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Achieve Greater Return on Assets and Margins with Oracle Manufacturing Operations Center

Aravindan Sankaramurthy Group Manager, Product Management The following is intended to outline our general

product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

Agenda

- Product Overview
- Customer Program
- Product Roadmap
- Oracle's New Operations Center for Green (Planned)



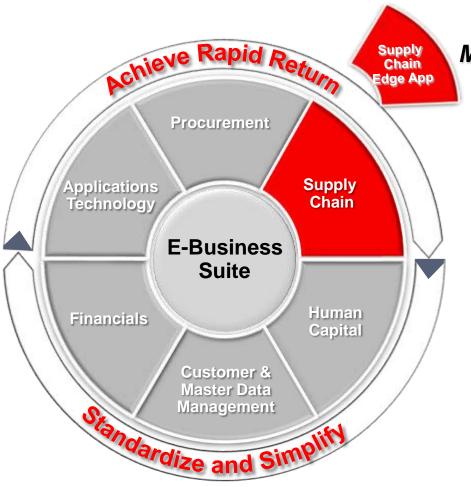




Product Overview



Optimize Value Creation What's New in Supply Chain Management



Manufacturing Operations Center

Results:

- Complete value chain planning from demand sensing to after market service
- Optimize manufacturing operations and asset utilization
- Increase logistics efficiency and track and control costs



Oracle Strategy Provide a solution that...

- Delivers quick value in weeks not in years
- Fits into your existing shop floor environment <u>no upgrade, re-write or</u> <u>replacement required</u>
- Works with your existing back end solution <u>no ERP upgrade required</u>
- Helps <u>accelerate Lean-Six Sigma programs</u>, achieve operational excellence
- Architected for long-term scalability and flexibility

EMI offers highly automated manufacturers a *low-risk*, *high-return* way to leverage data that they already have into valuable EPM insights. With an average six-month payback regardless of initial implementation costs, EMI initiatives should be a line item on the upcoming year's Information Technology (IT) budget for any manufacturer committed to improving the performance of its enterprise.

- AMR Research



Manufacturing Operations Center

- Real-Time Intelligence for Plant Operations
- Unified Plant Data Repository
- Integration to shop floor systems and equipment
- Event Management Framework
- Supported by Oracle Analytics Platform & Engine

The Foundation for Continuous Process Improvement

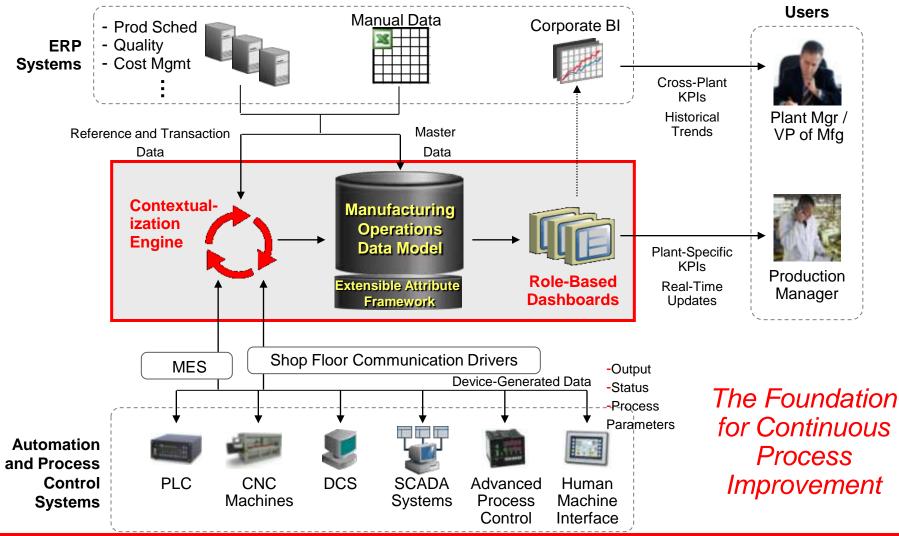
Manufacturing Operations Center

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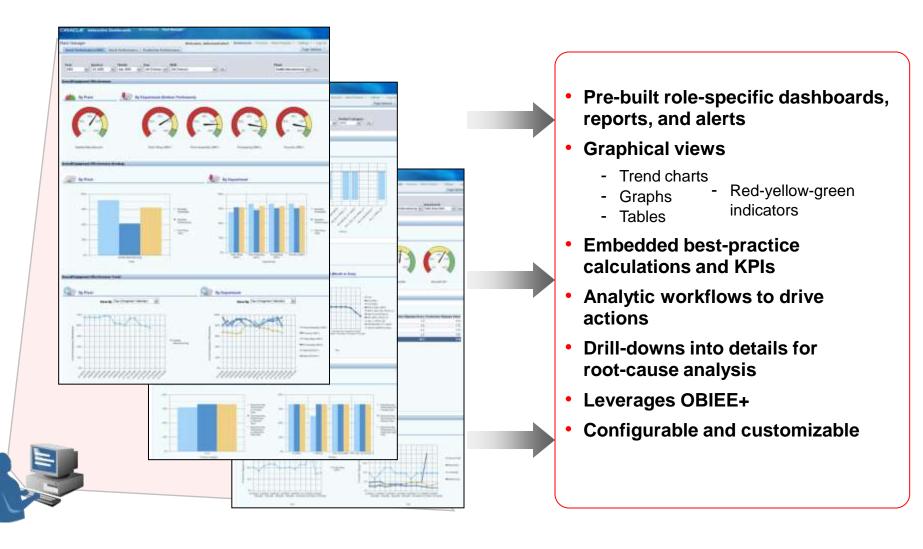
The Foundation for Continuous Process Improvement

