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Enterprise Management Consulting Services, Inc.



Why Operations Intelligence Is Needed to Augment Your Business Intelligence Strategy

And How Every Angle Fills the Operations Intelligence Role

Introduction

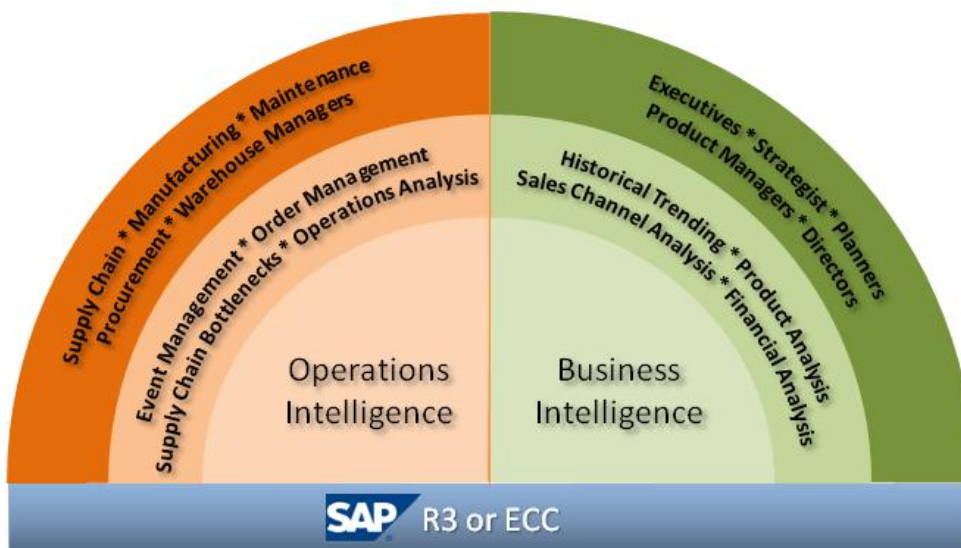
Let's face it, your business is complex. The kind of information needed for executive management and strategists is very different from that needed by middle management, plant workers, buyers, planners, warehouse foremen and other operations workers. Finding tools and technologies to support "business intelligence" is not difficult considering the many products and approaches available in the market. The question becomes *how to provide your operations team with the tools they need to support the dozens, hundreds, or even thousands of decisions they make every day; decisions about material purchases, maintenance actions, production runs, shipments to customers, and more?* AMR addressed this issue and coined the term "Operations Intelligence" to focus on the very technologies and disciplines that directly impact the day-to-day operations of your business.

Click here to see the Industry Week article by AMR:

[Operations Intelligence Augments Business Intelligence \(AMR Research -Jan 2007\).](#)

In this white paper we will answer 3 questions:

1. What is Operations Intelligence and how does it differ from Business Intelligence?
2. What Value can your business gain from Operations Intelligence?
3. What is Every Angle and how does it fill the role of Operations Intelligence?



Most Business Intelligence Looks in the Rearview Mirror

"Running today's global manufacturing enterprise on ERP and traditionally implemented BI is like driving down the New Jersey Turnpike in reverse at 65 mph using only the rearview mirror."

"Operations Intelligence Augments Business Intelligence"

AMR Research
In Industry Week (Jan 2007)

Moving Information to the Front Lines

"...integrating business intelligence into operational processes could allow companies to react faster to changing business conditions..."

"Five Key Business Intelligence Trends You Need to Know"

Diann Daniel
CIO Magazine

What is Operations Intelligence and How Does it Differ from Business Intelligence?

The fastest way to distinguish Operations Intelligence (OI) from Business Intelligence (BI) is to consider two questions:

1. Who are the primary users?
2. What kinds of business questions do these users need to answer?

Who are the Primary Users?

