Fabless Semiconductor Supply Chain Planning Design and Implementation

CASE STUDY

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.

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.

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

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

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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.

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.

Spinnaker is a global leader in supply chain consulting and execution services. We deliver supply chain excellence with world-class people, processes, technology and operational know-how.

Founded in 2002, Spinnaker operates on two guiding principles – measure our success by our client’s accomplishments and treat every situation with honesty and integrity. It’s from these guiding principles that Spinnaker has been able to achieve tremendous growth.

Spinnaker has worked with entrepreneurial start-ups to Fortune 100 enterprises in industries such as Energy/Oil & Gas, Consumer Products & Retail, High Tech & Semiconductor, Industrial Manufacturing, Medical & Pharmaceutical, and Telecommunications. We combine our vast supply chain and business process knowledge with industry best practices to deliver solutions that drive tangible results for our clients.

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