INFORMATION BUILDS

Oracle for Mill Products

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Oracle for Mill Products

Rising service expectations, new competitors, and outmoded manufacturing environments. Oracle helps you meet all these business challenges, with applications built specifically for mill products enterprises.

Demand for mill products—including pulp and paper, textiles, metals, plastics, and building materials—continues to grow, placing the mill products industry under constant pressure to adapt to an ever-changing marketplace that requires newer and better products and services at the lowest possible cost.

As a mill products manufacturer, you must forcefully address a broad range of issues that confront your business each and every day. Whether it's rising service expectations, new global competitors, aging and underutilized assets, increasing transportation costs, or evolving regulatory constraints, these challenges send even the best business searching for ways to further increase profitability.

Oracle for mill products helps you meet all your business challenges with a powerful combination of technology and comprehensive, preintegrated business applications, including key functionality developed specifically for your industry. Only Oracle provides a flexible architecture that supports all business processes across the enterprise—from pricing and production to transportation management and customer service—allowing you to enhance performance throughout the entire supply chain.

Oracle provides a powerful, all-encompassing solution that synchronizes supply and demand, optimizes transportation and logistics, and vastly improves your manufacturing and trading activities. With the help of Oracle for mill products, you can keep pace with customer demand, streamline operations, maximize return on investment (ROI), and transform the way you do business.

Separate Yourself from the Competition

The mill products industry wakes up every day to a marketplace in constant flux. With rising global competition, you must learn to compete with emerging low-cost producers such as China and Russia. The advantages of scale in this capital-intensive industry, where a single piece of equipment can cost tens of millions of dollars, have also resulted in a wave of consolidation based around a select group of industry behemoths. So, how can you stay profitable when fewer and larger competitors can dictate price and service levels?

Meanwhile, the increasingly global nature of the mill products business has substantially increased the complexity of your supply chain. You need a better way to manage your complex supply and distribution networks, to take advantage of sourcing opportunities and new markets around the world.

In the face of these challenges, Oracle for mill products is the one solution that can help you differentiate yourself from the competition. With Oracle, you gain unprecedented insight and access to information, allowing you to attract and retain customers, develop more-specialized products, maximize asset utilization to avoid unnecessary capital expenditures, drive efficient planning and procurement, accelerate product development, and grow through international expansion. Oracle for mill products transforms your organization and changes the economics of your business.

"Running an asset-intensive company doesn't start and end with the general ledger and financials; domain-specific functionality is a requirement. Process- and asset-intensive companies that are evaluating their first, or next, invest-ment in enterprise applications should take a hard look at what Oracle has to offer and let capability, strong references, and attractive cost of ownership lead their decisions."

AMR Research
"Oracle Poised to Strike Gold in Asset-Intensive Midmarket"
September 2005

Build a Responsive Global Organization

To outperform your competitors, you must continuously improve how you do business. You have to enable your organization to be responsive to the many changes and opportunities that come your way.

Oracle's integrated solution enables you to formulate products to individual customer specifications, manage variability, optimize capacity, and drive continuous process improvement. You get an integrated, global view of customers, suppliers, and operations facilities, enabling you to make the best, most profitable decisions possible.

Growth through acquisitions has created complex technology environments for many companies in this sector. Additionally, unique industry requirements such as plant automation make leveraging all of your software investments challenging. Oracle lets you take an

"Tying real-time data to our maintenance information allows us to move from the more traditional preventive maintenance on equipment to a condition-based model. This extends our ability to monitor the condition of our pumps and motors online using vibration monitoring. With the capabilities of [Oracle's] JD Edwards Asset Lifecycle Management, we can now initiate preventive and corrective action through the monitoring of pressure, temperature, and flow throughout our process."

Harry Bullock, Irving Paper

evolutionary approach, gradually building a bridge between legacy technologies of the past and industry standards of the future. With Oracle for mill products, you implement only what you need, when you need it, allowing you to optimize your performance step-by-step.

Deliver Differentiated Products and Services

Delivering a differentiated set of products and services is doubly important for mill products companies. The growth and prosperity of your business depend on accurate, efficient order processing. However, the increasingly global nature of the mill products industry and the extended supply chain have added a layer of complexity to order fulfillment. Failure to properly execute the fulfillment process can result in lost orders, increased inventory, and reduced customer satisfaction.