Manufacturing Operations Center At-a-Glance



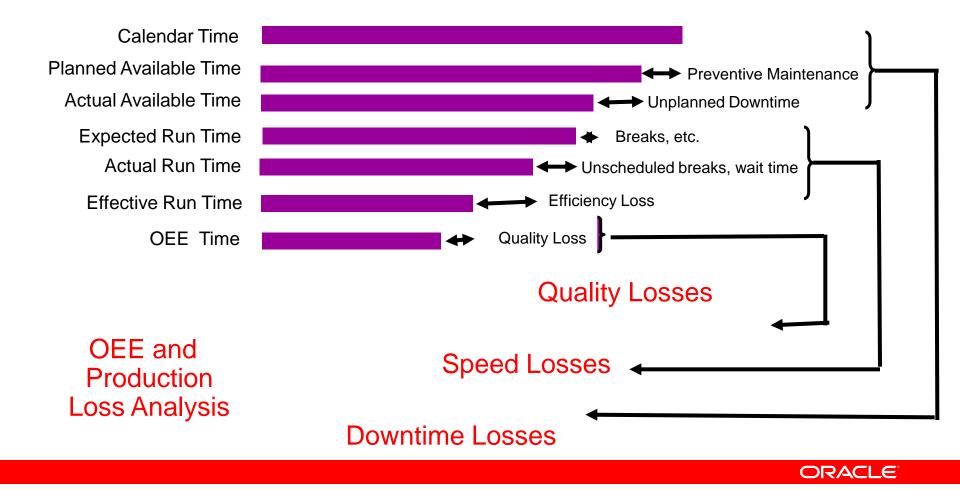
Role-Based Dashboards and KPIs

Deliver Performance Measures by Responsibility



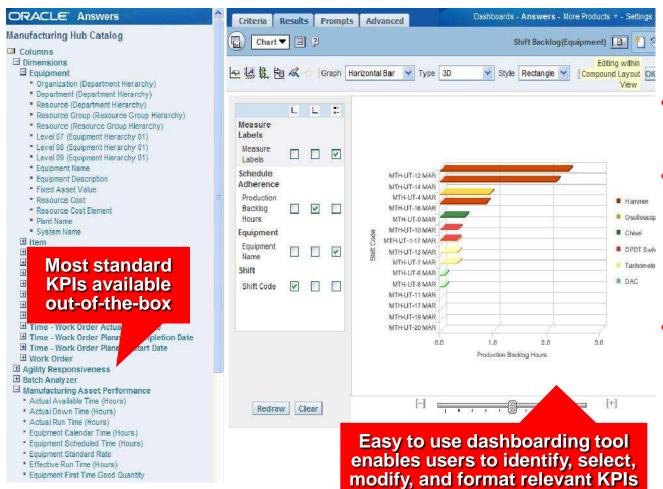
Overall Equipment Effectiveness (OEE)

OEE = Availability Ratio X Efficiency Ratio * First Pass Yield



Comprehensive Set of Pre-built KPIs and Measures

Build a Decision Support System Unique to Your Environment



- Accelerate deployment and adoption
- Easily adapt dashboards and metrics to different types of production environments & roles
- Provides a comprehensive Operational Intelligence framework

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The Foundation for Continuous Process Improvement

Unified Plant Data Repository

Provide Consistent Information for All Manufacturing Users

Enterprise Level

- Products
- Orders
- Plans / Schedules

Plant Level

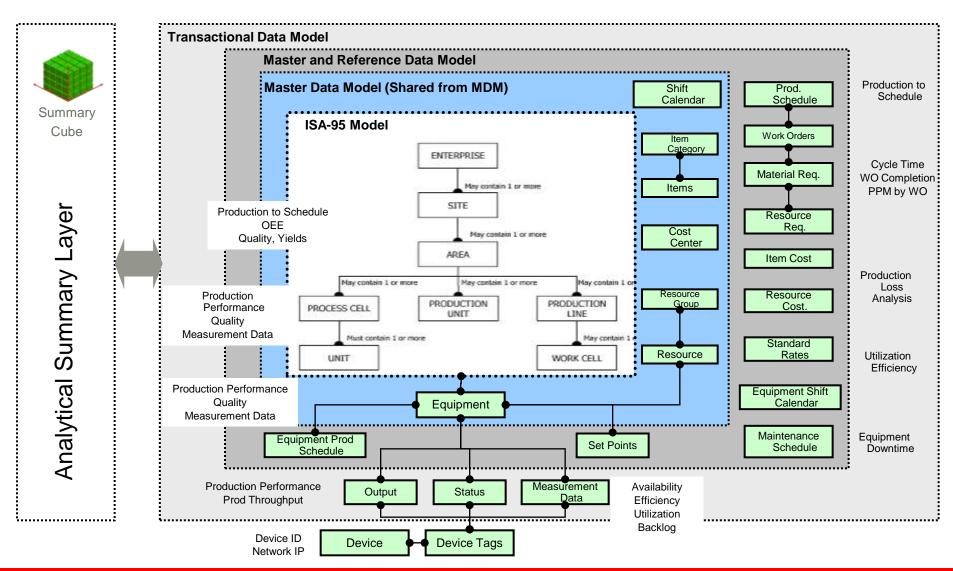
- Work Orders
- Batches
- Mfg Routing
- **Equipment Level**
- Availability
- Status
- Output
- Quality
- Parameters
- Device Level
- I/O Tags
- Sensor ID



- Generic data model supports hierarchical structure for reporting or building KPIs and metrics
 - Support for industry standards such as S-95
 - Out-of-the-box hierarchical dimensions: time, product, and equipment
 - Flexible and configurable
- Open and extensible to meet the requirements of different industries
 - Capture process variables
 - Capture additional parameters for Item, Equipment, and Work Orders



