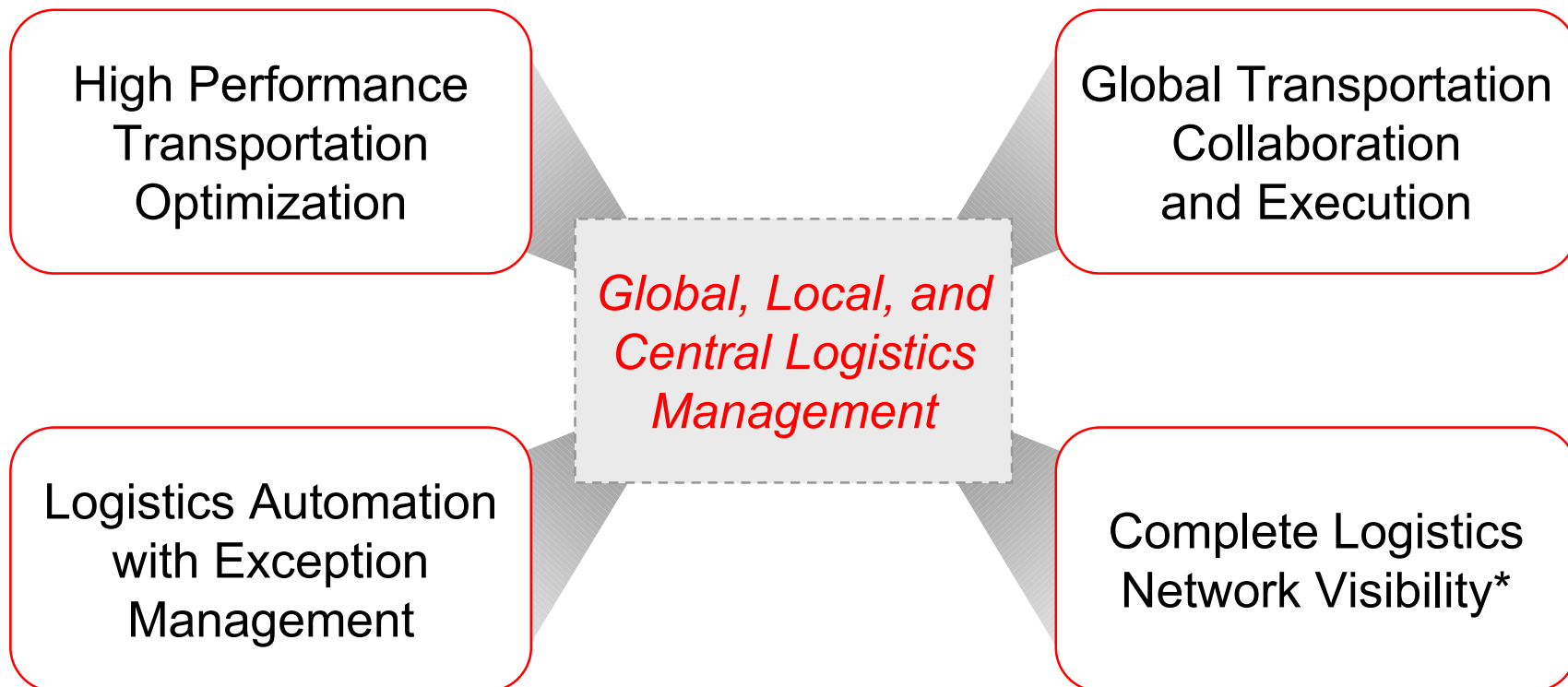- Expansion, consolidation, and globalization of outsourcing suppliers

Increased Demand for Comprehensive Transportation Mgmt Solutions

Oracle Transportation Management

Oracle Transportation Mgmt

← Continuous Planning →

| Consolidate Loads / Moves | Select Modes & Carriers | Book / Tender | Track & Trace | Audit / Settle |

← Event Management →

- On-Time Performance
- Customer Satisfaction
- Carrier Analysis

✓ **100% Web-Based**
✓ **Highly Configurable**
✓ **Global Business Support**

- Orders
- Product Location
- Item Master

- Planned Shipment
- Confirmed Shipment

- Payment Vouchers
- Invoice Check and Match

- Order Mgmt
- Warehouse & Inv Mgmt
- Financials

Internal Systems

- Tender Offer
- Tender Response
- Ship Status
- Invoice

- Planned Shipment
- Order Status
- ASN
- Order / Release Information

Service Providers

Trading Partners

OTM provides...

High Performance Transportation Optimization

Global Transportation Collaboration and Execution

Global, Local, and Central Logistics Management

Logistics Automation with Exception Management

Complete Logistics Network Visibility*

*Currently re-implementing analytic capabilities using Oracle technology

OTM provides...

