



Improving Demand and Supply Responsiveness

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- **J.P. Swanson**
RapidResponse Administrator,
TriQuint

Companies that manufacture components for mobile devices operate in one of the most competitive and volatile industries in the world. This is the environment in which TriQuint Semiconductor does business—where a product lifecycle of nine months is deemed long, and achieving a forecast accuracy of 50 percent is considered a success.

“We can have a customer tell us that they want one million components, then they can come back the next week and tell us that things have changed, and we shouldn’t ship anything for three months,” said J.P. Swanson, RapidResponse Administrator, TriQuint. “We were constantly left with excess inventory, or we didn’t have enough inventory, due to quick demand or supply changes.”

When these large shifts in demand or supply would occur, TriQuint’s customers wanted fast feedback on the impact of those changes. Unfortunately, it sometimes took up to two weeks to provide that information to a customer—and the information wasn’t always completely accurate.

TriQuint recognized it needed improved ability to see the impacts of demand and supply fluctuations before they occurred and plan for multiple scenarios.

The RapidResponse Difference

TriQuint began researching supply chain response management solutions, including those of its incumbent ERP vendor, SAP. Through that research process, TriQuint found Kinaxis®, and within weeks, the Kinaxis team was demonstrating RapidResponse to the senior-level management at TriQuint.

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RapidResponse Administrator,
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“With its long-term pricing structure, functionality, speed, and overall user friendliness, RapidResponse beat the competition hands down,” Swanson said. “Previously, if we wanted to generate a report, we had to get another module and configure those modules with massive implementations and massive costs. With RapidResponse, I am able to generate a report in the same system in a matter of minutes, without even using IT. The speed between systems and the ability to get information out of the system quickly is far superior to anything I’ve ever seen before. Most of our top management was sold after the first demonstration.”

Leveraging RapidResponse for...

- S&OP
- Inventory Management
- Supply Management
- Demand Planning/Demand Management
- Master Production Scheduling
- Enterprise-wide "What-if" Analysis

Implementation Strategy

- Took a phased-approach – rolled out different capabilities to different groups over time to gain a series of small wins and trust in the system
- Made the benefits real to the users – planners identified their specific tasks and training team revealed the process and benefits of doing it in RapidResponse
- Ran weekly knowledge sharing sessions – where different users would demonstrate workbook functionality each time
- Leveraged Kinaxis training and the wealth of training resources available

The RapidResponse Solution

TriQuint currently uses RapidResponse for planning and high-level reporting. TriQuint had never been able to get a true inventory projection, so that was a key deliverable of the project. The planning group uses RapidResponse for company-wide "what-if" scenario analysis, with data change simulation as a critical part of that initiative. The company's monthly sales and operations planning (S&OP) process generates a demand file for the month. With RapidResponse, TriQuint now generates several variations of that demand file that it uses for comparative analysis.

In addition, RapidResponse is at the heart of their S&OP process. "We were able to leverage RapidResponse within our S&OP process," Swanson said. "We were very pleased with the flexibility of the solution to adapt to our business requirements."

TriQuint was able to dramatically improve scenario planning, both in speed and analytical capability. They now make capacity decisions in days versus weeks, respond to customer upsides the same day and were able to reduce their S&OP analysis time for operations from seven days to three days.

During the first 12 months of the implementation, significant focus is placed on building knowledge among the user base, with the goal to eliminate current practices such as creating Excel spreadsheets in non-standard ways. Those practices will be replaced by RapidResponse workbooks that will do the work automatically for them, increasing efficiency and standardizing processes among all of the TriQuint factories.

"We wanted to be able to quickly respond to any customer demand changes, and within just a week or two of going live with RapidResponse, we were already doing that," Swanson said. "It was a huge success."

The manufacturer set another goal to reduce inventory, and just a few months after going live with RapidResponse, inventory reductions are already apparent.

RapidResponse is also used to monitor and manage safety stock levels, allowing the team to review current safety stock levels in units, value and weeks of inventory, based on a variety of scenarios. In addition, TriQuint can project the safety stock levels at lead time, allowing them to pro-actively respond to upsides and understand the implication to safety stock levels down the road.

RapidResponse Implementation and Training

TriQuint took a phased approach to its roll-out, with 35 members of the planning team across four North American sites currently using RapidResponse. "We wanted to start out small and roll out different capabilities to different groups over time," Swanson said. "We want to get it right and have the system dialed in so we get lots of small wins and build trust of the system amongst the team."