Unified Plant Data Repository



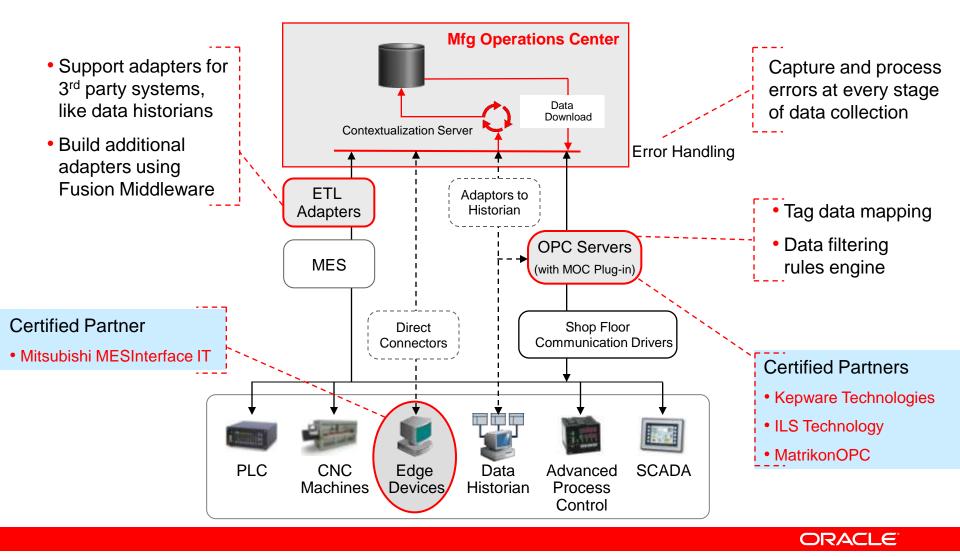
Manufacturing Operations Center

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The Foundation for Continuous Process Improvement

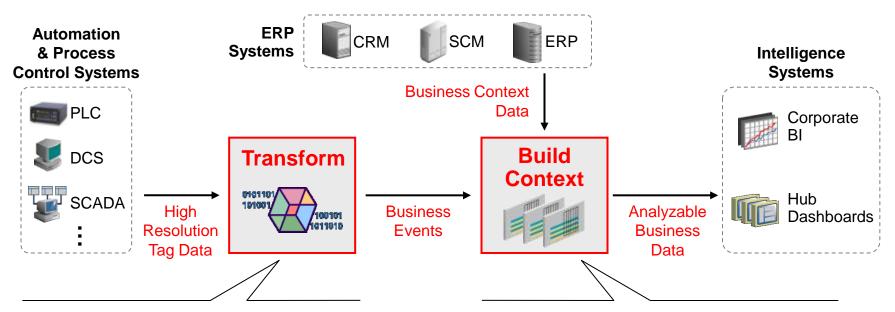
Bi-directional Integration with Devices and Sensors

Gather High Resolution Data Directly from Source



Shop Floor Data Contextualization

Convert Raw Data into Useful Business Information



Define data transformation rules

- Rules by tag type
- Business-oriented aliases for tags
- Additional tag attributes like rollover values
- Use pre-built rules or create new rules

- Apply context to time series data
 - Work Order Product
 - WO Segment Shift
- Apply out-of-the-box rules or define new rules



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The Foundation for Continuous Process Improvement

Event Management Framework

- Online monitoring of shop floor and equipment events
- Automated events processing
- Seeded Events in MOC
 - Equipment Events Downtime, Idle, Fault, Unstable
 - Equipment Recalibration Events
 - Process Parameters Out of Control
 - Scrap & Rework Events
 - Item Rejections
- Seeded Actions
 - Create a maintenance request in EAM
 - Send e-mail alerts and text messages



