

SCA Introduces Decision Support Framework to Optimize Supply Chain for a Large Electronics Manufacturer

About Our Client

Our client is a diversified power management company with sales in the billions of dollars. The manufacturer is a global technology leader in electrical components and systems for power quality, distribution and control; hydraulics components, systems and services for industrial and mobile equipment; aerospace fuel, hydraulics and pneumatic systems for commercial and military use; and truck and automotive drivetrain and powertrain systems for performance, fuel economy and safety. Our client has tens of thousands of employees and sells products to customers in more than 100 countries worldwide.

For more information, visit www.scatech.com.

Challenge

A large electronic equipment manufacturer faced the challenge of transforming its planning and decision making capability. The company needed a more structured and fact-based approach that facilitated the best possible decisions in a variety of common situations for each of its functional entities (sourcing, manufacturing, distribution, logistics and service organizations.) Individual business entities were using different Excel-based frameworks for performing cost/benefit analysis of key initiatives and for assessing business strategies for success during changing market conditions.

Instead of evaluating multiple strategic options and making informed, fact-based decisions, the manufacturer was losing critical managerial time on ensuring reliability and integrity of its data and assumptions.

About SCA

SCA Technologies™ provides category sourcing and cost management solutions that help industry leaders maximize profits by better managing market, supply and demand volatility. Supply chain, procurement, finance and corporate social responsibility professionals use the unique cross-functional approach of the SCAplanner™ suite to make better decisions for billions in category spend each year. With this increased visibility they can finally evaluate market alternatives in a coordinated manner and respond quickly to changes, leading to an average reduction in the cost of goods sold by 3-5% on an annual basis. Learn more about our innovative, cloud-based solutions for the extended value chain at www.SCAtech.com

Solution

Planner, SCA Technologies' predictive, cost-modeling software suite, provided the electronic equipment manufacturer with a single web-based platform that had decision support tools to evaluate various strategies that addressed the needs across different functional entities. This platform had a built-in structure to address:

- Global supply chain scope from source, to manufacture, to warehouse, to international logistics for every stage of product movement.
- Financial rigor using activity based costing methods for reliable, optimized decisions that could be applied quickly to any situation.

Key Benefits

Planner enabled the electronic equipment manufacturer to identify the optimal supply chain configuration and to make decisions considering the following:

- Volume/capacity planning and changes in costs/prices for production factors
- Movement of products/assets between suppliers, plants and customers
- Production approaches such as BTO, BTS or inventory holding such as VMI, DOH
- Changes introduced by suppliers or customers such as lead times and order sizes
- Profitability by products and customer-based on landed costs.