

Leading audio equipment manufacturer enhances network visibility through supplier collaboration

**Industry:**

High tech & electronics

Geographies:

Manufacturing locations in United States, Mexico, China and Malaysia. Retail stores globally.

Employees:

>6000 employees

Revenue:

>3 billion USD (2023)

Results:

Ultimately, using real data and making real-time decisions has made the company better at fulfilling customer orders, leading to more revenue.

This leading audio equipment manufacturer has been transforming audio experiences for decades. That spirit of transformation carried over to its supply chain as it began an initiative to gain visibility through improved collaboration with its contract manufacturers.

Manually managing multiple data components in Excel spreadsheets across the company's network of contract manufacturers, meant the company lacked the visibility they needed to efficiently deliver on customer demands. Kinaxis® Maestro® helped it establish true supplier collaboration and a single source of truth for supplier data across its business, streamlining the supply chain and increasing revenue.



Benefits of using Kinaxis

Instant visibility and monitoring across a diverse supplier network

Single view of end-to-end supply chain for all functions

Ease of use and configurability

What-if simulation and impact analysis

Supplier/contract manufacturer collaboration

The challenge

When the company strategically shifted its business to focus on delivering innovative products to expanding markets, it reduced its manufacturing footprint by selling two of its three manufacturing sites to a contract manufacturer. This allowed the company to focus on core competencies while reducing costs. While outsourcing had its benefits, the company no longer controlled production timing and lost the ability to immediately self-control desired responses to market changes. Consequently, performance was impacted. It also had less visibility into manufacturing schedules, raw materials, BOMs, and inventory at Tier 1 and Tier 2 supplier sites.

The contract manufacturers had very manual processes relying on spreadsheets to manage component data including supply data like on hand orders, lead time, and safety stock. This translated to a lack of visibility that made it difficult to manage orders and provide accurate available to promise (ATP) dates to customers. In addition, it became a challenge to forecast by different channels including wholesale to customers like Best Buy and Amazon, directly via the company's website, and through its direct retail channel.

The company needed to regain the end-to-end global visibility it had prior to outsourcing manufacturing in order to connect its supply chain from supplier all the way through to the customer.

The Kinaxis difference

Kinaxis Maestro provided end-to-end visibility into the company's supplier network. Shadow planning, which monitors external manufacturers as if they were an internal site, enables supplier collaboration, gives insight into contract manufacturers' Tier 2 data and allows early visibility to any supply situation. "We mimicked the



spreadsheets that our contract manufacturers were using in Maestro so we now have visibility, and we have one version of the truth,” said the Manager Operations Business Systems.

Having consistency in contract manufacturer data helped to streamline processes.

Because Maestro can be configured without IT support to meet specific business needs, business users were able to quickly take advantage of the platform's dashboards, scenario planning and scorecards to improve customer satisfaction, reduce inventories and minimize freight cost.

The Director, Supply Chain Planning and Inventory continued, “We believe if we can do a better job filling customer orders, it will lead to more revenue and more profitability. With Maestro we have visibility all the way through our supply chain at a much better level and can improve accuracy, inventory turns and cost coming in.”

BB

With Maestro we have visibility all the way through our supply chain. Maestro was more organic and less siloed.

It was easy to see how someone dealing with a key customer like Amazon or Best Buy and someone dealing with a Tier 1 or Tier 2 supplier could both use the same data and work in a more organic way.

DIRECTOR, SUPPLY CHAIN PLANNING
AND INVENTORY



Results that matter

With Maestro, the company now has complete visibility and collaboration capabilities with its Tier 1 and Tier 2 suppliers. In addition, the company can forecast by channel and replenish down to the store level. It can also create more accurate ATP dates based on the entire supply chain, modify shipment methods, and analyze order data more efficiently.

“As a global company serving many customers around the world, the quicker we can understand that our forecast is wrong the quicker we can redirect freight and save revenue and cost on the freight side. When you think about how we were organized in the past, we realized we can consolidate some of these functions to reduce redundancies and act faster,” said the Director, Supply Chain Planning and Inventory.

Ultimately, using real data and making real-time decisions has made the company better at fulfilling customer orders, leading to more revenue.

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