High Performance Transportation Optimization

Global Transportation Collaboration and Execution

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Logistics Automation with Exception Management
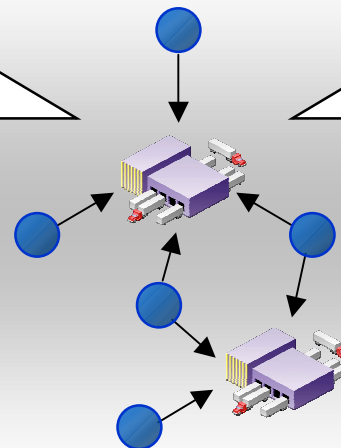
Complete Logistics Network Visibility*
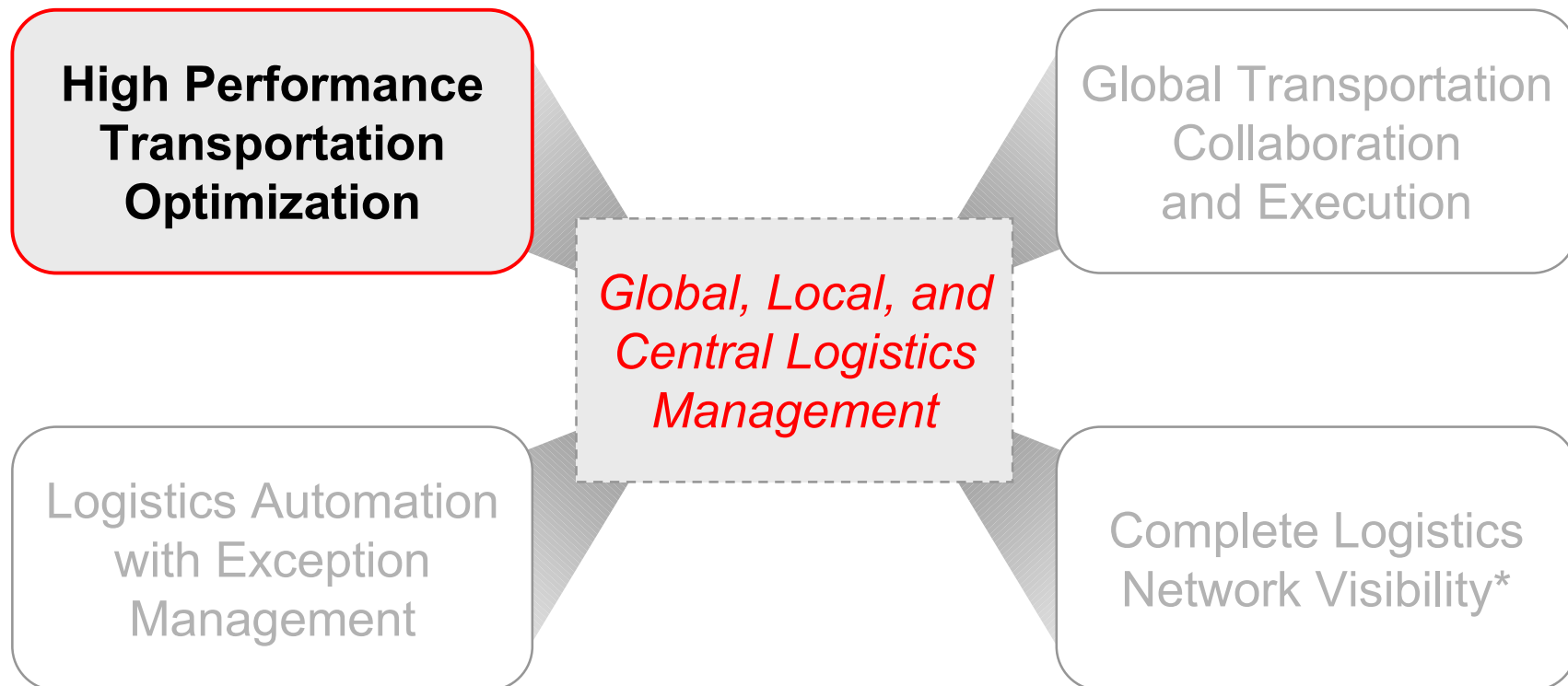
*Currently re-implementing analytic capabilities using Oracle technology

Optimized Decisions
- Route
- Mode
- Timing
- Equipment
- Consolidation
- Service Provider

Algorithms
- Multi-Leg Multi-Mode Consolidation
- Common Leg Consolidation
- Multi Stop Consolidation
- Multi-Tier Networks
- LTL Consolidation
- Continuous Moves

Engines & Rules
- Service Time Calculation
- 3-Dimensional Container Optimization
- Itineraries & Profiles
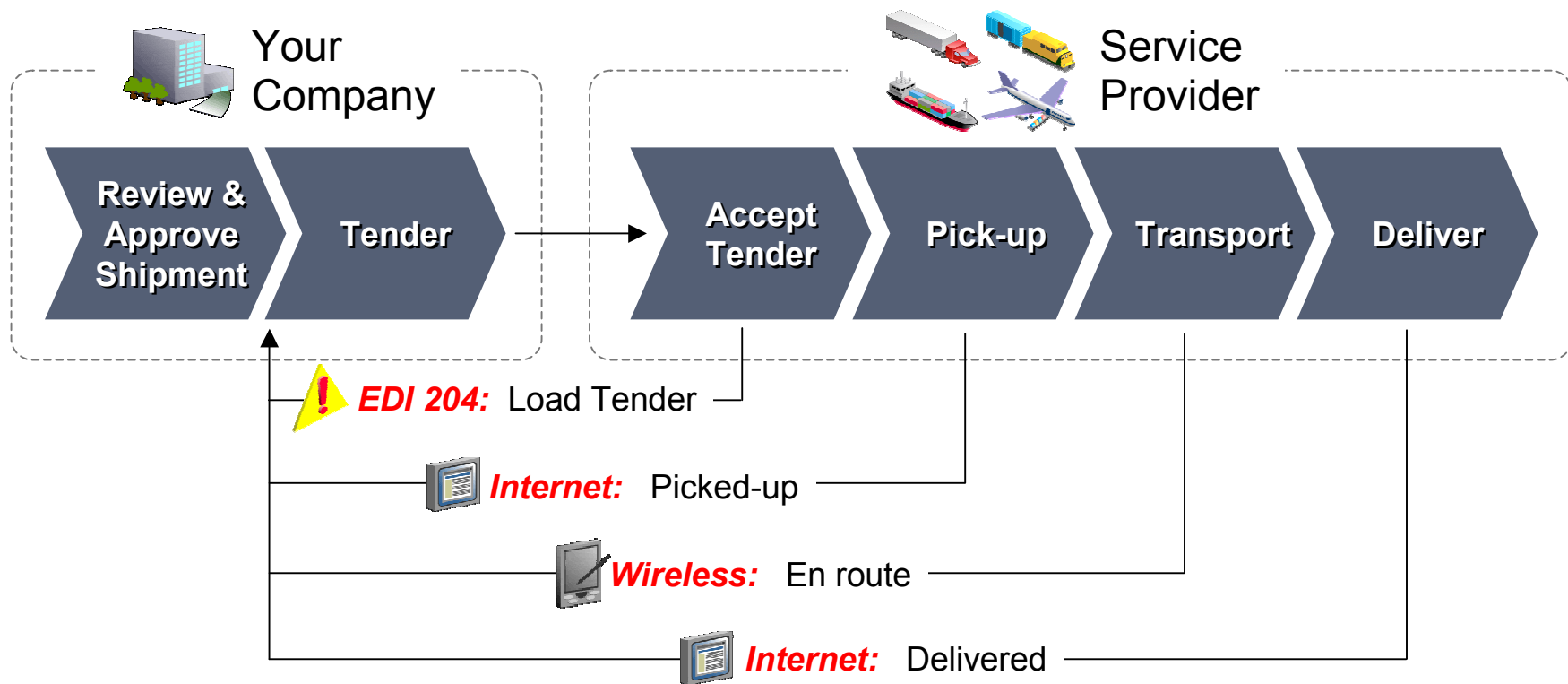- Carrier Capacity
- Throughput
- Rating

Support a Wide Range of Optimization Needs

- Container and trailer optimization & configuration
- Shipment assignment, stringing & continuous moves
- Fleet sizing & assignment (execution, strategic)

