

# ORACLE SOURCING

## KEY FEATURES

- Automatic knockout of suppliers from shortlist
- Support for contracts with complex payment terms
- Collaboration team member messaging
- Staggered closing of lines
- Catalog negotiation
- Very large auction support
- Flexible document styles
- Multi-round price enforcement
- Position hierarchy approvals
- Multi-Org Access Control
- Supplier scorecard
- Sourcing dashboard
- Professional Buyer's Work Center
- Prospective supplier registration

## Auction / RFQ / RFI

- Supplier Qualification through RFIs
- Multiple Negotiation Types
- Multiple Negotiation Styles (Open, Blind, Sealed)
- Negotiation Template
- Procurement Professional Internal Collaboration
- Procurement Professional Security
- Multi-attribute Weighted Scoring
- Cost Factors
- Price Breaks and Analysis
- Location Pricing
- Time-Phased Pricing
- Volume Pricing
- Advanced Supplier Search
- Reusable Invitation Lists
- Reusable Price Element Lists
- Reusable Attribute List
- Ranking Indicators
- Notes and Attachments
- Multi-Currency Transactions
- Multi-Language Support
- Consolidated Negotiation Search
- Online Discussions
- Manual Extend/AutoExtend

*Oracle® Sourcing is the enterprise application that improves the effectiveness and efficiency of strategic sourcing. It is a key component of Oracle Advanced Procurement, the integrated suite that dramatically cuts all supply management costs.*

## Cut Costs with Online Collaboration and Negotiation

Because strategic sourcing is traditionally time-consuming and complex, many organizations are not able to source all of their spending for maximum savings. Oracle Sourcing increases the sourcing bandwidth of procurement professionals so they can exploit many more savings opportunities and capture more value from each. Online collaboration and negotiation makes it easy for participants from multiple organizations to exchange information, conduct bid and auction processes, and create and implement agreements. Professional buyers, business experts, and suppliers exchange information online for a more agile and successful sourcing process. The application also dramatically reduces sourcing cycle time and creates a complete audit trail of supplier commitments. With Oracle Sourcing, your organization can find and exploit saving opportunities that were previously untouched.

The screenshot displays the Oracle Sourcing web application interface. At the top, there are navigation tabs for 'Requisitions', 'Negotiations', and 'Intelligence'. Below the tabs is a search bar for 'Published Negotiations' with a 'Go' button and a link to 'Advanced Search'. The main content area is divided into two sections: 'Published Negotiations' and 'Draft Negotiations'. The 'Published Negotiations' section contains a table with columns for 'Number', 'Title', 'Type', 'Time Left', 'Role', 'Responses', and 'Monitor'. The table lists several negotiation items, including lease renewals and equipment renewals for various sites. The 'Draft Negotiations' section shows a list of draft items, such as 'Equipment Renewal...'. Below the negotiation lists is a 'Quick Links' section with categories like 'Create', 'Manage', 'Templates', and 'Reusable Lists', each containing several links to specific features. The footer of the interface includes navigation links like 'Home', 'Logout', 'Preferences', 'Help', and 'Diagnostics', along with a copyright notice for Oracle.

**Figure 1: Efficient online negotiations drive more and better sourcing events.**

With Oracle Sourcing you can:

- Source More of Your Spend
- Source for Lowest Total Cost
- Create Immediate and Long-Term Savings

- Manual Early Close/Early Award
- Offline Spreadsheet Support
- Real-time Status Updates
- Event Based Notifications
- Copy Existing Negotiations
- Cancel Negotiations and Disqualify Response
- Corporate Terms and Conditions
- Sourcing Events
- Specify Additional Contacts
- Document Printing
- Negotiation Amendments
- Multi-Round Negotiations

**Bidding**

- Proxy Bidding
- Power Bidding
- Surrogate Bidding
- Supplier Response by Supplier Site
- Supplier Participation Acknowledgement
- Supplier Registration
- Supplier Profile Management
- Supplier User Management

**Analysis and Award**

- Online Response Comparison
- Graphical Monitors
- Subjective Scoring of Responses
- Analysis Scenarios
- Multiple Award Methods (e.g., AutoAward, Award by Response, Award by Line, etc.)
- Award Summary
- Award Approvals
- Award Determination and Sharing
- Price Break Analysis
- Intelligence Reports

**Integration**

- Generate Purchase Orders
- Integrated Procurement Demand
- Re-negotiate Blanket Agreements
- Negotiate Encumbered Requisitions
- Requisition Visibility in Sourcing
- Requisition Allocation for Partial and Split Award
- Oracle Projects Integration

**Source More of Your Spend**

Manage more sourcing events in less time and bring them to conclusion faster so you can find and exploit additional savings opportunities.

**Exploit More Sourcing Opportunities**

The time required to prepare bidding packages, issue them, and process responses has traditionally limited the sourcing capacity of procurement organizations; leaving savings on the table. Oracle Sourcing lends structure to the entire sourcing process, greatly reducing the time and effort required to source each opportunity.

