KINAXIS®

KNOW SOONER. ACT FASTER.

Demand and supply in an outsourced environment

TERADYNE

With RapidResponse, Teradyne can address fluctuating demand and supply with improved supply chain response management and inventory management capabilities.

Teradyne is a leading supplier of automatic test equipment and interconnection systems that deliver competitive advantage to the world's semiconductor, electronics and network systems companies.

The Teradyne challenge

Teradyne operates in a complex and volatile market. Teradyne's products comprise 3,000 – 5,000 parts each. As Teradyne seeks cost savings through outsourcing relationships, new complexities are introduced into their global supply chain which now spans five Teradyne and four subcontractor sites. Particularly, long lead-times that can hamper responsiveness to change are a constant challenge. One of the most significant challenges is the transmission of frequent demand changes and the inability to lock in the supply with "frozen" demand windows. In addition, outsourcing creates new challenges in terms of inventory liability and managing excess and obsolete inventory.

In addition to an increasingly complex supply chain, Teradyne faces significant demand fluctuations. The market has seen significant upswings during good times, while customers are quick to "slam on the brakes" in soft markets. It is not uncommon to see a product's shipments double in one quarter and be cut in half over sequential quarters.

The Kinaxis advantage

Teradyne came to the conclusion that they required a supply chain management solution with global visibility and rapid response capabilities in order to manage changes in demand, understand supply consumption and how to manage supply disruptions, shorten lead times and reduce excess and obsolete inventory.

Teradyne found that Kinaxis® RapidResponse® had the unique architecture to integrate not only with their Oracle ERP system but also with the ERP systems of their contract manufacturers while enhancing their responsiveness.

Teradyne planners, inventory managers, commodity managers and others utilize RapidResponse to view data across their extended supply chain and to create enabling tools to manage constantly changing business processes and business situations. RapidResponse is a critical tool in terms of helping Teradyne execute the reconfiguration of their supply chain to meet changing requirements.

For example, RapidResponse is used to determine how to manage part suppliers when parts are purchased by Teradyne or subcontractors. And, when Teradyne looks to send more product to a subcontractor, RapidResponse is used to get a detailed list of parts and inventory to be transferred. Teradyne staff utilizes RapidResponse what-if analysis capabilities to compare various action alternatives to determine the best course of action for a given change.

The results speak for themselves

RapidResponse has allowed Teradyne to save money through improved inventory management (reducing excess and obsolete inventory) and liability to suppliers resulting from unnecessary materials purchases. Teradyne is developing a core competency in supply chain response management that enables them to meet both customer and internal objectives by being able to respond effectively to ever present changes in their business.

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.