- International shipping
- Facility resource balancing
- Bid collaboration and optimization
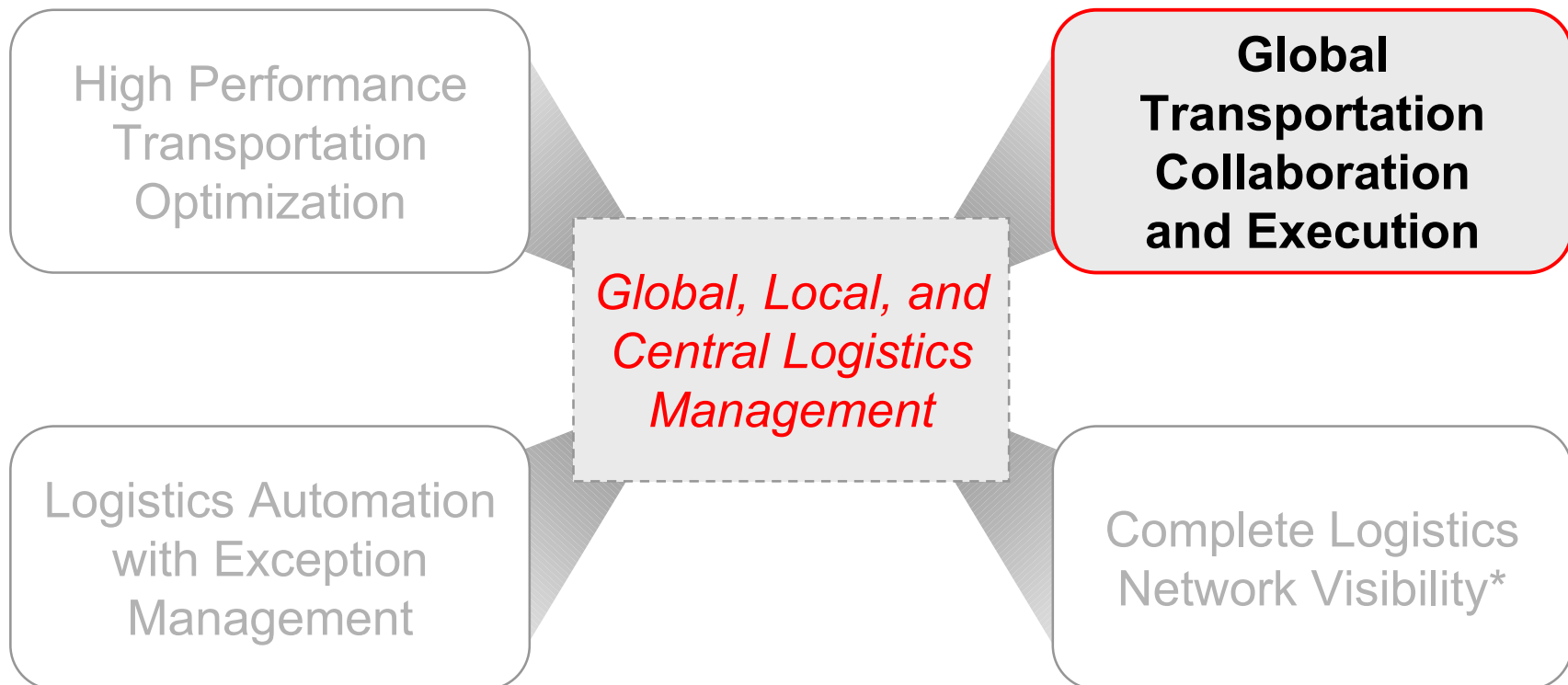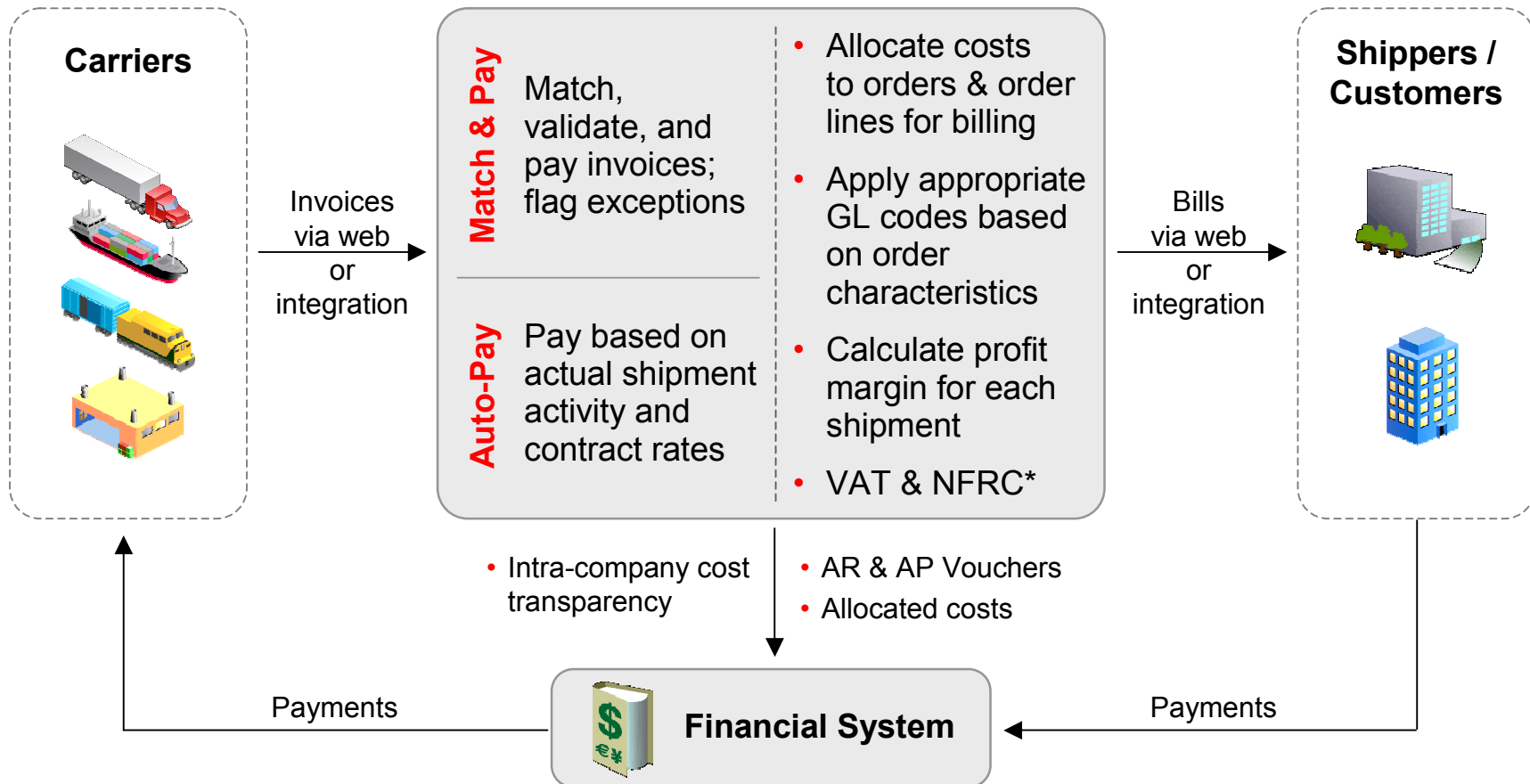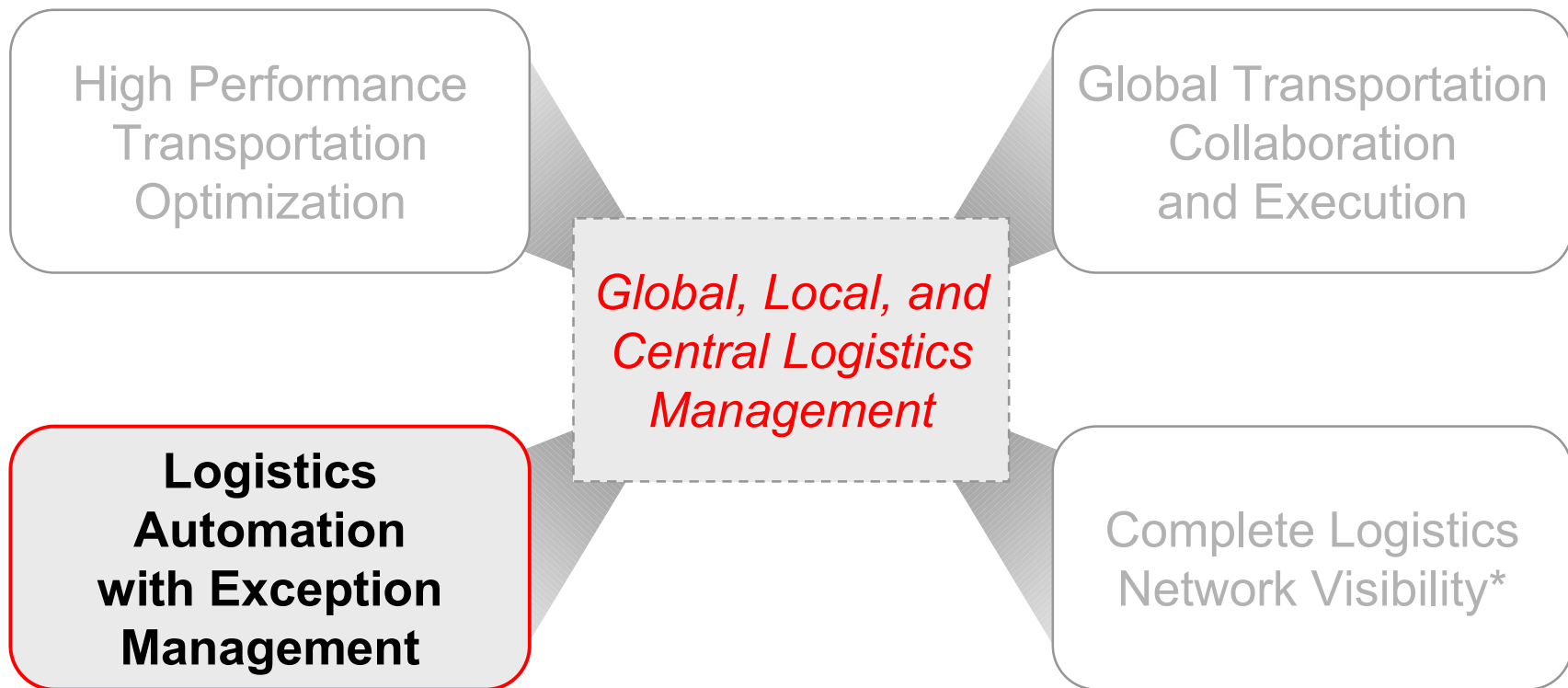
- Intermodal Support: Ocean, Air, LTL, TL, Rail
- Electronic (EDI), Internet, and wireless communication
- Share forecast, tender shipments, shipment status, delivery confirmation
- Automated dock scheduling and partner collaboration