Procurement professionals can use templates and flexible document styles to quickly create sourcing events such as RFIs, RFQs, RFPs and reverse auctions. Sourcing events may also be created by directly consolidating demand from Oracle Purchasing. Buyers can even use one-click renegotiation to instantly clone expiring agreements into new sourcing events. Oracle Sourcing slashes the manual effort required to execute each sourcing event. So procurement professionals can do more of what they do best – save money.

**Slash Cycle Time with Online Negotiations**

With Oracle Sourcing, events are prepared more quickly, concluded sooner, and agreements can be implemented as soon as they are signed. Because it structures requirements-gathering, sourcing events take less time to prepare. Oracle Sourcing consolidates requirements, amendments, and responses in one central location, so suppliers can bid more quickly. Online tools alert buyers to events that need additional supplier actions. Online competition saves time by motivating suppliers to improve terms without time-consuming back and forth negotiation. Agreements negotiated in Oracle Sourcing can also be immediately implemented in Oracle Purchasing. So you not only source more, you realize the resulting savings sooner.



Figure 2: Monitor bidding activity as it happens with the Live Console

**Make Faster Award Decisions with Online Bid Comparison and Award Rules**

Manually compiling and comparing bids causes slow and sub-optimal award decisions. Buyers have tools to help simplify the bid analysis process like establishing knockout criteria that can be used to automatically exclude suppliers from the shortlist. Oracle Sourcing gathers bids in a consistent and structured format and provides online analysis for better awards. Side-by-side and graphical comparisons show at a glance which suppliers provide the best overall value. If your organization has developed spreadsheet models for unique categories, Sourcing also exports pricing and scoring data for offline analysis. Flexible award methods let you cherry-pick suppliers, bid lots and lines for the best pricing; or let Oracle Sourcing arrive at the best possible award based on the predefined scoring criteria. Configurable award rules build in compliance with policies such as minority business preference or multi-sourcing of mission-critical items. The award summary gives sourcing team members a complete view of the award recommendation, while award approvals ensure policy and regulatory compliance.

**Source for Lowest Total Cost**

Oracle Sourcing helps you make more best-value award decisions based on total cost, not just unit price.

**Improve Sourcing Results with Cross-Functional Collaboration**

Sourcing excellence requires combining the specialized skills of procurement professionals and subject matter experts to identify the combination of suppliers that offer the best combination of cost, quality, risk, and innovation. But time and distance constraints often make it difficult for all participants to work together. Online collaboration makes it easy for technical, business, and commercial terms experts to lend their expertise to the sourcing process. Oracle Sourcing automates combining different scores from team members and brings additional transparency to the team scoring process. This ensures both better sourcing processes and broader buy-in to award decisions. Engaging the right suppliers is equally important to strategic sourcing. Oracle Sourcing lets procurement professionals browse the wealth of supplier information that exists within the company and easily invite new suppliers to ensure highly competitive bids.

**Scoring Team**  
 \* Indicates required field

Name: **Technical Team** [Cancel] [Apply]

Instructions: Please contact Catherine Baker if you have any questions about this negotiation. Please conduct your reviews prior to the end of the month. Pay special attention to the supplier's certification and past experience. We have hidden all pricing information and supplier contact information from you. Complete the scoring sheet for each response.  
 Price Visibility

Members			
Name	Position	Access	Remove
Baker, Ms. Catherine	BUY501.Buyer 1	Full	[X]
Aaron, Mrs. Tamara	VPMD00.VP Materials	Scoring	[X]
Smith, Mr. Jonathan	BUY502.Buyer 2	Full	[X]

[Add Another Row]

**Section Assignments**

Section: Technical Capabilities

Figure 3: Designate different collaboration team members with scoring ability.

**Leverage Best Practices with Sourcing Knowledge Capture**

The knowledge and best-practices that saved money in one sourcing event are often lost when that event ends or an employee departs. Oracle Sourcing allows sourcing professionals to capture best-practice category knowledge for reuse. All of the

successful elements from past events can be captured into category-specific templates for RFQs, RFIs and online auctions. Reusable invitation lists bring in the best suppliers. Reusable pricing elements align buying with supplier cost structures for the lowest total cost. Reusable negotiation styles capture knowledge of which event type and bidding rules will yield the best value. With Oracle Sourcing, your best sourcing knowledge is continually leveraged over time and across the enterprise.

### **Increase Savings with Lowest Total Cost Analysis and Complete Bid Package Evaluation**

Sourcing professionals know that the lowest price does not always yield the lowest total cost. Oracle Sourcing enables lowest total cost analysis by identifying cost drivers and hidden costs that drive up total cost. Multi-attribute weighted scoring and pricing, including price breaks and cost factors, enable procurement professionals to strategically define items and services and effectively negotiate with suppliers. Sourcing also provides configurable scoring criteria to analyze bid supplier strengths and weakness that affect downstream costs. Bids can be scored on any combination of price and buyer-defined criteria such as delivery dates, quality, vendor reliability and financial stability. In addition, Supplier Scorecard integration makes it easy for buyers to factor past supplier performance in current award decisions.

