

# Demand Collaborator

## automated purchase part planning and ordering

### Efficient Planning and Ordering

For most manufacturers and suppliers, the process of planning and ordering purchase parts based on MRP orders is tedious, time-consuming and error prone. The customer's staff determines the schedule based on MRP and communicates the required quantities and ship dates to the supplier base. Too often, replenishment forecasts and shipment schedules are communicated via manual methods such as phone, fax or email, resulting in excessive costs, time delays and frequent mistakes.

ClearOrbit's Demand Collaborator provides an automated solution to allow customer planning staff to delegate the purchase part planning and ordering process directly to the supplier or contract manufacturer (CM). Suppliers and CM's are given direct visibility to MRP Planned Orders, and then are able to indicate their acceptance or rejection of requested quantities.

X.PC Demand Collaborator provides a proven, cost-effective and easily deployable method of completely automating the communication and fulfillment of material requirements. Demand Collaborator allows companies to collaborate on future delivery schedules, while providing key process control mechanisms around fulfillment, such as schedule accept/reject, shipment packing, generation of shipment notifications, bar code label compliance and drop shipment to the end customer.

### Key Value Drivers

**Simplified Procurement.** Demand Collaborator removes layers of complexity and work from the procurement supply chain. Normally, a supplier/CM would only see customer demand after it is translated into PO's. By looking at demand and making adjustment directly to the planned orders, the supplier/CM is able to make adjustments and commitments on the most current source of demand. This eliminates timing problems and the extra work involved when changes occur after demand has already been translated to PO's.

**Exception Management.** The host only needs to get involved when there is a problem. This is like a very powerful version of VMI where the supplier/CM is accountable for meeting host/customer demand requirements. The system monitors the suppliers' ability to meet these demands and alerts the host when exceptions are raised.

### Solution Overview

- Demand Collaborator provides a bucketed view of MRP Planned Orders to the supplier/CM. These views can be exported for use in forecasting and planning
- Demand Collaborator sources the planned orders from the host/customer planning system (MRP)
- Auto-creation of customer Purchase Releases from approvals.
- The supplier/CM is able to accept or reject requests for material Planned Orders, Purchase Orders or Purchase Releases.
- The supplier/CM can convert material demands from a customer into forecasts and Sales Orders.
- The supplier/CM and customer buyer or planner are able to communicate regarding exceptions.
- If the supplier/CM is drop shipping the Purchase Order directly to the end customer (host customer), then the PO Receipt transaction occurs automatically when the Supplier performs the shipment.
- Host/customer is able to provide material demand in terms of quantity and date to the supplier in a short and long-range manner.



**Features**

**Benefits**

**Demand  
Visibility**

- Demand Collaborator obtains demand from ERP planning system Planned Orders
- Demand Collaborator will display demand to the supplier showing date and quantity.
- Time bucketed demand is available for viewing by the supplier/CM.

**Configurable  
Promise  
Tolerances**

- The supplier can promise to the planned order is within the Promise Time Fence and the quantity accepted cannot exceed the order quantity.
- The promise is automatically approved if it is within the tolerances.
- The buyer will approve promises outside the tolerances

**Integration**

- A Purchase Release will be created in the Host ERP when the promise is approved.
- MRP recommendation messages are available to the supplier from Purchase Order Collaborator.
- Purchase Orders and Releases are managed through the Purchase Order Collaborator

**Fulfillment  
Execution**

- Tracking of packing and shipment of promised shipments
- Rules engine validates authorization to ship
- Supports predefined carrier selection, commercial invoice generation and shipment consolidation
- Drop ship capabilities allow items to be delivered directly to customer or end use location

**Shipment  
Tracking**

- Provides traceability of schedule replenishment down to the shipment level
- Automatically generates commercial invoice for international shipments
- Assist the supplier in cash application of payments and allows reconciliation of shipments
- Enables customers to implement pay upon receipt or ERS (Evaluated Receipt Settlement)

**Web-based  
Label  
Compliance**

- Web based bar code labeling at supplier location with label formats and shipment information driven by the buyer's ERP
- Critical process control point to ensure all order information is validated before shipment
- Full vendor compliant label program, with accurate information and formats, every time

**Rules Engine**

- Helps buyers determine which promises to accept automatically based on item and acceptance date
- Prevents unauthorized shipments (too early or too late)
- Ability to place suppliers and/or items on QA hold to prevent further shipments pending review
- Configurable for supplier / item / PO

**Scorecards  
& Alerts**

- Multiple scorecards, including on time delivery, response times, and shipment accuracy
- Each supplier's "My Page" can be configured to display only relevant scorecards
- Integrated alerting capability around events such as missed deliveries
- Leverages rules engine for automatic escalation of events based on severity

**Supplier  
Integration**

- Upload / download capabilities for schedules and promises in CSV or XML format
- Web services API's compatible with XML, RosettaNet, EDI and other industry standards
- Enables direct integration to supplier order processing/ERP systems for "lights out" operations
- Replace outdated and expensive EDI networks
- Ensure 100% on-ramp of supplier base

## Significant Benefits Drive ROI

- Reduced administration cost
- Allow buyers/planners to focus on higher-value activities
- Eliminates errors and invoice disputes
- Delivers immediate value without changes to current applications
- Real-time visibility and control
- Drop ship capability lowers transportation costs
- Increases material availability
- Scalable to high-velocity production environments
- Rapid implementation
- Significantly lower integration costs



## Proven Results

ClearOrbit's collaborative applications are currently on-line at more than 135 companies, with 1,300 users processing 7,000 transactions daily. More than \$1.7 billion of direct materials are procured and delivered through the system.

## Services to Ensure Successful Implementation

The ClearOrbit Services team has the experience and proven methodology to ensure the successful implementation of collaborative systems. ClearOrbit's team of Consultants and Project Managers represents a broad skill set in manufacturing, warehousing, distribution, industrial engineering and device integration, as well as deep technical skills (Oracle database, Oracle Applications, SAP R/3, mySAP, PL/SQL, JAVA, ABAP and XML) to ensure an ideal solution is achieved. With over 275 clients and some of the largest ERP installations worldwide, we offer the experience necessary to tackle the needs of your operation. ClearOrbit Professional Services assesses specific business needs and delivers value-added services that exceed client expectations.



6805 Capital of Texas Highway, Suite 370 • Austin, Texas 78731 • 800.324.5143

[www.clearorbit.com](http://www.clearorbit.com)

Copyright © 2005 ClearOrbit Inc.