Carriers

Invoices via web or integration →

Match & Pay
Match, validate, and pay invoices; flag exceptions

Auto-Pay
Pay based on actual shipment activity and contract rates

- Allocate costs to orders & order lines for billing
- Apply appropriate GL codes based on order characteristics
- Calculate profit margin for each shipment
- VAT & NFRC*

Bills via web or integration →

Shippers / Customers

- Intra-company cost transparency
- AR & AP Vouchers
- Allocated costs

Financial System

Payments

Payments

Support Settlements & Payments Based on Plans Generated in TM or Other System

*Value-Added Tax and Non-Freight Related Charges

OTM provides...

| High Performance Transportation Optimization		Global Transportation Collaboration and Execution
	Global, Local, and Central Logistics Management	
Logistics Automation with Exception Management		Complete Logistics Network Visibility*

*Currently re-implementing analytic capabilities using Oracle technology

Business Process Automation

**Manual,
error-prone
processes…**
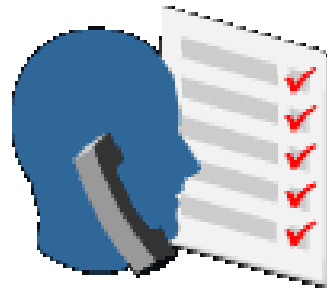
**…Replaced
by…**
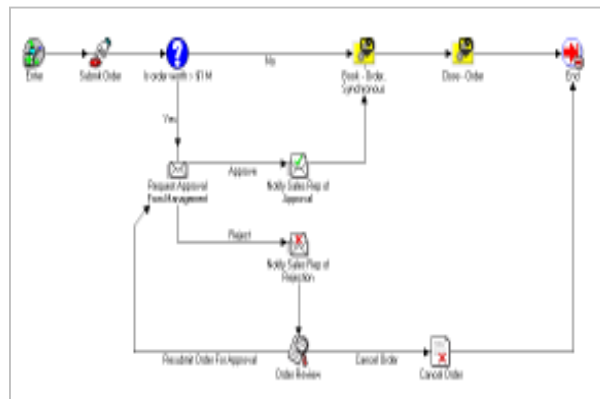
…Configurable automation