TriQuint's highly skilled planning group is very data oriented, with deep knowledge of SAP and Excel. "The biggest challenge in converting our planners was getting them to understand that RapidResponse was configured to plan differently than SAP," Swanson said. "They know why SAP plans the way it does, but we had to ask them 'How do you know it's the best way?' By configuring RapidResponse slightly different than SAP and noting all those little differences, we were able to show our planners in training meetings that RapidResponse actually plans better than SAP. We showed them that SAP has limitations that RapidResponse doesn't. It was a huge win."

During the initial RapidResponse training sessions, planners were asked to identify tasks they do every day that take more than 15 minutes. "We demonstrated how to do those lengthy tasks in RapidResponse, and revealed that data gathering processes that could take an hour or two in the past could be completed in 20 minutes or less in most cases," Swanson said. "We showed them the instant benefits of RapidResponse and how it can solve daily issues."

After the initial training sessions were completed, the team ran training meetings featuring a different presenter demonstrating a workbook, explaining the functionality to the other users, and validating the benefits. "We are really trying to build that RapidResponse knowledge base," Swanson said. "We are empowering the users to leverage the power of RapidResponse."

The RapidResponse training provided by Kinaxis was particularly impressive to Swanson. "The training that Kinaxis offers is beyond the best I've ever seen," Swanson said. "With other solutions providers, if you want to train, you'd better pay for it. RapidResponse is the opposite. They give you all the information you could possibly want. Because of that, in six months, we were already making very advanced workbooks."

TriQuint's Results

In a matter of a few months, RapidResponse enabled TriQuint to dramatically reduce the amount of time that it takes to inform customers on the impact of demand and supply changes. "With RapidResponse, we can assess the effects of customer variation in a matter of minutes, something that could take up to a few days in the past," Swanson said.

TriQuint began to see inventory reductions with RapidResponse a month before the solution even went live. "We weren't even entirely configured and validated with RapidResponse yet, but we were already using the revenue opportunities, potential excess and obsolete inventory worksheets and the inventory analysis worksheets to find areas where we were building excess inventory and didn't need to," Swanson said. "We were able to slow production on those areas, question the forecasting, and minimize the impact of bad decisions."

With faster access to better data, the planning team at TriQuint is able to focus its efforts in more strategic ways than it did in the past.

"We are changing the role of the planner to be more analytical rather than just the data hunter."

- J.P. Swanson
RapidResponse Administrator, TriQuint

"Previously we spent so much time gathering the information that we weren't able to spend enough time analyzing the information, understanding it and doing something about it," Swanson said. "Now that we are able to get information so much quicker and with so much more

detail with RapidResponse, we are upping the level of planning skill that we need. My executive made a great point when she said that this is the planner of the next generation - we are changing the role of the planner to be more analytical rather than just the data hunter. Our team likes the fact that they can use their minds more and they are getting to touch a different skill level because they have more time to do it and more information in front of them to do it with."

Swanson has also seen his own job satisfaction grow as a result of the RapidResponse implementation. "With RapidResponse I have finally found a system that enables me to give anybody the answer they want," Swanson said. "I get to do the things that I've always wanted to do, and I get more done."

RapidResponse has found numerous advocates at TriQuint. In fact, according to Swanson, "It's a great solution for many of our everyday problems. It is now our default when faced with an issues. We'll often say, 'how can we model that in RapidResponse?'"

ABOUT KINAXIS

Kinaxis delivers cloud-based S&OP and supply chain applications for discrete manufacturers and brand owners with complex supply chain networks and volatile business environments. Leaders across multiple industry verticals, including A&D, Automotive, High Tech, Industrial and Life Sciences rely on RapidResponse applications to create a foundation for concurrent planning, continuous performance monitoring, and coordinated responses to plan variances across multiple areas of the business. All founded on a single product, RapidResponse's configurable applications encompass a full spectrum of supply chain processes, including such functions as: S&OP, supply planning, capacity planning, demand planning, inventory management, MPS and order fulfillment. As a result, Kinaxis customers have replaced disparate planning and performance management tools and are realizing significant operations performance breakthroughs in planning cycles, supply chain response times and decision accuracy. From a single product, customers are able to easily model varying supply chain conditions to make both long-term and real-time demand and supply balancing decisions quickly, collaboratively, and in line with the shared business objectives of multiple stakeholders..

To the best of our knowledge, this case study is accurate as of the date published. This data sheet may be updated by Kinaxis from time to time at its discretion.

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