KINAXIS CONTINUES SCM REVOLUTION AT KINEXIONS

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THE BOTTOM LINE

At Kinexions 2016, Kinaxis continued its mission to transform supply chain planning and improve sales and operations planning. Nucleus found that the capabilities Kinaxis delivers with its RapidResponse product can change how organizations perform advanced planning. Kinaxis can deliver value with greater visibility and collaborative problem solving tools, helping organizations uncover problems sooner and solve them faster.

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CONFERENCE THEMES

At Kinexions 2016 in Nashville, Tennessee, Kinaxis focused on how it has revolutionized supply chain planning for its customers and what capabilities it is developing for the future. Some key themes included:

- Next-level Supply Chain Planning – Kinaxis highlighted how its RapidResponse solution connects data from upstream third-party suppliers to incoming order fulfillment capacity, and links these data to the financial health of the organization. As a result, customers can overhaul their sales and operations planning (S&OP) process. Users know in real-time how a potential change in the supply chain will affect the company's bottom line or other important metrics. Instead of siloed data, RapidResponse draws from all parts of the supply chain, including master scheduling, inventory management, supply planning, capacity planning, and order fulfillment, giving users a full view of their operations, helping decision makers be more strategic.

- Digital sensing – One of the keynote addresses focused on how digitization can help companies better understand their supply and demand. With the ability to better measure their real-time supply and demand, organizations are able to match what their customer orders with their capacity to fulfill those orders. Once an organization knows what's possible in its supply chain, the next step is to plan a response based on the both the supply and demand data. From the supply side, the response means producing exactly what customers want, which ensures that the demand response leads to satisfied customers receiving their shipments. Visibility, empowered by data from multiple sources, connects every step of the chain, so organizations can plan and execute more efficiently. The keynote stressed that marrying supply and demand sense with the response at a granular level is contingent on digitization of the supply chain.

- Coming soon – Kinaxis provided a glimpse into the future as it discussed what it is developing in its R&D department. One area of development is a self-correcting supply chain. An extension of the Dark Cockpit, which Nucleus has long-espoused, a self-correcting supply chain would enable management by exception for users and leverage machine learning to automatically address many issues that come up (Nucleus Research, *p203 – Dark Cockpit lights up the supply chain*, November 2015, Nucleus Research, *n167 – Enterprise software must adopt the principles of Dark Cockpit*, November 2013). Due to the complex nature of modern supply chains, RapidResponse gives users many levers to pull in order to rectify a potential problem; introducing automation to the solution would go a long way to reduce the complexity of how to move forward for the user.

Nucleus was encouraged by what it saw at Kinexions 2016. Kinaxis customers were able to easily articulate how they achieved value by linking supply chain management with S&OP. Due to the capabilities of RapidResponse, Kinaxis is positioned to continue as a leader helping companies rework their supply chains. Putting self-correcting supply chains on the product roadmap is additional evidence that Kinaxis is investing to increase ease of use, and mirrors what Nucleus predicts as an area of growing interest in the coming year (Nucleus Research, *q194 – Nucleus top ten predictions for 2017*, October 2016).

One area to monitor is if the Kinaxis partner ecosystem keeps pace with the company's expansion. Although the partners in attendance seemed to fully understand and effectively communicate the value of RapidResponse, a number stressed that the complexity of a customer's business required a high level of expertise. As it grows and expands its target market, Kinaxis will need its strategic service partners to devote resources to ensure their service quality does not become diluted.

ATTENDEE REACTIONS

There were many customers and partners in attendance at Kinexions from companies of all sizes and across a large spectrum of industries. Nucleus spoke with number of attendees to gauge their impressions of what they had seen at the conference and their experiences working with Kinaxis.

MANUFACTURING CUSTOMER

The customer had deployed RapidResponse to replace an existing supply chain solution that used a slow and inefficient planning process. The primary reasons the customer chose to install a new supply chain solution were to address long lead-times, outdated demand forecasts and S&OP reviews. In addition, human error, over-committing, and batch updates were all costly issues associated with the old system. Identifying issues took days rather than hours or minutes. Once the customer deployed RapidResponse, the troubleshooting time reduced to a few minutes.

The primary benefits the customer realized include:

- The customer was able to define production capacity levels at each location and build the shipping time into their order fulfillment planning, which has reduced lead-times and increased planning accuracy.

- The customer reported constant visibility of 98 percent of what needs to be done to schedule sales orders all within RapidResponse.

- Since nearly all the order management tasks are done in RapidResponse, users aren't switching between solutions, thereby reducing errors and increasing productivity.

The customer said: *"One of the biggest benefits we've seen with RapidResponse is the scenario planning. We are able to identify issues within our production process. Without the simulation capabilities we could not respond as quickly."*

IMPLEMENTATION PARTNER

The partner has worked with Kinaxis on implementing RapidResponse for a number of years and had come Kinexions 2016 to meet with customers and prospects and deepen its partnership with Kinaxis. The partner was positive about what it had seen in the keynote session focused on what Kinaxis is working on for the future and it saw the value that its customers could get beyond what they already get from RapidResponse.

The partner said: "*The tool is really powerful. There are a few tweaks we would want made that would make our jobs easier, but when customers see what RapidResponse can do for them and how we can get them there, it's easy for them to see the value there. We see IoT* [Internet of Things] *as a growing space for us in the future. The ability of RapidResponse to pull in information from many sources will help our customers with those kinds of deployment needs."*

PROSPECTIVE CUSTOMER

The prospect was attending the conference to get a first-hand look at RapidResponse as the company evaluates different supply chain planning solutions. Due to the specific needs of its industry, the prospective customer requires a solution that is extensible beyond what it delivers out of the box. As a result, the prospect was optimistic about how RapidResponse could fit its business and that the partner ecosystem could deliver the necessary expertise to help tailor the solution to meet its particular use-case.

The prospect said: "*I like what I've seen thus far. We require a solution that can be flexible. Kinaxis appears to be able to address the particular needs of our company, which are incredibly complex. Of the systems we're considering, I'd say that RapidResponse is currently the frontrunner."*

KINAXIS' STRATEGY

Kinaxis' mission is to revolutionize supply chain and the S&OP process. This often requires organizations to rethink how they plan within their business. While RapidResponse delivers value to customers on par with other supply chain management solutions, the value proposition is deepened by enabling organizations to link supply chain decisions with S&OP. Through multiple scenario analyses, RapidResponse connects supply chain decisions to their impact on a company's bottom line, and gives users collaborative tools to determine the best course of action.

For those who have been performing S&OP in Excel and refreshing quarterly with batch data, RapidResponse can change how they manage their organizations. As a result, Kinaxis must continue to educate the market how its solution is more than supply chain management and develop its implementation ecosystem so partners continue to deliver the necessary expertise. If it is able to overcome organizational inertia within prospective customers and avoid an implementation expertise shortage, Nucleus predicts Kinaxis will continue to grow at a rapid pace.