



S&OP for more accurate and flexible processes



Nikon evolved from a standalone system running a monthly S&OP cycle to a more dynamic system that reduces inventory and prevents sales opportunity loss.

Headquartered in Tokyo, Nikon Corporation is the world leader in digital imaging, precision optics and photo imaging technology. Nikon has three major divisions, the largest of which is the Imaging Products division, consisting largely of digital cameras, film cameras, lenses, photographic accessories, software and other products. The Imaging Products division has manufacturing and sales sites throughout Asia Pacific, Europe and North America and ships more than 100-million camera units each year.

The Nikon challenge

In the explosive digital imaging marketplace, Nikon faces challenging business conditions and rising competitive pressures. The multiple planning processes and systems Nikon implemented over the years proved to be unfit to support the short product lifecycles, as well as the ever-growing number of plan exceptions as a result of the volatility in demand and supply. Ultimately, the company's systems and its use of various Excel spreadsheets were perpetuating long planning cycles, and manual processes, which was at direct odds with the fast-paced nature of the industry.

Nikon needed to evolve from employing a standalone system running a monthly sales and operations planning cycle to a more dynamic system that could deliver on the company's goals of reducing inventory and preventing sales opportunity loss by way of more accurate planning and more flexible processes.

The Kinaxis advantage

Upon assessing a number of solutions, Nikon concluded that Kinaxis® RapidResponse® was the best – and only – solution that could address the company's full spectrum of requirements. Nikon chose RapidResponse because of the solution's:

- ▶ robust standard resources and capabilities
- ▶ speed of analytics
- ▶ flexibility to address non-standard business processes
- ▶ rapid global deployment

Nikon now depends on RapidResponse for its sales and operations planning process (often referred to as purchasing, sales and inventory (PSI) planning in the Asia-Pacific-Japan region), leveraging the solution's capabilities for:

- ▶ simulating, comparing and scoring multiple forecast scenarios to determine Nikon's sales schedule
- ▶ improving collaboration with dealers and customers
- ▶ producing realistic production plans that automatically consider all impacting factors (e.g. inventory levels, capacity constraints, production loads)
- ▶ continuously monitoring and measuring the plan against actual, re-calculating and disseminating plans any time the plan is at risk
- ▶ continuous demand and supply balancing across sales sites through dynamic finished goods allocation

Overall, the solution provides Nikon with the ability to access accurate and up-to-date information in a flexible, easy-to-use spreadsheet interface embedded with powerful analytics that is automatically populated with live data feeds from Nikon's existing transactional system. With information from multiple sites and divisions consolidated in RapidResponse, users are able to model data in real-time to instantly simulate and share countless "what-if" demand and supply scenarios facilitating more accurate planning, as well as the necessary mid-cycle assessments that can ensure ongoing alignment of daily actions (and reactions) with Nikon's critical corporate goals.

The results speak for themselves

Nikon deployed RapidResponse across all sites and geographies in seven months (including at its four main manufacturing sites in Japan, China, and Thailand, along with distribution hubs in New York, Tokyo, Amsterdam, and Hong Kong).

After initiating its robust sales and operations planning process supported by RapidResponse, Nikon was able to:

- ▶ improve planning speed and accuracy
- ▶ successfully implement a weekly planning cycle for top-selling products
- ▶ significantly improve overall inventory management (avoiding excess and obsolete inventory while ensuring no stock-outs at the retail level); reduced finished goods inventory by 33 percent
- ▶ shorten cumulative lead times (planning, manufacturing and delivery) to the company's goal of six weeks



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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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