Integrated Planning and Optimization for Outsourced Manufacturing (IPO)

Success in outsourced manufacturing is driven by close-knit collaboration between original equipment manufacturers (OEMs), manufacturing partners, and customers. Industries such as high-tech and electronics have enormous dependency on outsourced manufacturing. In spite of significant investments in IT infrastructure by these players, they have not been able to tap the true potential due to lack of collaboration within the extended supply chain.

The latest framework from Infosys – Integrated Planning and Optimization for Outsourced Manufacturing – attempts to bring OEMs, contract manufacturers, and customers on a common platform for collaborative planning. Apart from solving visibility problems, it provides a seamlessly integrated network to support holistic and optimized planning.

This solution can solve a lot of concerns in the current outsourced manufacturing world and can prove to be a smart IT investment to plug gaps in the supply chain.

Questions currently being asked by manufacturers

- Why is my forecast variance high? Can I withstand demand shocks?
- How to reduce lag and effort to sync up supply changes originating at partner’s site?
- Need of E2E visibility for any anticipated change so as to make informed decisions
- Need automated demand reprioritization and optimal supply allocation to manage variability

Introducing integrated planning and optimization for contract manufacturing

The Infosys IPO framework, based on Oracle R12.2 Value Chain Planning suite, uses best-of-breed products such as Demantra, Rapid Planning, Global Order Promising, and Advance Supply Chain Planning; and also has a cloud-based integration platform with SOA plug-ins for OEMs and partners for supply-demand collaboration.

![Diagram of Integrated Planning and Optimization (IPO)]
Key solution characteristics:
The solution comprises the following four piers for building efficient supply chains:

Collaborative workbench
- This is a one-stop-shop for complete backlog visibility. Backlog transactions such as 'Customer Expedites' and 'Partner Recommits' can be performed at ease with over-arching business rules.
- A common platform to get unprecedented visibility to supply forecast to partners and in turn supply commits from the partner. It also allows planners to modify before feeding it to the ATP plan.
- Web-based plug-and-play platform that can be tailored for individual business needs of the company. Infosys also has pre-configured plug-ins for partners and customers along with a B2B messaging solution.

Improvised demand management
- After extensive work in demand management, Infosys has developed an analysis matrix and pre-configured reports, which can be further customized to suit specific industry needs.
- This can help in continuously monitoring and improving forecast figures at different levels needed by the business.

Rapid planning for material requirement planning, available to promise and simulations
- Rapid planning integrated with collaboration workbench will be used for faster explosion of forecast and to send accurate demand signals to partners.
- Real-time visibility to the entire supply-demand picture giving the ability to handle supply disruptions.

Plan optimization with ASCP
- The inherent optimization features of ASCP along with customized business rules will be used for independent optimization plan that helps in backlog queue rebuilding.
- Business rules can be configured in the demand workbench, which would provide the capability to prioritize orders for customer satisfaction. This is really effective in the case of constrained supplies and efficient usage of existing supply commits.

Conclusion
Integrated planning and optimization can bring significant difference not only to OEMs but also to their partners and customers by using best-of-breed capabilities of Oracle Value Chain Planning modules. It provides:
- A robust collaborative environment and consistent fact-based decision-making.
- The ability to effectively manage backlogs, and send and receive shipments on time.
- Faster response to critical demands and the ability to prioritize demands accurately based on real-time demand signals.
- Real-time visibility to the entire supply-demand picture giving the ability to handle supply disruptions.

For more information, contact askus@infosys.com

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