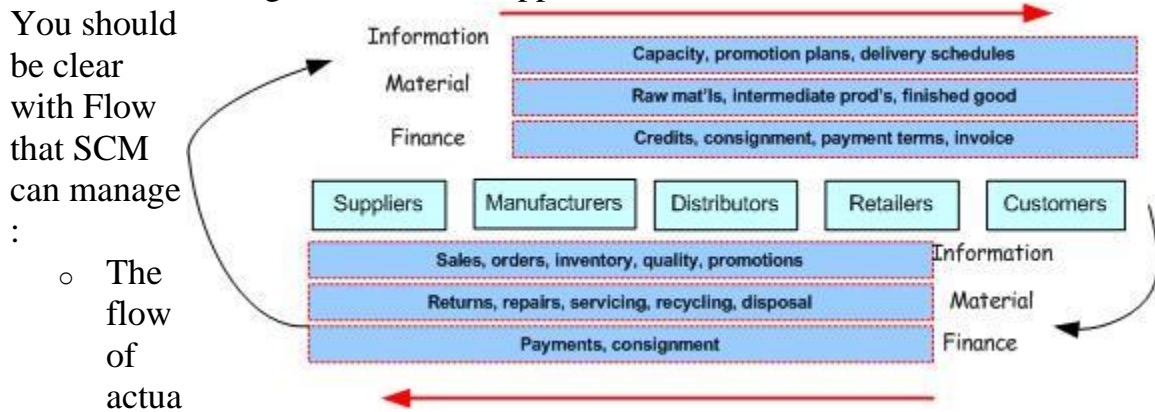# Supply Chain Management (SCM) :Techno-functional Guide

This article is an easy guide for Techno-functional consultant to understand SCM from Implementation as well as Oracle Application product Prospective.

- A Supply Chain is a network of retailers, distributors, transporters, storage facilities and suppliers that participate in the sale, delivery and production of a particular product.
  - Make a note a supply chain is product specific, not company specific
- Supply chain management (SCM) is a systematic approach to manage the entire flow of information, materials, and services from raw material suppliers through factories and warehouses to the end customer.
- Moreover , SCM involves the flows of material, information and finance in a network consisting of customers,suppliers, manufacturers, and distributors.
- You should be clear with Flow that SCM can manage :

  - The flow of actual materials, the top middle bars
    - *From suppliers* : flows of raw materials, intermediate products, finished goods
    - Reverse material flows : returns, repairs, servicing, recycling, disposal
  - and the information flows
    - *From suppliers* : manufacturing capacity, delivery schedules, promotions they have going
    - *Reverse flows* : sales, orders, inventory, quality, promotions
  - And finally, there are financial flows:
    - *From suppliers:* Credits, consignment, payment terms, invoice
    - *Reverse Flows* : payments, consignment

- Supply Chain Management is the management of the entire value-added chain, from the supplier to manufacturer right through to the retailer and the final customer.
- SCM has three primary goals: *Reduce inventory*, *increase the transaction speed* by exchanging data in real-time, and *increase sales by implementing customer requirements* more efficiently
- The need for SCM is because effective Supply Chain Mgt. is the next logical step towards increased profits and market share.
- Supply Chain Management (SCM) in line manager prospective is "let's-keep-things-moving-efficiently".

»What is Oracle's SCM Solution for Customer

Oracle Supply Chain Management (SCM) basically integrates and automates all key supply chain activities starting from design, planning, and procurement to manufacturing and fulfillment.It depends upon how the company or Line managers planning to use these application module in there business line. For better understanding from Product point, lets understood on eight key area as per figure:

Here are the details with underline Product which is potentially used.

1.Develop : SCM start with developing new products where Product specifications are created.

- Oracle Product Life cycle Management(PLM)
- Oracle Advanced product Catalog (EGO)

2.Market : Marketing and Sales generates demand for the Product by publicizing its features and how it would address customer priorities. In the process, Marketing also gets customer feedback and communicates to Product development group. These are application potentially can be used.

- Telesales (AST)
- Trade Management (OZF)
- Incentive Compensation (CN)
- Order Capture (ASO)
- Partners Online (POL) *

Oracle Partners Online (POL) is also known as Oracle Partners Online (PRM).

3. Plan : Planning is the strategic portion of SCM. You need a strategy for managing all the resources that go toward meeting customer demand for your product or service.