Operations Intelligence	Business Intelligence
Supply Chain	Executives
Manufacturing	Strategists
Maintenance	Planners
Procurement	Product Managers
Warehouse Managers	Directors

What Questions Need to be Answered? (examples)

Operations Intelligence	Business Intelligence
What sales orders are in jeopardy of being late this week?	What were my sales last month?
Which invalid material reservations are costing me money?	Which product line was profitable last month?
Which late purchase orders are causing customer negative service issues?	What products are contributing most/least to corporate profitability?
And More...	

In general, OI is focused on supply chain events that are happening **right now** or in the very **near future** and may necessitate specific actions to be taken immediately. OI is based on transactional data at a very granular level and originates from multiple areas of the supply chain. OI enables users to resolve daily task, solve or prevent supply chain issues and improve the overall operations of the enterprise.

By contrast, BI focuses on aggregated data about the past and the sweeping changes the organization must take to perform better. BI takes into consideration historic data over long periods of time giving a broad view of business performance. BI often concentrates on financial and sales information considered important for tactical decisions such as sales trends, revenue by sales channel and top down financial data.

How Does OI Differ from BI?

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Two Questions Distinguish OI from BI

1. Who are the Primary Users?
2. What Questions Need to be Answered?

What Value can Your Business Gain from Operations Intelligence?

ERP Systems are incredible transaction processors, handling thousands and even tens of thousands of transactions per day. But ERP systems are not as effective when actionable information is required. Creating actionable information from these transactions is where OI gives your company a competitive advantage. OI provides your business the ability to view information across your entire supply chain linking together the complex web of orders, stocks, reservations, allocations, due dates, and more to allow you to manage your operations in a more decisive manner. As a result, your business can move towards optimized processes, reduced cost and increased service levels.

Let's look at a few examples of OI's value to your business.

Late Shipments to Customers – Late shipments lead to higher transportation costs through expedited shipments, late order penalties, dissatisfied customers, or worse, lost business. OI provides the information to correct the cause of these late shipments before they happen by giving you a view of the upstream supply chain and the ability to make corrective decisions. Without IO, companies are left to analyze orders on a screen-by-screen basis. Just one order could take hours or even days to assess. Consequently, most companies don't perform the analysis at all. They simply wait for the negative event to occur and then react!

Delays in Supply – This is the ability to identify late vendor or inter-company orders that impact the supply of raw materials for manufacturing. By identifying these needs immediately, your business is able to correct problems before they impact manufacturing and consequently the timeliness of customer deliveries.

Spikes in Demand and Large Orders – Unexpected spikes in demand can catch planning by surprise, which then pushes the demand back to your vendors who are subsequently not able to ship in a timely manner and in turn jeopardizes your customer deliveries. With OI, purchasing can inform suppliers how much of a product they need for critical orders and prioritize the partial shipments to cover immediate needs.

Stock Overage and Stock Shortage – Stock can be one of the largest costs for a company. Therefore, spending your money on the correct stock at the correct time is critical. OI is used to analyze stock levels and their relationship to all types of orders. One result is the ability to manage stock to an optimal level and keep unnecessary purchases to a minimum.

The Value of Operations Intelligence

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Data Analysis – Having an OI tool centralizes data for users and reduces time spent assembling data for analysis. One example of this is a customer that used OI to reduce the time spent creating reports from multiple data sources within the maintenance department. Prior to implementing OI, the customer spent an average of 40 hours a week to assemble data, create spreadsheets and distribute the final reports. Utilizing OI, they were able to reduce that time to 30 minutes per day giving them more time to analyze data and make informed decisions.

What is Every Angle and how does it fill the role of Operations Intelligence?

Every Angle is a first-of-its-kind Operations Intelligence software product that is engineered specifically for SAP. Every Angle is designed to deliver Operations Intelligence for shipping, procurement, manufacturing, financial, and human resources. In addition to placing over 850 SAP fields at your finger-tips, Every Angle derives over 20 exclusive attributes from SAP data to give you instant insight into your business.