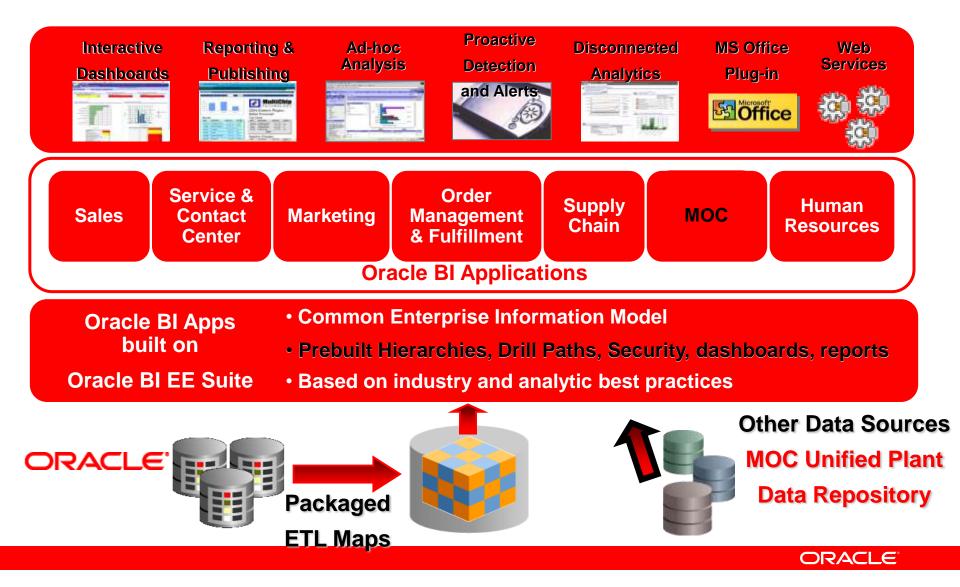
Manufacturing Operations Center

- Real-Time Intelligence for Plant Operations
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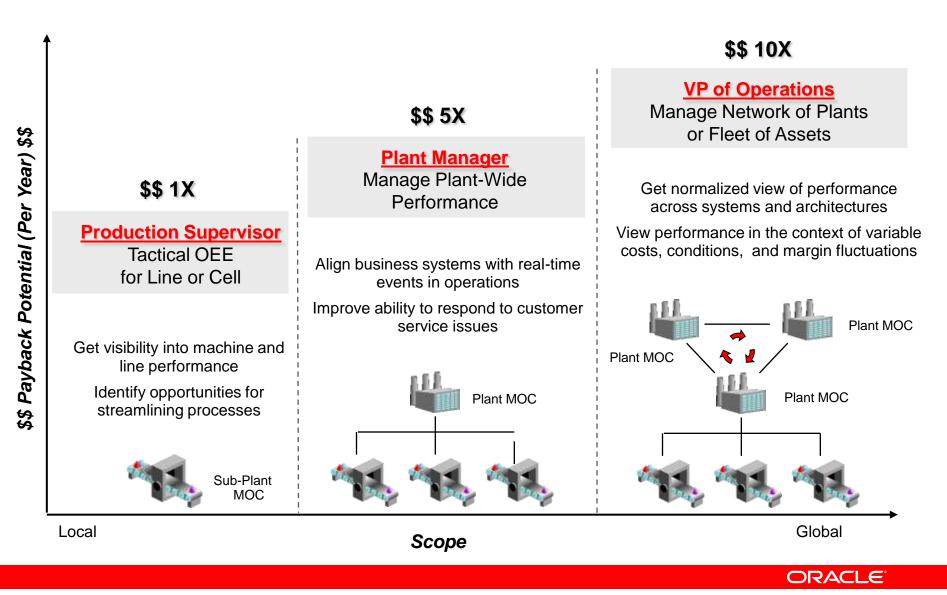
Oracle BI Applications

Multi-source Analytic Apps Built on BI Suite EE



Business Benefits & ROI

Generate Value Regardless of Implementation Scope





Customer Program



G James Goes Live on MOC in 13 weeks

- Australia's leading integrated glass and aluminum window manufacturer
 - Implemented EBS R12, currently live on Financials
 - Implemented MOC, without waiting for EBS roll-out to complete
- Plans to deploy entire suite of Oracle EBS
 - Other products include Configurator, Flow Mfg, Financials, Procurement, Order Mgmt, Mobile Supply Chain Applications....
- Decided to implement MOC right away without waiting for ERP rollout to complete



- Time to value 13 weeks
- The deployment contains all 32 equipment from the Tool Room department that manufactures dies for Aluminum extrusion.
- On the go-live day, the MOC instance contained 2,000+ items and 80,000+ transactions
- Rolling out MOC to 4 other plants



SIP and RapidValue Program

- Strategic Implementation Partner (SIP) Program
 - Oracle Development would commit to provide close supervision and ensure a successful implementation
 - Weekly calls with customer, Oracle support and consulting partner
 - Executive sponsorship on both sides
 - Complete focus on results and ROI
- RapidValue Program from Geometric, Oracle Partner
 - No risk, low cost, fixed scope implementation program
 - Clear, well defined functional scope and project plan
 - Using pre-defined templates for application modeling, acceptance testing and user training
 - Get to value in 10-12 weeks





Product Roadmap



Roadmap



First Release

12.1.1 - May 2008

dimensions for

Time, Product

and Equipment

Data integration

with other

Connectivity

management &

contextualization

systems

Device

Data

Hierarchical

First Release 12.1.1 – May 2008

- Open/Flexible ISA-95 based data model
- Role based dashboards
- MOC Catalog KPIs and Metrics
- ERP Adaptor for EBS Discrete Mfg

12.1.1.01 – May 2009 • EBS Adaptor f

- EBS Adaptor for Process Mfg
- Extensible attribute framework enhancement to monitor process quality
- Item category enhancement
- Enhancement to equipment production performance

CY2010 (Planned)

New Solution for Green Operations

- Modeling mfg and facilities hierarchies
- Top down & bottom up approaches for electricity consumption
- Identify opportunities for energy and CO₂ emissions reduction

Future Candidates

- Integration with JD Edwards, Production Scheduling
- Lean KPIs

- Event Managem
 - Management Framework

12.1.2 - Dec 2009

 Automated actions based on shop floor events







Sensing tomorrow™

Oracle's "New" Operations Center for Green (Planned)

Sustainability Leads to Better Performance

During the current economic slowdown, companies that show a "true" commitment to sustainability appear to outperform their industry peers.

- Source: Bloomberg: A.T. Kearney Analysis

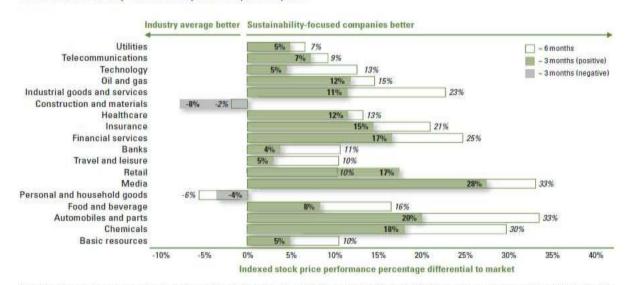


FIGURE: Sustainability-focused companies outperform peers

Note: Indexed stock prices at - 3 months = September 8, 2008 and - 8 months = May 19, 2008 to current date, November 24, 2008. Percentage performance differential calculated by taking the percentage point difference of averaged sustainability companies indexed performance to the market indexed performance over the market indexed perofimance. Sustainability companies incluide DJSI World 80 2008/2009 + DJSI 2008 Supersector Leaders + Goldman Sachs SUSTAIN focus is its for mature industries.