- Advanced Supply Chain Planning (MSC)
- Global Order Promising (GOP)

4.Sell & Manage Orders :Maintain and manage the customer orders, order holds, notes and release the orders to warehouse for fulfillment based on requested date, product availability and customer credit limit.

- Order management (OM)
- Advanced Pricing (QP)
- Configurator (CZ)
- iStore (IBE)

5.Procure : Here you normally **c**hoose the suppliers that will deliver the goods and services you need to create your product. Develop a set of pricing, delivery and payment processes with suppliers and create metrics for monitoring and improving the relationships.

- Purchasing (PUR)
- iProcurement(iPROC)

6.Manufacture : Schedule the manufacturing activities necessary for production, testing, packaging and preparation for delivery.

- Cost Management (CST)
- Process Manufacturing (GMA)
- Project Manufacturing (PJM)
- Quality (QA)
- Work in Process(WIP)

7.Fulfill & Release Management : Coordinate the receipt of orders from customers, develop a network of warehouses, pick carriers to get products to customers and set up an invoicing system to receive payments.

- Shipping Execution (WSH)
- Inventory Management (INV)
- WareHouse Management System (WMS)
- Transportation Execution (FTE)

8.Service & Maintain : Create a network for receiving defective and excess products back from customers and supporting customers who have problems with delivered products.
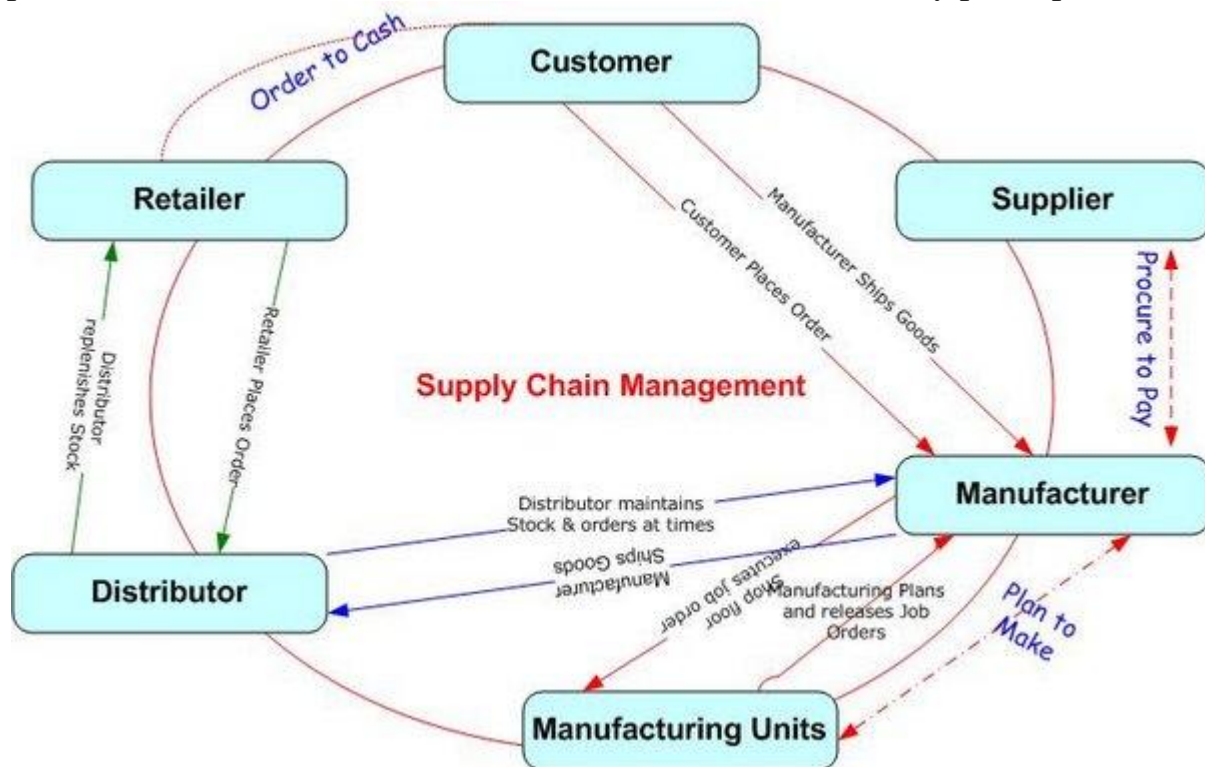
- Depot Repair (CSD)
- Field Service (CSF)
- Install Base (CSI)
- Service Contracts (OKS)
- Service Fulfillment Manager (XDP)
- Spares Management(CSP)

