Silicon Graphics, Inc.

Oracle WMS Implementation

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About SGI

• Leader in high-performance computing, visualization and storage
• FY2005 revenue: $730 million
• World class customers:
  - 60% of Fortune 100
  - 40% of Fortune 500
  - World leading research organizations
  - Government and civilian agencies, all major defense system integrators
### SGI Oracle Application History

<table>
<thead>
<tr>
<th>Date</th>
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<tbody>
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<td>January 1996</td>
<td>10.5</td>
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<td>Fall 1999</td>
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WMS Key Decision Factors

• Integration
• Interface expenses
• Application flexibility
• Maintenance and support
Major ROI Justification Points

• Reduce labor requirements
• Reduce inventory write-offs
• Reduce total inventory
• Reduce warehouse space requirements
• Reduce shipment errors
• Reduce picking times
• Increase cycle count accuracy
Implementation Scope

• Simple WMS rule architecture
• New RF technology
• Focus on big gains
• No outside consulting
Implementation Schedule 2002

• Attended WMS training - February
• Purchased software - March
• Upgraded to DMF G - May 11
• Created test environment - May 20
• Go live - July 1
Go Live Experience

• Converted existing inventory org to locator controlled
• Performed physical inventory
• Setup rules and item attributes
• Setup exception handling
• Addressed major issues
• Provided training
Implementation Stabilization

• Business process issues
• Software stability and setup issues
• Other factors and issues
• Oracle WMS Development support
Initial Implementation Lessons

• Locator control sub inventories in advance
• Understand cost group functionality
• Use pre-printed LPNs
• Discuss experience with other implementers
• Ensure adequate testing time
ROI After Six Months

✓ Reduced labor requirements
✓ Reduced inventory write-offs
✓ Reduced total inventory
✓ Reduced warehouse space requirements
✓ Reduced shipment errors
✓ Reduced picking times
✓ Increased cycle count accuracy
Continuous Yearly Improvement

• WMS enabled two more inventory organizations
• Improved warehouse operations
• Improved shipping operations
• Moved to a smaller warehouse space
• Eliminated custom MES