**Evaluate changes in
business environment
and automatically take
appropriate actions**

Workflow-Driven

- **Establish business rules**…
*Arrive at port 24 hrs prior to
scheduled departure*

- **Monitor activities**…*Container
arrives at port*

- **Assess activities**…*arrived at
port 5 hrs prior to departure*

- **Take action**…*re-run model for
feasibility of on-time delivery*

Supply Chain Event Management

| Anticipate	Analyze	Resolve	Collaborate
Monitor for Planned and Actual Events	**Evaluate Conditions**	**Execute Automatic Response**	**Notify Affected Parties**

Anticipate

- Configure monitors to track orders against shipment milestones
- Confirm events or identify missed, abnormal, and out-of-sequence events

Analyze

- Customize logic to interrogate all incoming events
- Trigger follow-up actions according to pre- defined conditions & thresholds

Resolve
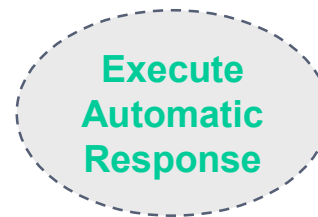
- Automatically perform actions (e.g., re-planning) in response to common problems
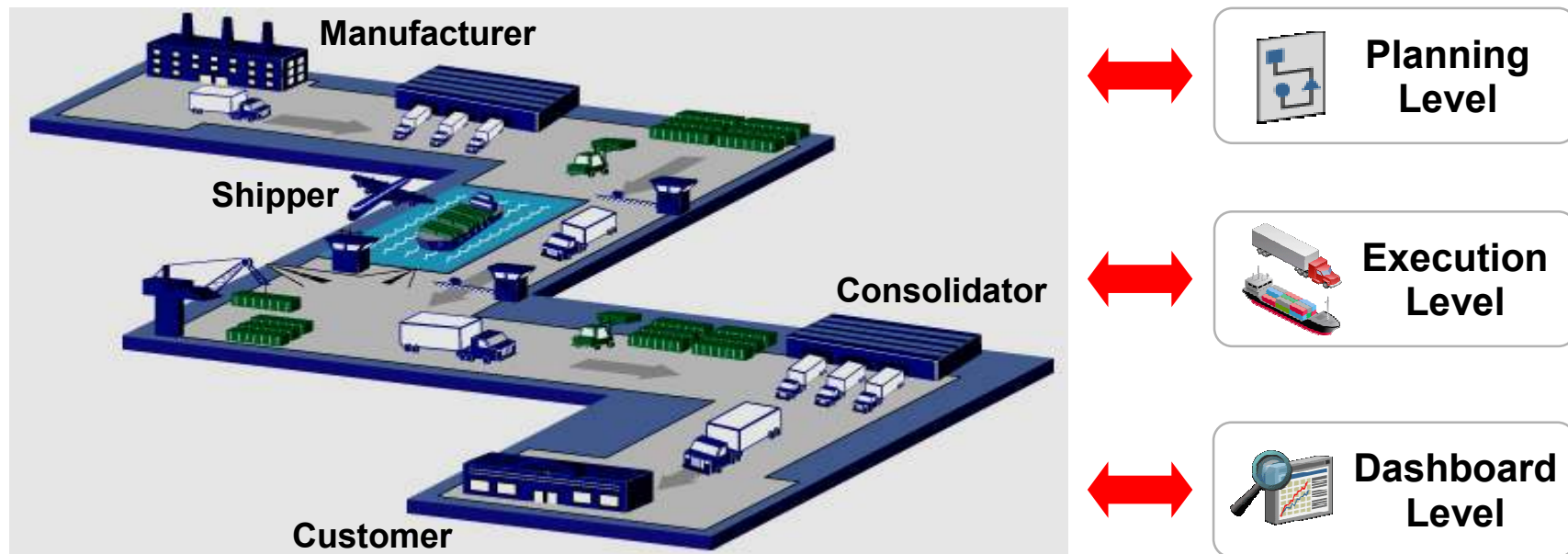- Initiate resolution workflow based on changing conditions

Collaborate

- Notify / alert internal and external users or IT systems of an event or action
- Prompt users for response and process iteratively until resolved
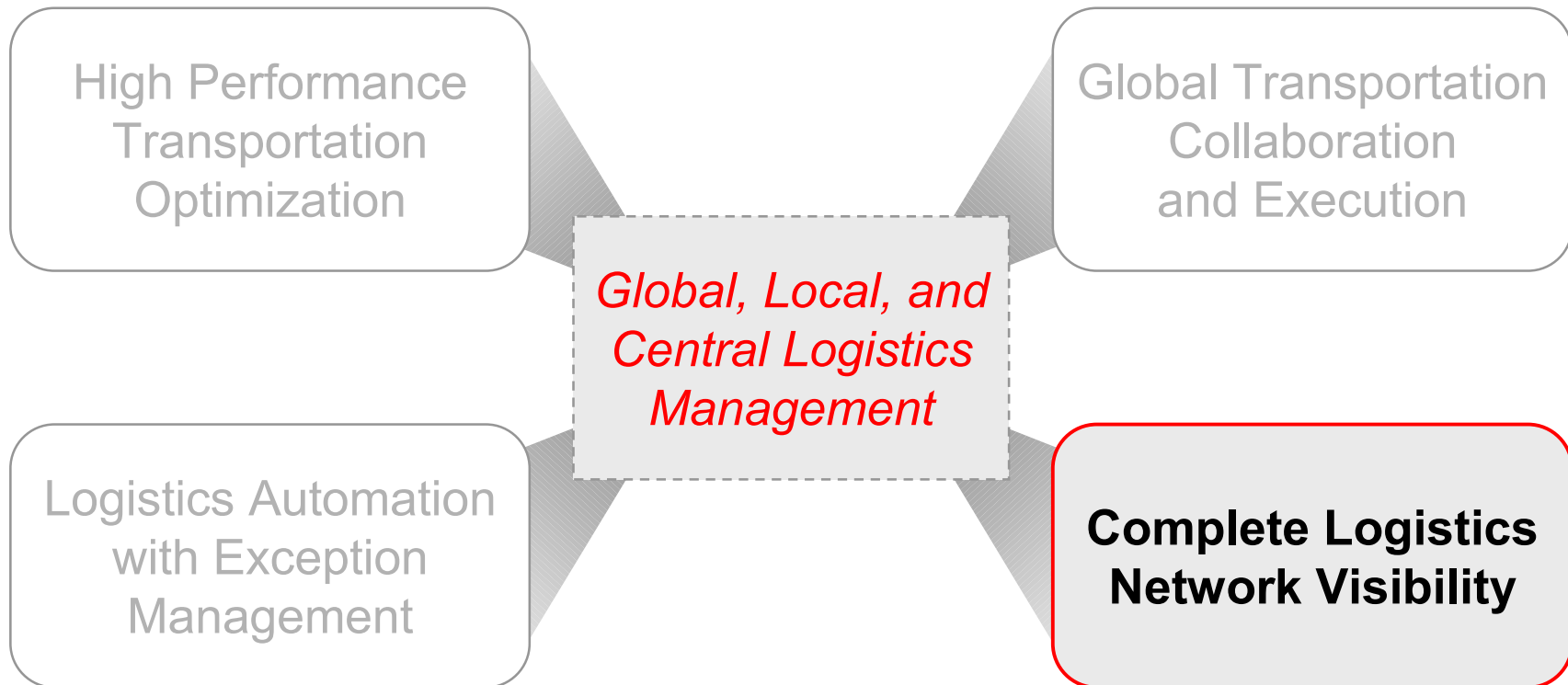
Complete Logistics Network Visibility