These customized attributes allow your business to:

- Quickly determining service levels in manufacturing, shipping and purchasing through “Delivery Reliability”.
- Find bottlenecks in the supply chain.
- Link together “Dependent” and “Delivering Orders” to give your business a full view of your supply chain.
- Determine allocation of production and purchase orders to determine the possibility of excess stock before it occurs.

Let’s look at a few of the exclusive Every Angle attributes in detail:

Delivery Reliability of Orders: The delivery reliability of an order shows whether an order is already late, or is in jeopardy of being late. Through exclusive derived fields, Every Angle performs complex calculations to determine the expected delivery date of orders (sales, production, transfer and purchase) using standard SAP parameters such as stock availability, supplying order dates, delivery tolerances etc. Every Angle informs you when an order is in danger of being late and where in the supply chain the issue resides.

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Delivery Reliability of Orders

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Bottlenecks within the Supply Chain: A “bottleneck” is a reason for not meeting the order due date (of a sales order, work order, intercompany delivery, etc). Every Angle analytics empowers companies to detect and solve bottlenecks in the supply chain by examining the network of orders and stocks to determine the cause and necessary action. Bottleneck types are divided into two groups: planning mismatches (time and quantity) and execution. Examples of bottlenecks include “Delay in Order Creation and Release”, “Delay Supplier”, “Delay in Distribution”, “Delay in Intercompany Delivery”, and more... Every Angle not only tells you WHERE the bottleneck resides, but also WHY.

Delivery Reliability Dependent and Delivering Orders: The “Delivery Reliability Dependent Orders” and “Delivery Reliability Delivering Orders” indicates if there are orders “dependent” on the specific order of interest and if that order is going to be late. The “Dependent Order” looks downstream in the supply chain showing the effects of order timing while the “Delivering Order” looks upstream in the supply chain and shows potential future problems the delivering order may cause. This powerful functionality enables the user, in one view, to easily link and analyze the cause and effect relationships within the flow of goods.

Output Allocation %: The “Output Allocation %” enables the user to see the remaining open quantity needed to cover the requirements of the related dependent orders. This allows analysis of purchasing requisitions and planned orders to determine if the related order or requisition is necessary to meet a demand or risk purchasing excess stock.

How does Every Angle Work?

The challenges of supply chain operations require a reporting tool that is easy to use yet powerful enough to “hide” the complexity of SAP R/3’s data structure and transactional cross-functionality. Every Angle’s intuitive user interface and easy 4-step wizard offers this power in such a way that process analysts can use the many pre-defined “angles” or create their own ad-hoc “angles” in a matter of seconds.

Performance

Every Angle is engineered to work with large amounts of complex data efficiently making it an effective tool in solving operational issues. This unprecedented performance is achieved by ground breaking technology called “Live Objects in

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Delivery Reliability of Dependent and Delivering Orders

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Memory". This technology stores data in memory and provides results to users in mere seconds; and measured to be 10,000 times faster than traditional ABAP.

Installation and Customization

It is not uncommon for companies to require custom SAP fields. Every Angle's configuration tool allows for the addition of any custom field available in SAP, and with no ABAP changes!

Every Angle's design keeps things simple. The 4-step angle wizard and an exhaustive help text on every field limit the end user training requirement to 2 – 3 days. The EMCS delivery team provides SAP expertise, customized training and phone support to all of our customers.

More Information

Businesses in Europe have been using Every Angle to improve their performance for over 10 years. Now for the first time Every Angle is available to businesses in North America.

You know your business; Every Angle can help it perform better. There are three easy ways to explore further:

1. Request a live demonstration
2. View video demonstrations and informational videos on our website at www.emcsi.net
3. Contact a representative:

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How Does Every Angle Work?

The power of Every Angle's intuitive user interface "hides" the complexity of SAP R/3's data structure such a way that process analysts can use the many pre-defined reports or create their own ad-hoc reports in a matter of seconds.

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