

Supply chain responsiveness in seasonal business environment



By deploying RapidResponse, MTD has been able to increase supply chain responsiveness, reduce inventory safety stock and improve order promise date accuracy.

MTD is a leading global manufacturer of outdoor power equipment, designing and building award-winning products for lawn and garden needs of both residential and commercial markets. The company has ten manufacturing facilities worldwide with two major divisions – handheld and wheeled products – that sell eight brands to big-box and independent retailers.

The MTD challenge

Due to the nature of MTD's products, the company operates in an extremely seasonal business environment. To support the significant influx of sales in spring and summer, nearly 70 percent of the company's manufacturing occurs between the months of November and May. Adding to the seasonality, weather also plays a significant factor in MTD's overall business cycle. Sales promotions and unseasonable or extreme weather conditions cause weekly forecast changes most often requiring MTD to adjust its level of supply to meet unanticipated customer demands.

Such volatility and concentrated seasonal activity can cause considerable supply chain challenges for both MTD and its suppliers. Accordingly, MTD must be armed with the ability to make informed decisions to rapidly respond to customer and engineering changes and to dynamically align demand and supply accordingly. Given the nature of the business, there is a window of opportunity in which MTD must act in order to fully capitalize on the market potential.

The RapidResponse advantage

MTD uses Kinaxis® RapidResponse® to quickly ascertain the impact of changes on its supply chain and to more closely and continuously link demand and supply.

RapidResponse integrates with the company's MAPICS ERP system and pulls data from the company's data warehouse. With comprehensive information on hand, RapidResponse allows MTD to perform "what-if" analysis scenarios to simulate changes in production schedules, driven by customer demands and material constraints, to determine if its supply chain is capable to support changes.

Additionally, RapidResponse helps MTD quickly and accurately report on inventory levels by planner and supplier, which is useful for preparing for inventory reductions in the off season. Likewise, the tool allows MTD to develop sophisticated shortage reports that enable the manufacturer to know what parts are not on hand for scheduled builds and on what day they will run out.

The results speak for themselves

Originally purchased for the Material Planning group, throughout the years, RapidResponse has become a tool that has served many functions. A testament to its value, RapidResponse is now used extensively in the Purchasing, Scheduling, Accounting and Demand Management groups.

RapidResponse's "what-if" analysis capabilities and custom shortage reporting have enabled MTD to not only react more immediately to unexpected customer demands, but also to know exactly which parts to expedite, how many and when. The solution has been integral to MTD's reduction in safety stock and lead times, as well as in providing more accurate promise dates for finished goods and early identification of potential stock outs on components. These core competencies of RapidResponse have ultimately yielded improved customer service for MTD. RapidResponse also provides MTD with the ability to perform cost analysis, supplier spend analysis and engineering change analysis. The information presented in RapidResponse is formatted in a way that helps decision-making more effective and efficient. It has cut down spend analysis time by more than 50 percent.

Looking forward, the company is currently in the process of aligning RapidResponse with its Master Scheduling tool, as well as leveraging it to further support its Sales and Operations Planning (S&OP) initiatives.



www.kinaxis.com

Kinaxis World Headquarters
700 Silver Seven Road
Ottawa, Ontario K2V 1C3
Canada

tel: +1 613.592.5780
toll free: +1 866.236.3249
support: +1 866.463.7877
fax: +1 613.592.0584
email: info@kinaxis.com

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.

Copyright © 2017 Kinaxis Inc. All rights reserved. Kinaxis, the Kinaxis logo and RapidResponse are registered trademarks of Kinaxis Inc. All other brands and product names are trademarks or registered trademarks of their respective holders, and use of them does not imply any affiliation with or endorsement by them. 06.17