



Fabless Semiconductor Supply Chain Planning Design and Implementation

Highlights



- Worked with client to select a supply chain management technology platform
- Client has met or exceeded revenue targets, while increasing sales tenfold since the supply chain assessment's kick-off
- Achieved approximately 40% increase in on-time delivery and a 25% improvement in inventory turns

The Challenge: A leading semiconductor and consumer electronics company was experiencing rapid revenue and unit volume growth without scalable supply chain planning systems and processes in place to support the expansion. Without a major transformation from the manual, spreadsheet-intensive planning processes, the company was worried that it would not be able to manage its unit volume forecasts resulting in missed financial targets. Spinnaker was engaged to re-engineer a solution which would provide scalable decision support technologies and business processes for Supply Chain Planning.

The Approach: Spinnaker utilized a three-phase approach in order to solve the scalability problem for this client. In the first phase, we conducted an assessment of their Supply Chain Planning processes; including New Process Introduction, Demand Planning, Supply Planning, and Fulfillment. We used Spinnaker's Supply Chain Assessment Methodology to provide a standard approach to the assessment process and create benchmarks against other comparable companies. In the second phase, a standardized Sales and Operations Planning (S&OP) business process was designed and implemented to align the Supply Chain Planning processes. In the final phase, Spinnaker worked with the client to select a SCM technology platform, which could support all of their Supply Planning decision support requirements.

The Recommendations: Although the long-term roadmap required several years to implement, by deploying a S&OP business process early in the roadmap, the client was able

to leverage and align the information produced in their manual planning processes before the technology changes were fully completed. The technology-based transformations included Demand Planning, Supply Planning, Master Data Management, Nomenclature Re-Design, and Reporting as part of the core solution implementation. In addition to these core solutions, the client has either implemented or is actively working on Multi-Echelon Inventory Optimization, Scenario Based Supply Planning, Order Quotation, Turnkey Materials Planning, and Supply Chain Allocations by Business Unit.

The Results: In the 18 months since the original S&OP go-live, the client has successfully completed each of their monthly S&OP planning cycles. More importantly, they have met or exceeded their revenue targets in each quarter while growing approximately 10X since the original Supply Chain Assessment started. In addition to supporting their growth, the new solution is driving them closer to a true single-number planning organization with transparency across the corporation with minimal headcount additions. Quantitative numbers have also improved, including approximately 40% increase in on-time delivery and 25% improvement in inventory turns.

About Spinnaker: Spinnaker is a supply chain services company that helps clients grow, manage risk, reduce costs, and improve customer service by developing world-class supply chain capabilities. Our services help clients develop the right supply chain strategy for their business challenges and implement the process and technology solutions to improve Demand/Supply Planning, Procurement and Sourcing, Logistics and Warehousing, and Reverse Logistics business performance. Spinnaker offers a unique service delivery model that combines the strength of deeply experienced management and technology consultants with a seasoned team of business process outsourcing (BPO) and 3rd-party logistics (3PL) professionals. Founded in 2002, Spinnaker has offices in Boston, Columbus, Denver, Houston, Memphis, Pittsburgh, London, and Singapore.

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