Across…

…the entire supply chain: from raw materials to point-of-sale

…all roles: suppliers, planners, service providers, customers, management

…all phases: before (planning), during (execution), after (improvement)

Advanced Analytics and Reporting

Planning Level	→	Execution Level	→	Dashboard Level

Advanced Analytics **+** **Operational Reporting**

- View KPIs & other historic metrics; proactively identify problems

- Drill-down to base data level

- Link execution performance to targeted levels

- Distribute logistic info & performance to internal and external partners

- Leverage standard, pre-configured reports

- Create and apply complex forms / reports, as necessary

- Support all reports, including ad hoc reporting and data export to Excel, in secure environment

Align Operational Performance with Business Strategy

Oracle Transportation Management

Multi-mode, multi-leg, multi-tier shipment planning and optimization; integrated fleet planning and carrier bid optimization for services sourcing

High Performance Transportation Optimization

Seamless customer-to-carrier transportation execution flows, automated payments & settlements, transaction-centric global collaboration

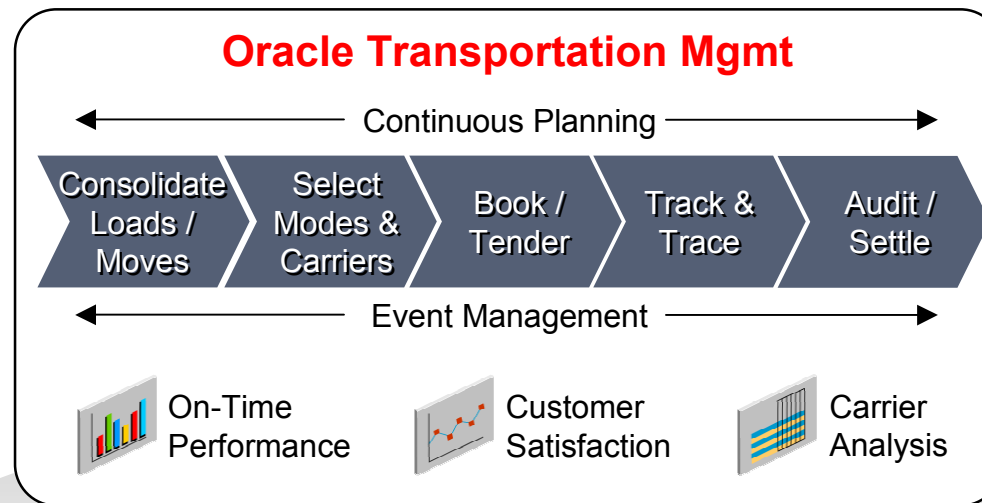**Global Transportation Collaboration and Execution**

Configurable BPA and event mgmt for order processing and exception handling, automated corrective actions, alerts via UI or mobile devices

Logistics Automation with Exception Management

Advanced analytics and reporting via multi-tenant configuration and security, graphically UIs with KPIs and access to drill-down details

Complete Logistics Network Visibility

Oracle Transportation Mgmt Options

Oracle Transportation Mgmt

Continuous Planning

| Consolidate Loads / Moves | Select Modes & Carriers | Book / Tender | Track & Trace | Audit / Settle |

Event Management

On-Time Performance

Customer Satisfaction

Carrier Analysis

- Transportation Management
- Transportation Operational Planning
- Transportation Sourcing
- Cooperative Routing

- Forwarding & Brokerage Operations
- Logistics Inventory Visibility
- Freight Payment, Billing & Claims
- Fusion Transportation Intelligence