n=99 sustainability companies

Sources: Bloomberg: A.T. Kearney analysis

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... sustainability is a mother lode of organizational and technological innovations that yield both bottom-line and top-line returns. Becoming environment friendly lowers costssmart companies now treat sustainability as innovation's new frontier. - Harvard Business Review, Sept 2009

Energy Consumption – Key Focus Area for Sustainability

		Discrete				1	Process						Services			
Focus area	Tetal	High Tech	histochal Mig	Ашылар	Forusarea	Tetal	Ormical	Ol and See	Lorge	Life Sciences	CPG .	Focus area	Total	these is	intolessie Eht.	Detupor-
Immediate	Process and	Coperation				Immediat	Process and	Operation			1	insediate	Process and	Operation		
nergy consumption	77%	717k	82%	75%	Energy consumption	77%	785	825	77%	75%	73%	Energy comumption	77%	79%	82%	57%
teduction of solid waste	39%	55%	71%	54%	Reduction of solid waste	32%	72%	325	52%	25%	60%	Reduction of solid waste	59%	52%	39%	43%
beduction of liquid waste	40%	45%	40%	54%	Reduction of liquid waste	45%	20%	29%	38%	54%	50%	Reduction of Bquild wants	48%	34%	36%	38%
leduction of gaseous emissions	679.	38%	4675.	3994	Reduction of gaseous emissions	45%	\$2%	56%	42%	61%	38%	Reduction of gaseous anitsions	41%	34%	25%	62%
Sean water consumption	12%	41%	29%	29%	Clean water consumption	10%	25%	4176	38%	29/14	40%	Clean water consumption	35%	37%	32%	45%
Future Stratigi	c and Compl	laoca Report	ing'i		Fi I	state Strating	ic and Comple	ance Reports	ng			Putura Strategi	and Compile	ance Reports		
Remate energy source discovery	30%	38%	1876	32%	Alternate energy source discovery	38%	28%	41%	47%	22%	38%	Alternate energy source discovery	36%	48%	29%	43%
otal carbon footprint reduction	30%	38%	20%	11%	Total carbon feetprint reduction	30%	25%	38%	22%	32%	38%	Total carbon footprint reduction	30%	48%	29%	29%
ustainability reporting (GRI)	24%	2814	10%	11%	Sustainability reporting (GIII)	24%	20%	36%	22%	25%	31%	Sustainability reporting (GHG	24%	31%	11%	24%
arbon trading initiatives	22%	17%	18%	54%	Carbon trading initiatives	29%	4%	33%	34%	18%	4%	Carbon trading mittatives	20%	24%	21%	29%
angle star	312	.29	28	.28	Sample size	19	25	79	12	29	26	Sorigtie site	303	29	28	

d environmental actions—by vertical Table 1: Focus areas for sustainability and environmental actions—by vertical (continu

Source: AMR Research, "Sustainability Strategies: The New Age of Carbon", Stephen Stokes and Kevin O'Marah, June 2009

Industries can achieve 20% energy reduction resulting in \$19 billion of savings by implementing energy savings initiatives....

- US Department of Energy Study



Sustainable Supply Chain Operations Green and Sustainability in Every Aspect of Business

D	Life-cycle phase	Examples of SCM sustainability efforts				
Design Return/	Design	Initiating design for the environment (DfE) and recycling (DfR) programs, implementing environmental cost accounting				
recycle Source	Source	Implementing vendor scorecards to audit and certify sustainability levels, sourcing locally where possible, controlling supplier transportation mode decisions				
Manufacture	Manufacture	Optimizing asset utilization through predictive maintenance, moving from "end of pipe" to holistic life-cycle analysis, reducing facility energy usage, implementing environmental management systems (EMS)				
Service	Distribute	Reducing and recycling packaging, measuring the carbon footprint and incorporating offsets in logistics decisions, increasing consolidated loads, participating in the EPA SmartWay Transport Partnership program				
Distribute	Service	Optimizing field service routing and trunk stock to minimize drive times, incenting repair versus replace, implementing continuous improvement feedback programs with product design teams				
FORRESTER	Return/recycle	Remanufacturing and recycling programs to sell products into secondary markets, rolling out no-charge take-back programs				

Source: Forrester Research, "Supply Chain Leaders : Your CEO Wants To Know Your "Green" Strategy – Do You Have One?", Patrick M. Connaughton, December 17, 2007

