



# NETWORKED VALUE CHAIN

*Alliance Overview*

*Solution Overview*

*Solution Architecture*

*Benefits to CGEY*

*Benefits to Cisco*

*Engagement Model and Delivery*

*Partner Profiles*

*Internally Focused Case Studies*

*Quit*



## Module VIII. Success Stories



**nvc**

**NETWORKED VALUE CHAIN**

# Impressive NVC Successes

Demand/Supply  
Planning

## CLIENT

- Major high technology manufacturer of computers

## BUSINESS ISSUE

- The client's supply planning processes and tools did not support a fast, flexible and concurrent response to forecasts and a changing supply/demand picture.
- Planning cycle times ranged from days to weeks. Numerous off-line spreadsheets were used to support decision making.

## SOLUTION AND APPROACH

- To deliver a global, collaborative supply chain planning capability inside a single system at the enterprise level by 06/98.
- Implemented planning process changes in conjunction with i2 Technologies' Supply Chain Planner module to support the global planning organization.

## RESULTING VALUE

- Solved client's material and capacity constraints, creating a feasible supply plan. The client's global planners can now run what-if simulations in minutes while a full re-plan runs in under two hours. This solution went live on 6/15/98.
- Provided integration expertise due to a shortage of resources.

## PROJECT COMPLETED

- June, 1998

# Impressive NVC Successes

Demand/Supply  
Planning

## CLIENT

- Major high technology manufacturer of computers

## BUSINESS ISSUE

- The client's goal was to achieve world-class supply chain operations by the year 2000. However the current supply chain processes did not support this goal. Inventory turns were about 3, forecast accuracy was at around 25% and missed orders were about 30%.
- The client's planning process was extremely poor with a planning cycle of about 20 days. There was no concept of Constraint Based Planning and Scheduling.

## SOLUTION AND APPROACH

- Reengineer the demand and supply planning processes and systems.
- Implemented I2 and Oracle ERP to support the process changes.
- Developed functional template for global supply planning process and technology.
- Developed working template for global due date quoting process and technology (ATP).

## RESULTING VALUE

- \$100MM+ value was delivered to client based on two years comparative numbers from 1997 and 1998.
- Forecast accuracy was improved to about 80%.
- The planning cycle was reduced to about 6 days and inventory turns were at about 14.

## PROJECT COMPLETED

- May 1, 1999

# Impressive NVC Successes

## CLIENT

- Major high technology manufacturer

Revenue/Profit  
Maximization

Demand/Supply  
Planning

## BUSINESS ISSUE

Forecast accuracy of less than 35% at the family level due to:

- Lack of standardized forecasting process and process measurements/feedback.
- Incentives are not aligned across functions. And lack of key data/data is widely dispersed across organization.
- Forecasting information tools are inadequate and lack of integrated planning.

## SOLUTION AND APPROACH

- Rapid assessment of the forecasting process, information flows, and applications with particular emphasis on its integration with the sales force, channel partners, and manufacturing.
- Designed a new approach to forecasting that positioned a Super User inside the worldwide marketing group with a new application, process flows, information flows, and performance metrics. The focus of the Super User is to not only create a forecast but also analyze market signals for improved segmentation and shifts.

## RESULTING VALUE

- By increasing their forecast accuracy to 65% from 35%, the client will save \$80M annually from inventory driven costs.
- Developed current and future state forecasting process, information flows, and application requirements and a stakeholder analysis which documents what internal and external customers require from the forecasting process.
- Identified the transition plan for the forecasting process.

## PROJECT COMPLETED

- August 1, 1997

# Impressive NVC Successes

## CLIENT

Revenue/Profit  
Maximization

Demand/Supply  
Planning

Technical Panel

- A \$2.5 billion spin-off company specializing in data storage, medical imaging, and printing and publishing products.

## BUSINESS ISSUE

- The client had an urgent need to improve its customer service and reduce its inventory.

## SOLUTION AND APPROACH

- The Global Supply Chain (GSC) project was made up of a number of sub projects which focused on transportation network design, manufacturing strategy, demand and supply planning, customer service strategy, SKU rationalization, and Manugistics preparation.

## VALUE DELIVERED

- Four projects have been completed with projects scheduled to begin in all domestic production facilities by mid 1998. GSC is working in conjunction with the Global Application Migration (GAM) project which is transforming the client's legacy systems to an Oracle/Manugistics platform
- Customer Service (on-time and complete) improved by 18% points in the US.
- Inventory reduced in the US by 25%, \$65 million.
- Reduced changeover time by 50% (on several bottleneck machines).
- Rationalized products, reduced SKU's by 50% (selected product lines).
- Increased manufacturing productivity by 18% (in one manufacturing plant).
- Consolidated the number of distribution centers in the US and Europe from 30 to 5.

## PROJECT COMPLETED

- January 1, 1997

# Impressive NVC Successes

Real-time Order  
Management

Supply Chain  
Execution

Demand/Supply  
Planning

Technical Panel

## CLIENT

- Microsoft: A major software manufacturer and distributor.

## BUSINESS ISSUE

- The client wanted to align and reduce friction across their multiple, global supply chains while also improving overall cycle time and reduce costs to become more competitive.

## SOLUTION AND APPROACH

- The Next Generation Supply Chain project began with a NVC Strategic Assessment and Design Workshop where an overall roadmap and sequencing was established. Cisco Sales personnel provided participated in the Assessment and Design Workshop by presenting the Cisco Story.

## VALUE DELIVERED

- Initial Strategy was developed that covered all areas of the NVC business model except for Revenue Profit Maximization.

## PROJECT COMPLETED

- This project is currently on-going and in the Design Phase. Additional updates will occur as each phase is completed.