All Supported by Leading Technology

ORACLE FUSION MIDDLEWARE

ORACLE® DATABASE 10^g

- J2EE Application Server
- Development Tools
- Process Orchestration
- Business Intelligence
- Collaboration Tools
- Data Hubs
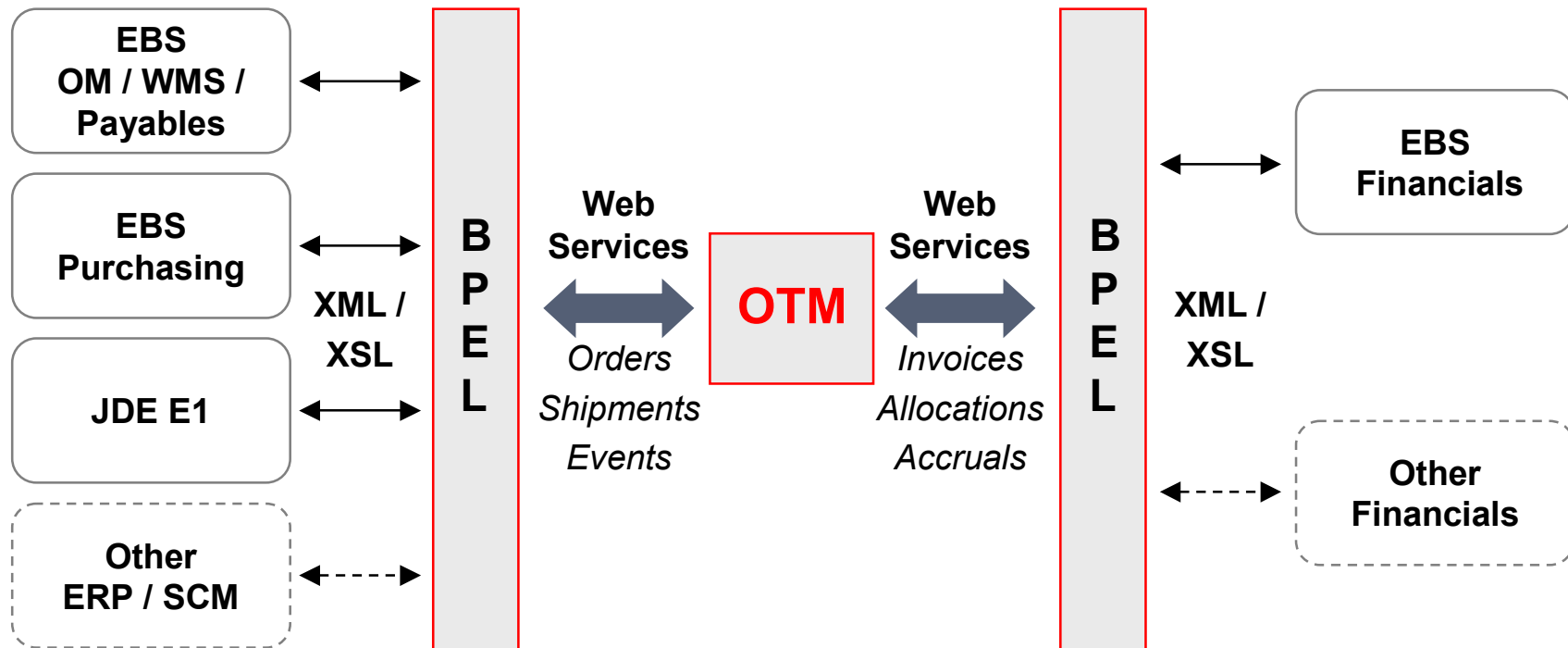- Security / Identity Mgmt
- Enterprise Portal
- Web Services Mgmt

- Real Application Clusters
- Partitioning
- Advanced Security
- Data Mining
- Spatial Data
- OLAP
- Warehouse Builder
- Enterprise Management
- Secure Backup

Agenda

OTM…

- Capabilities

- **Integration**

- Roadmap

Foundation: Global Logistics Integration

Standardized, Packaged Integrations
via Web Services Orchestrated by BPEL XSL

Transportation Process Flows

- ## Customer Sales Order Booking

  – Rate, route, service options for CSRs

- ## Customer Deliveries

  – Plan, execute and track for customer orders

- ## Supplier Shipments

  – Plan, execute and track supplier shipments

- ## Freight Payment

  – Audit and pay freight invoices

EBS: Transportation Mgmt for Outbound Sales Orders

- Sales orders & deliveries passed from Order Mgmt to OTM for transportation planning & execution
  - Optimize shipments & select carriers
  - Carrier tender & booking process

- Ship confirmation
  - Actual shipped quantities passed from Shipping to OTM to update & re-rate shipments

- Status tracking
  - In-transit status updates recorded & visible in OTM

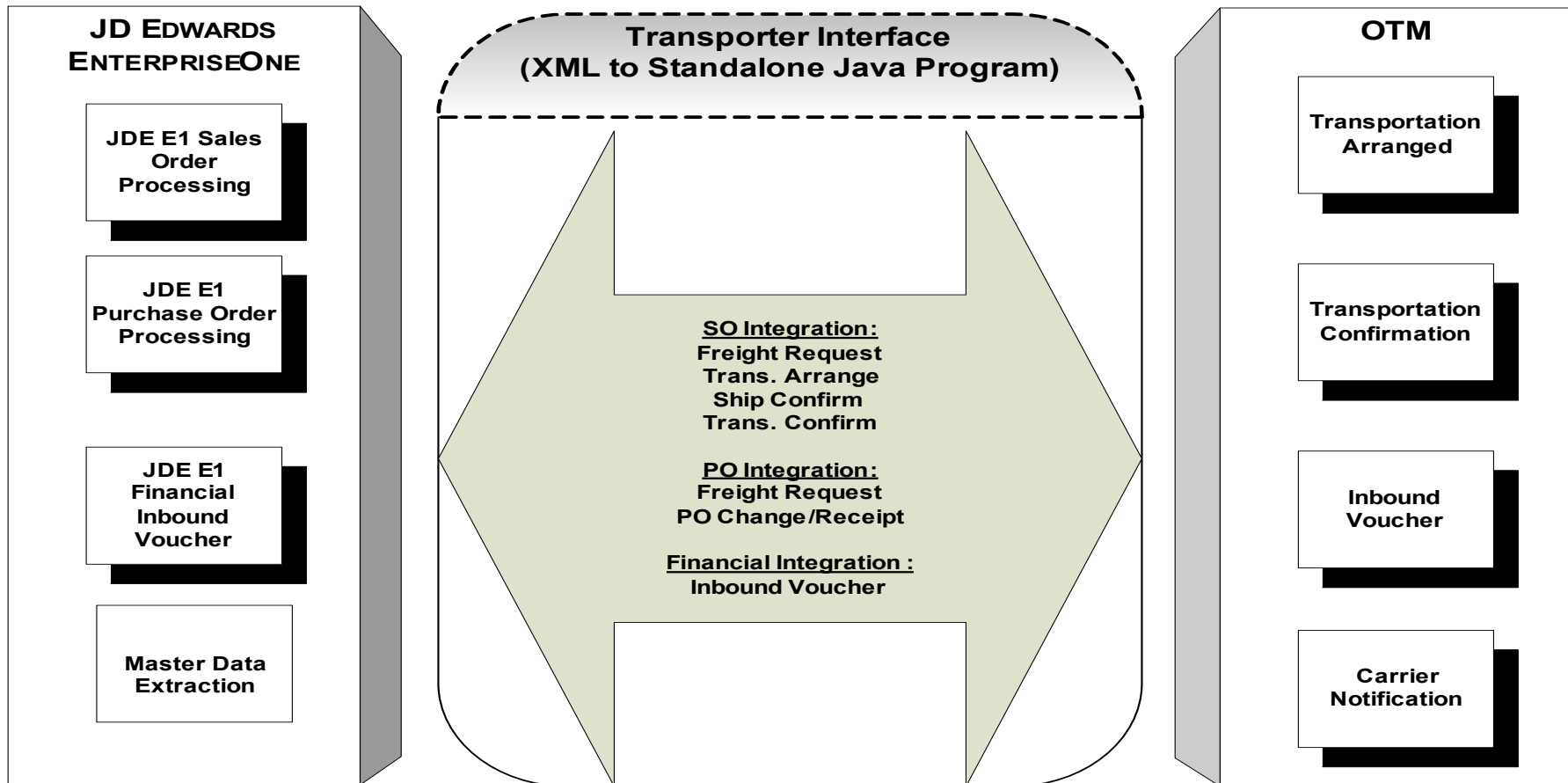# EBS: Transportation Mgmt for Inbound Purchase Orders