To remain competitive and deliver maximum value to your customers, you must increase the efficiency and flexibility of your legacy applications. Oracle Fusion Middleware, the most complete suite of standards-based tools for integrating legacy systems, enables you to operate optimally across disparate systems, using data hub products for maintaining data quality and analytics for business insight. Companies can also implement new applications to streamline processes without discarding vital data and information technology (IT) investments.

Manage Complex Customer Requirements and Get the Right Price

Attribute-based manufacturers such as paper mills, carpet makers, and steel plants face challenges very different from manufacturers in other sectors. Unlike traditional discrete manufacturers, your products contain multiple attributes such as dimensions, length, color, coating, texture, width, grade, thickness, patterns, and specifications—all to be defined without creating product codes.

When you take an order from a customer, all those attributes must be captured. Customers need to know how much the order will cost and you need to know if you can fulfill it. Oracle Advanced Pricing provides a simple process for creating pricing strategies and defining and categorizing pricing rules, no matter how many attributes are in the mix.

Once orders are captured in the system, Oracle streamlines fulfillment by accurately feeding the data to your manufacturing and supply chain applications. With Oracle, you can specify, sell, and ultimately manufacture and fulfill complex, customized products and solutions.

Oracle Leads in Mill Products

- 16 of the 21 natural resources companies in the 2004 Fortune Global 500 run Oracle Applications
- 14 of the top 20 paper companies run Oracle Applications
- 7 of the top 10 construction-materials companies run Oracle Applications
- 4 of the top 7 steel companies run Oracle Applications
- 4 of the top 8 metals mining companies run Oracle Applications

Power and Flexibility

Deal more confidently with outside forces while mastering your own internal processes and assets. With Oracle's complete set of asset management and utilization solutions, you can

- Make the right capital-investment decisions
- Maximize return on operating assets such as mills and equipment
- Increase equipment availability
- Optimize asset acquisitions, utilization, and disposals
- Manage supply chain and supplier relationships for maintenance and repair materials
- Increase workforce productivity

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Guided Selling with Oracle Configurator

The mill products industry is struggling with increasingly complex and customized product configurations. Oracle Configurator overcomes this challenge with an interactive guided-selling session in which your customers' requirements are gathered and mapped to a set of product options. As you make selections, Oracle Configurator progressively validates the integrity of each choice. Prompts and warning messages—triggered by real-time feedback from the interactive configuration engine—lead you through the process. Oracle Configurator ensures consistency and eliminates errors, so you produce exactly what your customers want.

Maximize Global Responsiveness and Improve Your Capacity for Growth and Change

To be effective in today's fast-moving global business environment, data has to flow faster and more seamlessly through your organization so you can make the very best decisions for your business. Oracle's integrated suite of comprehensive enterprise resource planning (ERP) applications combines business value, standards-based technology, and deep industry experience into a business solution with a low total cost of ownership (TCO). Additionally, Oracle's standards-based Oracle Fusion Middleware and flexible, enterprise applications— such as Oracle's Siebel CRM and Oracle's data hub solutions—enable you to support multiple lines of business and establish enterprisewide, effective operations and strategic insight at the lowest possible cost.

Competing in today's fast-moving business environment requires your organization to process the mountains of data stored across regional and departmental boundaries. That's where Oracle Business Intelligence Suite comes in. Our business intelligence (BI) applications help you make sense of all your data spread throughout the enterprise, enabling you to extract key nuggets of insight and deliver them to the right people at the right time. With Oracle BI, you can empower the entire organization with timely and actionable intelligence, more quickly identify and respond to new opportunities, and dramatically improve results.

Create Customer-Responsive Supply Networks

In today's highly competitive marketplace, it's critical to embrace a customer-centric supply chain model that allows you to sense and respond to real-time demand signals across a network of partners, suppliers, and customers.

Customers are now requiring mill products manufacturers to provide highly configured, made-to-order products with more specialized features than ever before. Rapid product proliferation and shrinking product lifecycles are also forcing you not only to innovate across product portfolios but also to find new approaches for bringing products to market.