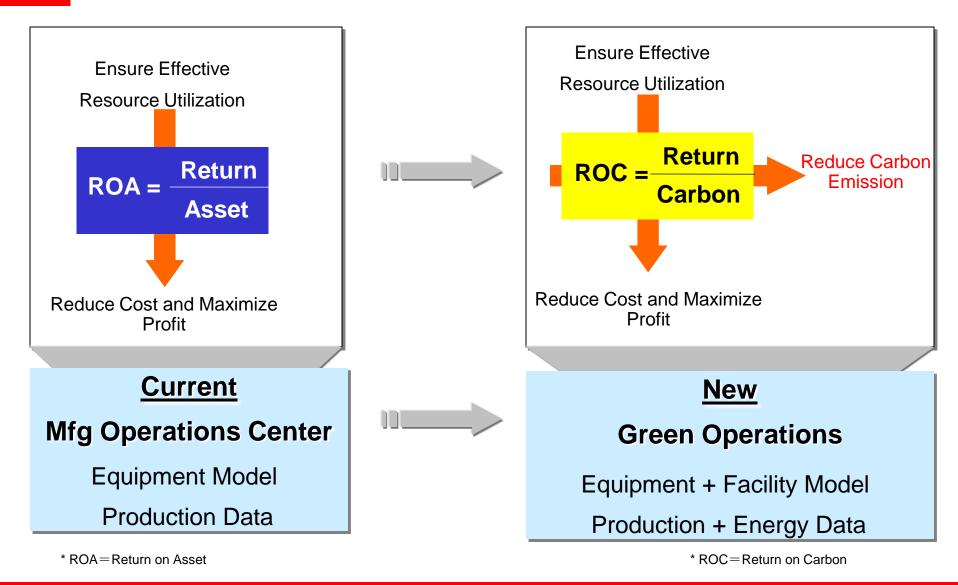


"New" Oracle Solution for Green Operations

- Top-Down and Bottom-Up approach to Energy Management
- Track Energy Use and CO₂ emissions in *manufacturing and non-manufacturing facilities*
- Normalize and correlate energy consumption to operating conditions and production output
- Identify specific opportunities for energy efficiency and reduction in CO₂ emissions
- Leverage as a certifiable data repository for energy usage reporting based on GRI framework and GHG protocol
- A solution that integrates directly to automation systems, meters and sensors
- Built in collaboration with OMRON Corporation, a leader in environmental sustainability

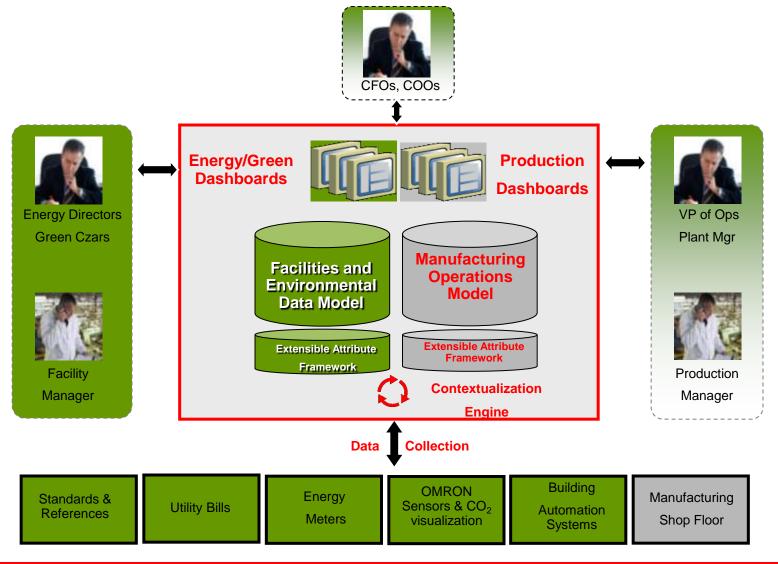
Solution for Energy Efficiency and Reduction in CO2 Emissions

Enabling Return on Carbon (ROC)

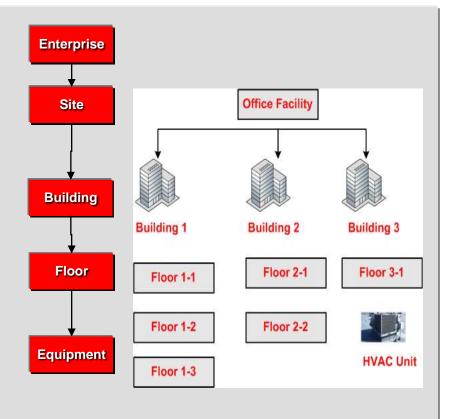


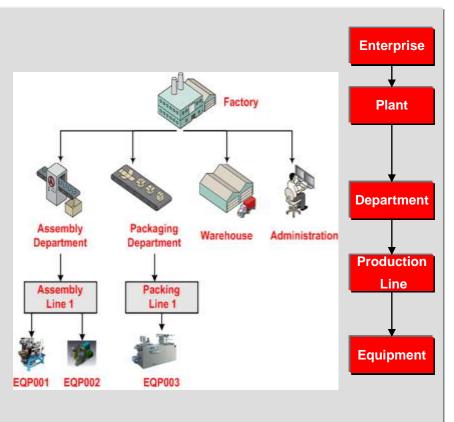
"New" Oracle Solution for Green Operations

Solution for Energy Efficiency and Reduction in CO₂ Emissions



Solution Capabilities Flexible Entity Modeling and Hierarchies





- Model Production and Non-Production Facilities/Site
- Flexible Hierarchy & Entities Definition Sites, Buildings, Floors, Departments, Equipments, etc.
- Model utilities as energy sources, energy costs & other key attributes

O Laptop

LightingOther Energy

Add Emission

Select *Emission

O CO2

O co

Emission: Electricity

O Production (for Equipment)

Inactivate Activate

Flexible Entity Modeling and Hierarchies

Emission UOM

KG

GM

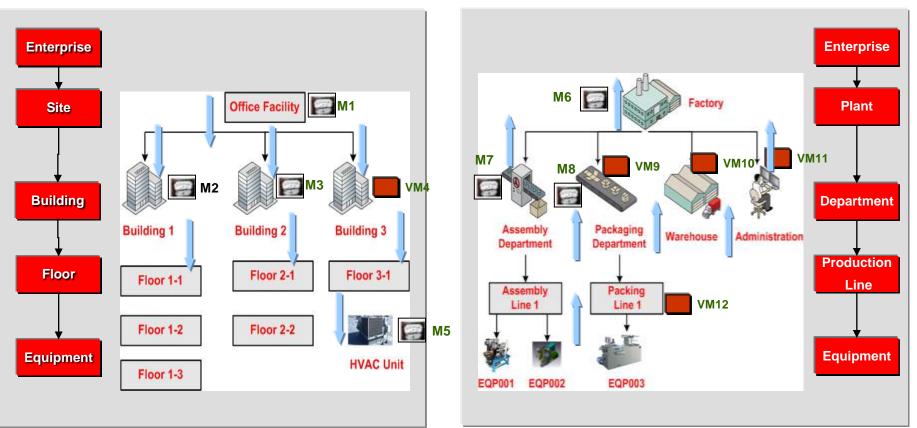
Sustainability Aspect Setup	View Site Sustainability Aspect De	stails			
Define Sustainability Aspect					
Update Aspect					
Select Sustainability Aspect		Site PLANT2		Sustainability Aspect Elec	ctricity
Electricity	N	From Date 01-Jan-20 lumber of Sources 1	10	To Date	
Usage Category: Electricity	Cost and Emission Factor Details				
Add Category Inactivate Activate	Select Source	Туре	Planned Usage(%)	Cost	Currency
Select *Usage Category	Caim Energy	Utility	100	3	USD
Air-conditioning Compressor	Emission Factor Details				