- POs passed from Purchasing to OTM for transportation planning & execution

- Supplier Ready To Ship
  - Supplier use OTM to release shipments against POs
  - Supplier confirms ship-from location & product quantities

- Transportation Planning & Execution
  - Optimize shipments & select carriers
  - Carrier tender & booking process

- Status Tracking
  - In-transit status updates recorded & visible in OTM

EBS: Freight Invoices and AP

- OTM Freight Payment
  - Invoices received in OTM for audit & approval
  - Self-invoicing (auto-pay) supported
  - Buy-side (carrier) only*

- Accounts Payable
  - OTM transmits voucher for approved payments to Oracle AP

- Receiving (planned)
  - OTM passes transportation costs for purchased products
  - Component of "landed cost" for purchased products

*Sell side planned for 6.0

JDE E1 Process Flows

JD EDWARDS ENTERPRISEONE

- JDE E1 Sales Order Processing
- JDE E1 Purchase Order Processing
- JDE E1 Financial Inbound Voucher
- Master Data Extraction

Transporter Interface (XML to Standalone Java Program)

SO Integration:
Freight Request
Trans. Arrange
Ship Confirm
Trans. Confirm

PO Integration:
Freight Request
PO Change/Receipt

Financial Integration :
Inbound Voucher

OTM

- Transportation Arranged
- Transportation Confirmation
- Inbound Voucher
- Carrier Notification

JDE E1 vs OTM

Oracle JD Edwards EnterpriseOne is providing customers a choice for transportation management:

1. Use the native JD Edwards EnterpriseOne Transportation module without OTM functionality

2. Implement JD Edwards EnterpriseOne integration to OTM
   – Implementation of native JD Edwards EnterpriseOne transportation module is <u>NOT</u> required

3. Use both OTM and JD Edwards EnterpriseOne transportation systems in tandem

JDE-OTM Availability

- Sales Order, Purchase Order and Freight Payment packaged integration flows

- OTM 5.5 CU04

- E1 8.11 SP1 and E1 8.12

- E1 9.0

  - All of the above flows
 - RIQ Integration

Agenda

OTM…
- Capabilities
- Integration
- **Roadmap**

OTM Strategy

- **Best of Breed Focus**
  - Maintain market leadership position with innovative products
    - Core transportation functions
    - Extended transportation & supply chain functions
  - Maximize business value
  - Minimize total cost of ownership

- **Independent Release Cycle**
  - OTM continues on an independent release cycle

- **Deployment Options**
  - Standalone application
  - Integrated with Oracle applications
  - Hosted via Oracle On Demand

Product Vision
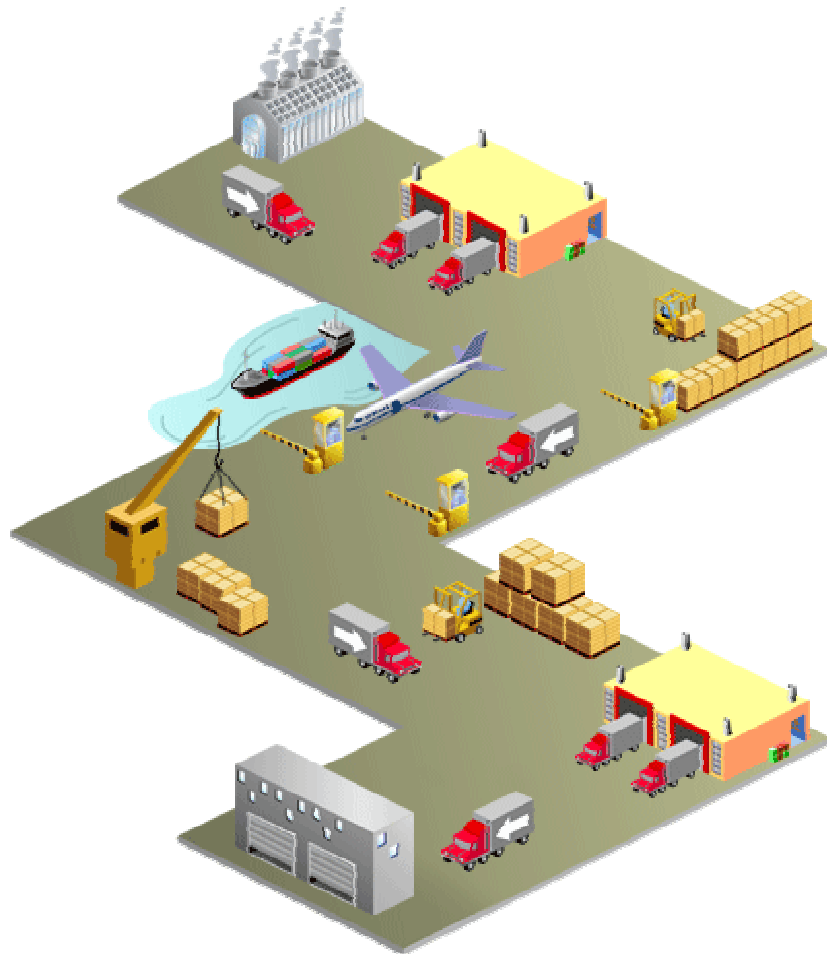
- **G-Log's Original Vision – Global Transportation Management Platform**
  - Multi-division/customer, multi-mode, multi-geography, etc.
  - Proven capabilities
- **Asset and Non-Asset Based Transportation**
  - Manage transportation using your assets or 3rd party assets (drivers, trucks, trailers, containers, totes, etc)
- **Global Trade and Transportation**
  - Manage all aspects of fulfilling cross-border transactions
- **Supply Chain Execution**
  - Manage all warehousing and transportation functions via integrated processes
- **Quote-to-Cash for Logistics Service Providers**
  - Manage front office, operations and back office functions for global logistics service providers

Oracle Transportation Management (OTM / GLOG)

Overview and Roadmap