Become a Demand-Driven Organization

To gain clear visibility into demand, you need to sense demand in real time and improve forecast accuracy. The Oracle demand management solution enables you to better sense, shape, and respond to demand with a single, precise forecast—resulting in higher service levels and sales, more-satisfied customers, and lower inventory and distribution costs.

By better gauging demand from multiple sources, including shipment and order history, distribution center withdrawals, customer collaboration, point-of-sales, and marketing data, you can rapidly respond to changing market conditions and provide the right products to the right customers at the right time.

Mill products organizations can also align supply and demand with Oracle's Demantra Real-Time Sales and Operations Planning. Instead of pushing out goods in a reactive fashion, this solution allows you to improve your demand prediction through a collaborative real-time process. By gaining visibility into demand signals and pertinent business events as they happen, you can quickly figure out where you can get excess capacity and where you should cut back on production—and thus better fulfill demand.

Optimize Transportation and Logistics

There are few industries in which transportation is more complex—or where it constitutes a greater percentage of product costs—than in the mill products industry. Integration with transportation and logistics is essential because it allows you to rapidly adjust to changes in the market and more effectively and efficiently respond to customer demand.

High transportation costs erode margins, but it's not always practical or even possible to move processing plants closer to demand. With Oracle Logistics and Oracle Transportation Management, you plan, manage, and control the flow and storage of goods from the point of origin to the point of consumption. The result: you meet customer requirements at the lowest possible cost.

Benefit from Sophisticated Software Designed for You

As the only major enterprise software vendor with a suite of solutions designed specifically for process manufacturers, Oracle is uniquely qualified to help mill products companies achieve their business goals and successfully meet the challenges of today's rapidly evolving marketplace.

"We're building an entirely automated process with Oracle. When we take an order, instead of processing it and shipping it in two to six weeks, it now happens in a matter of hours. In a commodity business like ours, it's customer service like this that distinguishes us from our competition. It's the kind of thing that completely accelerates our lead over everyone else"

Forest Felvey, Chief Executive Officer, Corrugated Services LP

Oracle Distributed Order Management

Unify customer fulfillment processes across your company's systems and across transactions with trading partners (such as drop shippers, third-party logistics providers (3PL), and carriers).

Integrate fragmented demand and supply chains to capture demand from all channels, broker the demand to multiple internal and external fulfillment systems, and monitor and manage the fulfillment process across the supply chain.

Minimize Trim Loss

In mill products manufacturing, the economic value of trim loss is significant. Oracle's mill products order-allocation solution optimally balances costs associated with manufacturing, distribution, and trim. Oracle provides rough-cut trim optimization that determines the optimal order allocation across multiple mills and minimizes the total costs associated with trim.

Automate Logistics

From order management through financial settlement of freight costs, Oracle Transportation Management provides a complete, integrated logistics management solution that gives you the ability to

- Consider current resource availability when planning
- Make informed decisions on rates, routing, price versus transit time, and contract commitments
- Recognize options and constraints and lock in optimal delivery plans
- Include trading partners in your processes with proactive exception management conducted via the internet

As opposed to manufacturers that work with piece parts, you must deal with inconsistent raw materials, by-products, and coproducts, as well as variances in yield and utilization—all factors that directly affect the bottom line. What's more, while your total number of input materials might be small, the variation in outputs can be infinite. You need sophisticated software that can accurately capture product specifications up front and manage them through the production process.

Oracle Process Manufacturing for mill products can manage variability in raw materials and intermediate products so that you can accurately match the quality of inventory to customer specifications. This allows you to buy, produce, and ship exactly what each customer wants—no matter how the customer's product requirements or your raw materials might change. Oracle Process Manufacturing helps you minimize production variances so that you make the right product at the right price for the right customers. If your operation is a hybrid of process- and discrete-manufacturing processes, Oracle also offers world-class capabilities for discrete manufacturing, Lean manufacturing, and mixed-mode manufacturing.

Realize the Full Value of Your Assets

For the mill products industry, external forces can affect a company's profitability and success. While most of these forces may be out of your control, you can put yourself in a better position to respond and succeed by effectively managing critical factors within your own business.