Emission	Emission Factor	Status
002	1	Active

Entity Hierarchy

\$	😑 Planti	01-Jan-1900	Unassigned
\$	🖃 PAN-CRT(P3)	05-Nov-2009	Plant1
Φ	E KETTLE-1	05-Nov-2009	PAN-CRT(P3)
	MIXER1	05-Nov-2009	KETTLE-1
	MIXER2	05-Nov-2009	KETTLE-1

Automatic Data Collection from Meters and Sensors



- Model Meters and tie them to sensor tags for data collection
- Model multiple Virtual Meters for Calculations, Simulation and Scenario Comparison

- Use Virtual Meters for Aggregation and Allocation
- Support for 'Top Down' allocation and 'Bottom Up' aggregation

Solution Capabilities Meters & Meter Readings

Meter Entity Association

*	Entity Hierarch	y Depar	tment Hierarch	iy 👻	* Entity	EQUIPMENT	*
	* Entity Nam	e Mixer1	1	s	ustainability Aspect	Electricity	
	Usage Categor	v		~			
Searc	h Results	5	Go Clear	¢.			
							1
			ssignment	Inactivate A	ctivate		
Assi		update A			ctivate y Meter Category	/ Simulation Nan	ne Status

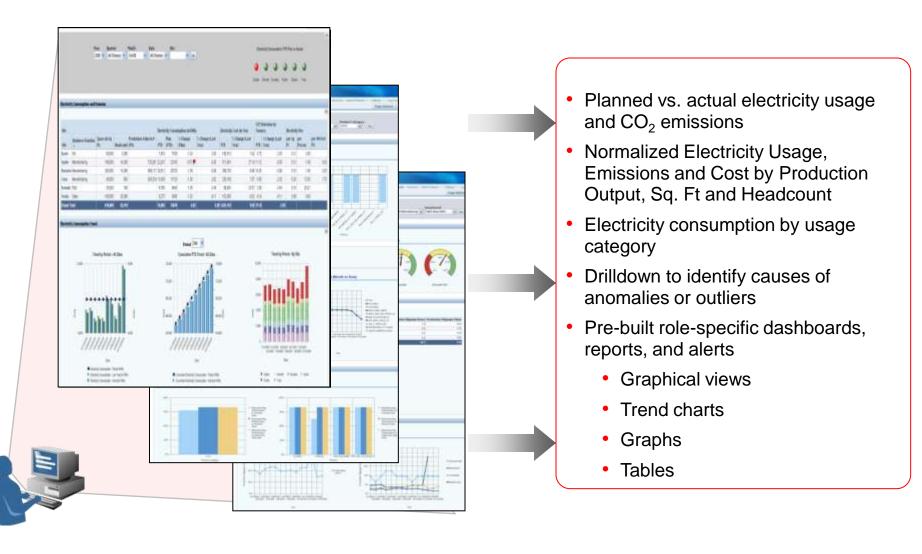
- Define and associate meters to entities in the hierarchy
- Model Actual and Virtual Meters
- Collect meter readings through tags

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Meter History Reading

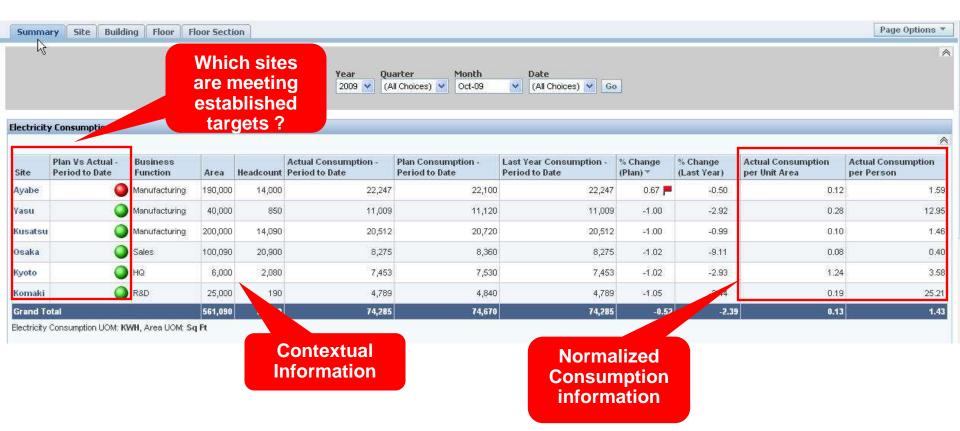
Entity Hie	Apsect Electricity rarchy Equipment Hierarchy 01 Name Mixer11 Meter METER 0001				Meter Type Entity Type Meter Code	Equipmer
*From Time	*To Time	*Usage Value	Usage UOM	Process	Action	
04-Jan-2010 22:00:00	04-Jan-2010 22:59:59	15	KWH	N	/ 1	
04-Jan-2010 21:00:00	04-Jan-2010 21:59:59	13	KWH	N	28	
04-Jan-2010 20:00:00	04-Jan-2010 20:59:59	10	KWH	N	2 11	