Oracle Product Acronym Listing can be re-validated from Robert*'s Blog.*
This does not cover the Financial flow with SCM.Will take a detail discussion in some other post.
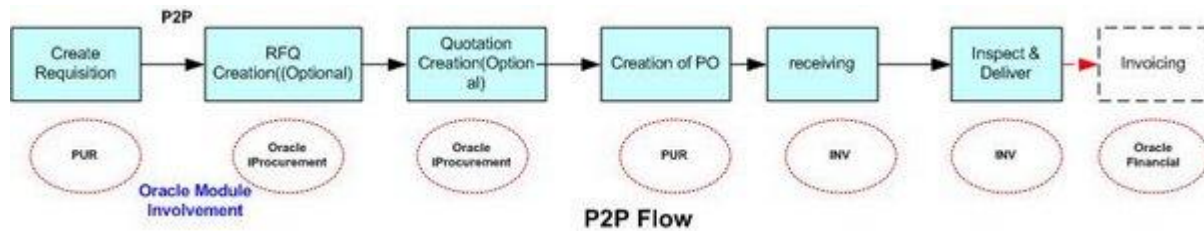
»SCM Oracle Solutions
SCM Of Oracle E-Business Suite does covers each area of SCM as discussed in other post. Here is how best can describe as involvement of all five key participant.

Within SCM these are the business Process that can be fit with these application Module.
1)Procure to Pay
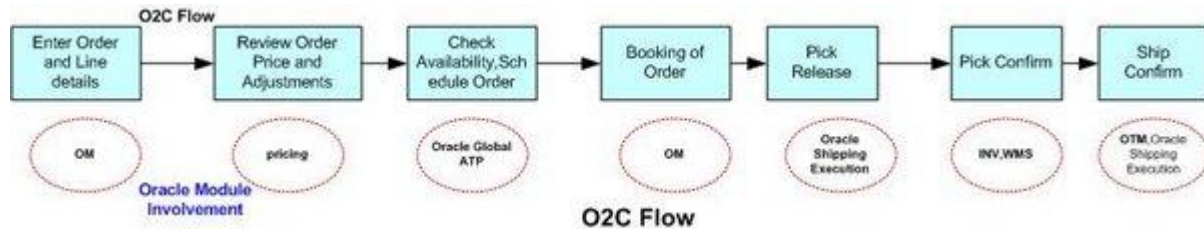Here is flow that can be best understood with Oracle Modules Involvement.

P2P Flow

Under this Business Process Oracle module can be potentially used as

- Oracle Purchasing(PUR)
- iProcurement(iProc)
- iSupplier Portal(isupplier)
- Payables(AP)
- Purchasing Intelligence(for BI)

2) Order to Cash

Here is flow that can be best understood with Oracle Modules Involvement.

O2C Flow

Under this Business Process Oracle module can be potentially used as

- Oracle Order Management (OM)
- Oracle Inventory (INV)
- Shipping Execution (WSH)
- Advanced Pricing (QP)
- Oracle Configurator (CZ)
- Warehouse Management (WMS)
- Receivables(AR)

Check out earlier Post for O2C, 1 & 2 details.

3) Lead to Service
Under this Business Process Oracle module can be potentially used as

- CRM Foundation (JTF)
- Sales Online (ASF)
- Marketing Online (AMS)
- Customer Care (CSC)

- Install Base (CSI)
- Depot Repair (CST)
- Service Contracts (OKS)
- iStore (IBE)
- iSupport (IBU)
- Field Service (CSF)

4) Forecast to Plan
Under this Business Process Oracle module can be potentially used as

- Material Planning (MRP)
- Advanced Supply Chain Planning (ASCP)
- Collaborative Planning

5) Demand to Build
Under this Business Process Oracle module can be potentially used as

- Demand Planning (MSD)
- Bills of Material (BOM)
- Work in Process (WIP)
- Cost Management (CST)
- Flow Manufacturing (FLM)`