



Supply chain management strategies for volatile demand



Supply chain complexity combined with demand volatility led Hubbell to a solution that can dynamically align demand and supply, and enable faster response to fluctuating demand.

Hubbell Lighting Inc., a division of Hubbell Incorporated (NYSE: HUBA, HUBB), provides a full range of indoor and outdoor lighting products for commercial, industrial, institutional and residential markets. Headquartered in Greenville, South Carolina, they rank among the top lighting companies in the world.

Given the nature of its business, Hubbell Lighting operates a highly complex supply chain consisting of:

- ▶ a diverse product portfolio with varying product life cycles (longer cycles for commercial products, much shorter for residential)
- ▶ differing supply models (make-to-stock, make-to-order)
- ▶ multiple sales channels (direct and distributors)
- ▶ multiple plants (in the US and overseas), and considerable outsourcing

All in all, Hubbell is a clear example of today's globally distributed, multi-enterprise supply chains. The complexity on top of the challenge of volatility and the urgent need for responsiveness has brought about greater focus on their supply chain management strategies.

The Hubbell Lighting challenge

Increasing demand volatility has made planning based on historical trends irrelevant or impossible. Hubbell is heavily foreign-supplied (yielding increasing lead times), so it needs to cut out as much as possible in the supply chain to decrease lead times in order to stay as close to the demand signal (have as much visibility into near-term demand) as possible. The objective is to operate in a 'just-in-time' type of environment with a leaner, demand-driven supply chain. Inventory risks in this environment are high, so understanding inventory positions at all times is a necessity.

With such volatility of forecasts and orders, there is a great need to quickly understand the impact of unexpected change, determine the action alternatives, and then execute to minimize or avoid any financial and customer service losses.

The RapidResponse advantage

Kinaxis® helps Hubbell to dynamically align demand and supply. Hubbell Lighting is using RapidResponse® to help assess and mitigate supply chain risk, as well as respond to unplanned events.

In response to fluctuating demand, with RapidResponse, Hubbell:

- ▶ completes daily supply chain runs (to continually reconcile demand plans to reality)
- ▶ instantly calculates and re-calculates "what-if" analysis supply scenarios (in close collaboration with suppliers)
- ▶ creates structured scorecards to understand operational impact of changes and to compare action alternatives against set KPIs

The results speak for themselves

Overall, with RapidResponse, supply chain risk is more visible throughout the extended supply network and enables supply chain teams throughout the organization to act swiftly and confidently in response to the changing landscape.

"What-if" analysis (i.e. used for procurement in particular) can be done in a matter of minutes, and empower front-line staff to make the most profitable (or least costly) decisions quickly.

And inventory management has become significantly more effective with the demand and supply chain visibility and analysis capabilities offered by the RapidResponse solution.



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About Kinaxis Inc.

Offering the industry's only concurrent planning solution, Kinaxis helps organizations around the world revolutionize their supply chain planning. Kinaxis RapidResponse, our cloud-based supply chain management software, connects your data, processes and people into a single harmonious environment. With a consolidated view of the entire supply chain, you can plan expected performance, monitor progress and respond to disconnects when reality hits. RapidResponse lets you know sooner and act faster, leading to reduced decision latency, and improved operational and financial performance. We can prove it. From implementation to expansion, we're here to help our customers with every step of their supply chain journey.

This case study is accurate as of the date published and may be updated by Kinaxis from time to time at its discretion.

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