Green Dashboards and KPIs





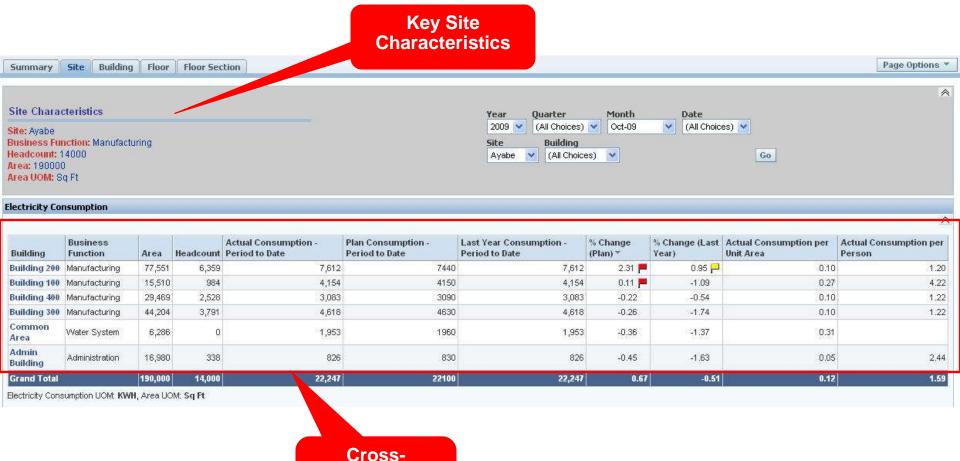
Solution Capabilities Powerful Analytics – Always with Context





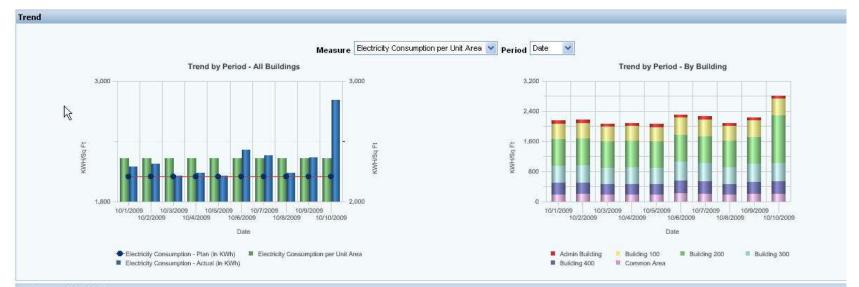
Site Level Energy Consumption and CO₂ Emissions

Building Comparison

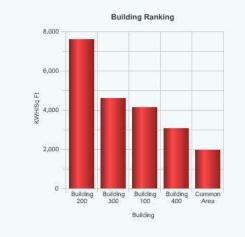


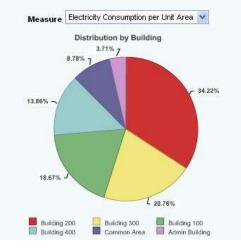


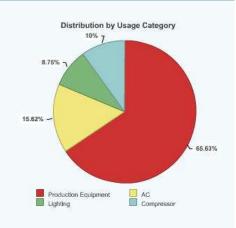
Solution Capabilities Trend Charts & Graphs for analysis



Ranking and Distribution

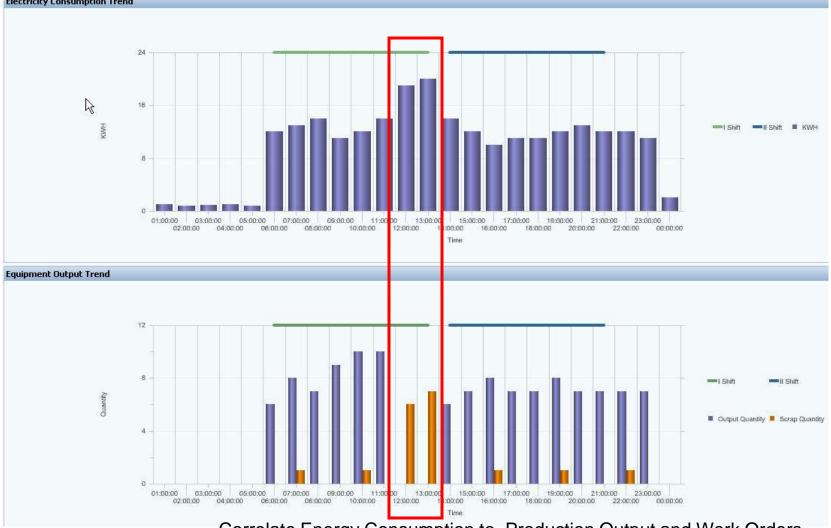






Solution Capabilities Contextualize Energy Usage to Production





Correlate Energy Consumption to Production Output and Work Orders

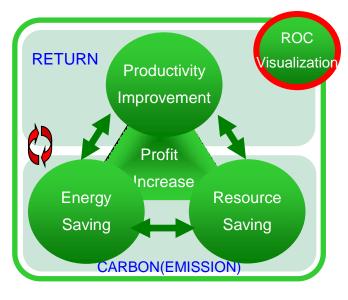
Contextualize Energy Usage to Production





Correlate Equipment Status to Operating Parameters

Summary And Key Takeaways



ROC Visualization;

New paradigm to increase productivity and profit under lowcarbon-emission control.

- Sustainability is an "opportunity", not just an obligation
- Energy efficiency should be top priority out of all sustainability initiatives
- Oracle is announcing a "New" solution for energy efficiency and reduction in CO₂ emissions
- "New" solution delivers value to all operations and facilities – manufacturing and general commercial
- "New" solution combines best in class software from Oracle and technology and expertise from OMRON
- Planned availability of solution CY 2010











For Additional Information

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