How modern furniture maker Castlery refurnished its supply chain

Key Objectives:

- Avoid duplication of software development work
- A future-proof solution for business growth
- Meet customer expectations for high product availability
- Rapid time to value (TTV), short-term and long-term positive ROI
- Scenario and concurrent planning capability
- Maintain healthy inventory levels globally

CASTLERY

Industry:

Furniture retail and manufacturing

Geographies:

Singapore, Australia, United States

Employees:

300+

Challenges:

- Long lead times from global supply chain
- Product catalogue complexity
- Lack of unified visibility into demand and supply
- Lack of concurrent scenario planning
- No dedicated planning team

Results:

- One plan to centrally manage decision making
- System driven processes
- Wider visibility across internal and external stakeholders
- Ease of testing and simulation
- Quicker responses to market changes
- Easier configurations for new markets

Business expansion means greater supply chain complexity.

Founded in 2013 in Singapore, Castlery is a 'digital first' lifestyle company that manufactures and distributes contemporary home furniture. Its business model focuses on providing high quality products for every personal style that can be purchased through a simplified process for better prices.

As the brand and revenue grew, so did its footprint. Castlery expanded into Australia in 2017 and then, in 2019, it entered the United States as an ecommerce retailer. Today, the U.S. and Australian markets represent more than half of the company's business. However, with market expansion came the requirement for a multi-echelon warehouse market to support the business, and supply visibility became a significant challenge. Castlery now had to deal with long lead times for products manufactured in Asia to the United States in particular.

Longer supply lead times meant the furniture maker couldn't respond quickly to shifts in customer demand nor keep its suppliers updated on accurate future material needs. It found itself challenged to maintain the same service level with the same amount of inventory.

Inventory management and procurement was further complicated by the fact that a small operational team was trying to do the supply chain planning along with other work assignments. For product forecasting, the team was using Excel spreadsheets and Python scripts. Those tools made supply chain planning sequential and opaque. Because Castlery made frequent upgrades and changes to its product line, the furniture maker also found it difficult to use those tools to quickly evaluate supply options or do scenario planning. The operational team also found it problematic to monitor plan performance as well as analyze alternative courses to procure supply and maintain the right mix and amount of inventory. In summary, Castlery needed to shift from a capability light, highly customized process to a much more advanced and future proof planning system.

Enhanced Supply Chain Visibility and Scenario Planning

Castlery began the search for an advanced planning solution (APS); seeking a market leader that would suit their current size of business yet be scalable for the future, with proven success in concurrent and scenario planning in their industry. Through an existing, strong relationship with mSE Solutions, (a Kinaxis Value Added Reseller (VAR) global partner), Castlery were recommended Kinaxis as a best-practice technology solution, amongst five other supply chain planning solutions. Castlery's selection process was well thought through – beyond the technical abilities of an APS they wanted to work with a reputable vendor that could offer a future proof solution that could be live quickly and does not require significant customization; no need to reinvent the wheel.

From the 6 shortlisted vendors, Kinaxis ranked highest in 8/10 of the technical requirements; was well featured "out of the box" negating the need for customization and with an implementation partner in mSE Solutions well experienced in implementation of Kinaxis globally enhanced by in region presence.

Castlery selected Kinaxis as its end-to-end supply chain solution for planning, forecast collaboration, and visibility for improved market responsiveness. With highly experienced and capable teams from Castlery, mSE Solutions and Kinaxis the deployment took just four months. Planning One™ is specifically tailored for small and mid-sized companies to deliver results (ROI/TTV) in an accelerated timeline.

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> We did not select Kinaxis and mSE Solutions solely for their supply chain technology and consulting expertise, we also value being able to partner with people who are collaborative, visionary, and put people first.
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> **SHIMIN GU,
> HEAD OF SUPPLY CHAIN STRATEGY
> AND INTELLIGENCE**

With Kinaxis, Castlery can plan for new factory orders and ocean shipments. Kinaxis extracts and cleans data from Castlery's Oracle ERP system for developing production plans, managing inventory, and evaluating possible supply alternatives. The furniture maker uses Kinaxis for all scenario planning to determine replenishment windows and make alternative supply arrangements in the event of a plant shutdown. It uses scenario planning to better determine short- and long-term warehouse space needs.

Kinaxis Planning One™ also helps Castlery with:

- Consensus demand planning for new products or succession planning across all teams
- Warehouse replenishment plan reviews
- Control over inventory allocation and repositioning
- Integrating supply chain plans with financial planning

What did we do differently to make Castlery successful?

- Stakeholders onboard, mandated support from C-level
- mSE Solutions had the right expertise and Castlery had the right people with the right skills in place
- Efficient change management
  - Planners/Users engaged in implementation, negate need for extensive UAT
  - Extensive KLC usage
  - Clear vision for the future
  - Clear directions from all sides
  - Local language consultant ability

Why were we successful?

- Planning One™ simplicity, standards
- Scalability
- mSE Solutions' strength
- Concurrent planning best in class
- Self-configuration ability in future

After one year, the furniture retailer now has:

- Gained one supply chain plan that provides wider visibility to all internal and external stakeholders

- Established a dedicated planning team, focusing on making critical decisions and understanding the impact rather than trying to find which decisions are critical. "Life's better with Kinaxis".

- Enabled system driven processes that provide for digital documentation and easy information sharing

- Powered the simulation of supply chain planning scenarios, shared across the business

- Optimized the alignment of global inventory to sales, thus reducing customer lead time by 2 days with more than 20% faster inventory turnover

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> Combining the capabilities of Kinaxis and mSE Solutions proved to be a winning solution; we saw positive results very quickly.
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> AND INTELLIGENCE

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