Increase Profits Through Asset Rationalization

Do you need to know whether you should build a new mill in China or acquire an existing one in North America? Can you assess the impact of mergers and acquisitions on your supply network and capital asset budget? Do you need to know how you should react to a disruption in supply due to unforeseen events?

Oracle Strategic Network Optimization enables you to design your entire supply network with agility in mind. In addition, you can rationalize your capital assets, optimize your product and customer mix, manage your supply chain risk more effectively, and simulate changing business conditions to develop strategies and contingency plans.

Oracle Strategic Network Optimization can help you to rationalize capital assets by determining the optimal number and identifying the best locations for them. It considers all asset costs, including opening and closing costs, inflows from salvage, and fixed and variable costs. In addition, it enables you to plan the integration of new business supply chains from mergers and acquisitions, or manage the assets during divestitures.

Optimize Manufacturing Assets and Reduce Total Lifecycle Costs

Huge capital investments in mill equipment present major financial and operating challenges. Asset optimization requires planning, integrated management, and fact-based decision-making. With the integrated Oracle Asset Lifecycle Management solution, you can effectively manage every stage of the asset lifecycle—from long-range capital planning, procurement, and construction to capitalization, operations, maintenance, and eventual disposal. The benefits of implementing best asset management practices are pervasive: improved equipment reliability, reduced operating costs, increased asset utilization and production, reduced spare parts inventory, and reduced or postponed capital expenditures. With Oracle, optimizing assets and increasing return on investment are within your reach.

In particular, the availability and reliability of machinery, vehicles, and production facilities affect the lifeblood of your business. Equipment breakdowns cost you time, production, and money, none of which can be recovered. Oracle Enterprise Asset Management, part of the Oracle E-Business Suite, is an integrated set of applications that makes it easy to define and manage your organization's multitude of assets. Maximizing asset availability, increasing plant productivity, and decreasing maintenance costs are the objectives it can achieve.

Quickly Respond to Market Demands

Do you know what the most profitable balance is among customer service levels, budgets, and inventory cost? Do you know how much inventory to hold and over what period of time? Can you account for your supply chain variability when determining your time-phased safety stocks?

By taking into account the supply, demand, and lead-time variability of your entire supply chain, Oracle Inventory Optimization enables you to effectively balance revenue, cost, and inventory budgets while providing higher service levels to your customers at significantly lower cost.

"When customers call or come in, we need to know if the product is in stock, the right price, where the product is in our warehouse, and then we must provide the product on the spot. With [Oracle's] JD Edwards, we are more efficient both in dealing with our customers and with our internal processes."

Dave Richards
Chief Information Officer and Treasurer
Pacific Steel and Recycling

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"The new Oracle tools give Solid Energy the functionality we need to make better decisions about overhaul and replacement of assets, preventive maintenance routines, and rationalization of spare parts and rotables."

Warren Maslin, Chief Financial Officer, Solid Energy

In addition, Oracle Production Scheduling enables mill product companies to create detailed, up-to-the-minute schedules that let you produce the right amount of product at the right time, thereby minimizing undesirable costs associated with overstocks, change-overs, and overtime. With Oracle Production Scheduling, you can take control of your production scheduling by maximizing shop floor throughput, sequencing orders to best use production resources, and minimizing the effects of unplanned production and downtime.

Become Information-Driven

At Oracle, we understand information. We solve more complex problems in the mill products industry than any other technology provider—and we've been doing it for nearly 30 years. At the heart of Oracle is a single focus: finding better ways to manage information.

We put all your information in one place, giving you a single source of truth from which to make business decisions. This kind of real-time, consolidated information is available only if all your business applications are engineered to work together by using a single information repository. Oracle is the only company that builds all the software necessary to do this. And we can do it at the lowest possible cost and with the quickest time to value. No matter the size of your business, we can help you achieve the very best results—right now.

CONTACT US

For more information, visit **oracle.com/industries/natural_resources/millproducts.html** or call **+1.800.ORACLE1** to speak to an Oracle representative.

Outside North America, visit **oracle.com/corporate/contact** to find the phone number for your local Oracle office.

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