### **Create Immediate and Long-Term Savings**

Oracle Sourcing creates immediate savings with rapid deployment and ROI, and offers additional savings with consistent execution through the Oracle Advanced Procurement Suite.

### **Start Saving Immediately with Rapid Deployment**

Purchasing professionals know that even small percentage savings add up to a massive contribution to the bottom line. So every day that sourcing professionals aren't 100% productive costs your business money. Oracle Sourcing can have a dramatic impact on your sourcing organization in weeks, not months. The application can be run on-site or hosted, and works both independently and as part of the Oracle Advanced Procurement Suite. So you can apply Oracle Sourcing to current and upcoming sourcing opportunities and start saving right away, while ensuring that your solution can grow as needed.

### **Achieve Rapid ROI through Open Competition**

Improving sourcing can save companies enough money to return their investment in just one sourcing event. Organizations often discover that open and transparent competition prompts even incumbent suppliers to offer better prices, terms and conditions. Oracle Sourcing offers many features to help drive competitive behavior from suppliers such as the staggered closing of lines and the automatic extension of an auction when a new bid ranked in a buyer-specified position is received. The application also lowers supplier risk by providing clearer requirements and a better exchange of information during the bidding process. Reduced risk allows suppliers to make lower bids. Oracle Sourcing can save you money on demand you already have open today.

ORACLE SOURCING IS THE ENTERPRISE APPLICATION THAT

- Improves the effectiveness and efficiency of strategic sourcing.
- Dramatically cuts all supply management costs.
- Enables buyers to source more of the organization's spend at lower total cost
- Creates immediate savings through rapid deployment
- Ensures long-term savings with consistent execution and compliance

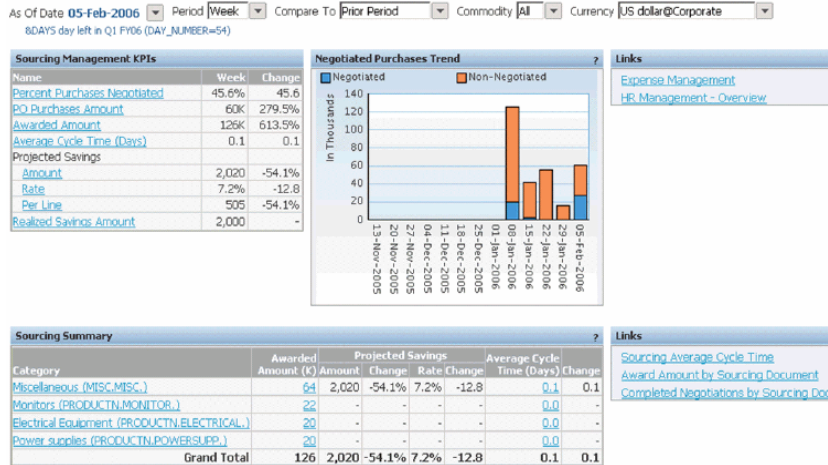


Figure 4: Measure sourcing process performance with the Sourcing Dashboard from Daily Business Intelligence for Procurement.

RELATED PRODUCTS

Oracle Advanced Procurement includes additional complimentary solutions that provide valuable integration to Sourcing

- Procurement Contracts
- Sourcing Optimization
- Purchasing
- iProcurement
- Services Procurement
- iSupplier Portal
- Payables
- Daily Business Intelligence

RELATED SERVICES

The following services are available from Oracle Support Services:

- Oracle E-Business Suite Accelerators
- Oracle Application Solution Centers
- Oracle University
- Oracle Consulting

Realize Long Term Savings with Consistent Execution and Compliance

Even the best purchasing agreements are worth little unless they are consistently enforced. Oracle Sourcing provides even more savings to your organization when used within the Oracle Advanced Procurement suite by ensuring consistent execution from requisition to payment. Oracle Procurement Contracts drives compliance with built-in tracking of contract deliverables. Oracle Purchasing seamlessly executes agreements negotiated in Oracle Sourcing. Employee self-service requisitions placed in Oracle iProcurement automatically default to preferred suppliers at Sourcing-negotiated prices. Oracle Daily Business Intelligence monitors contract utilization and compliance and lays the ground work for finding new opportunities. The Oracle Advanced Procurement suite leverages the value of Oracle Sourcing by implementing and enforcing purchasing agreements enterprise-wide.

Oracle E-Business Suite — The Complete Solution

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on a unified information architecture. This information architecture provides a single definition of customers, suppliers, employees, and products—all aspects of the business. Whether one module or the entire Suite is implemented, Oracle E-Business Suite enables procurement professionals to share unified information across the enterprise and make smarter decisions with better information.

Copyright 2006, Oracle. All Rights Reserved.

This document is provided for information purposes only, and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor is it subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document, and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle, JD Edwards, PeopleSoft, and Siebel are registered trademarks of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners.