



SMTC – Achieving Supply Chain Visibility, Agility and Alignment

“This is the best tool I’ve ever seen out there in the industry for enabling responsiveness to our customer’s needs in an extremely timely fashion.”

— Scott Tracey,
VP Supply Chain

The SMTC Environment

SMTC is a global Electronics Manufacturing Services (EMS) provider having spent more than two decades working in close partnership with diverse Original Equipment Manufacturers (OEMs) in the computer, industrial, communications, consumer and medical markets. SMTC offers a full range of services — from design, to end customer order fulfillment — from PCBAs, to box build, to fully integrated products and solutions.

Despite the diversity of industries served and varying types of customers, the reality of high demand volatility inside of lead times is common to each SMTC customer experience.

Uncertain economic conditions have amplified the volatility experienced, making it increasingly challenging for SMTC customers to predict and plan for future sales activity. In response, they continually adjust their requirements and consequently, SMTC must react to customers’ changing needs well inside of standard lead times.

To operate effectively amid a volatile environment and across different end markets and various products segments, SMTC applies a customer focused supply chain strategy whereby every SMTC customer’s supply chain solution is tailored to address that customer’s unique requirements. Such a strategy requires flexibility in both processes and the supporting systems.

The RapidResponse Advantage

With RapidResponse, SMTC teams achieve high levels of supply chain agility, enabling immediate response to changes in demand, supply, product and daily operations. The platform provides real-time supply chain visibility and on-line internal and external collaboration anywhere in the world. SMTC gains the insight needed to quickly and effectively respond to a wide variety of supply chain challenges.

Of particular advantage is the ability to instantly assess customers’ demand changes — whether that is determining the clear to build date for new, unexpected demand, or the reverse, understanding the liability exposure risk of a demand decrease, where in such a case, SMTC can provide the customer clear indication of what any demand adjustment is going to drive from a liability standpoint for them.

Being able to do deep analysis prior to making customer commitments and taking action affords far greater operational efficiency and effectiveness than the alternative of blindly loading the demand and starting to buy material and consume working capital. SMTC is able to make strategic decisions of what makes most sense for the company and the customer. In a matter of a few clicks of a mouse, SMTC can provide customers with a detailed and achievable action plan based on concrete information (not guesstimates), so their customers can in turn make informed decisions on their end.

A RapidResponse Use Case:

RapidResponse provides the ability for SMTC to look at customers' demand, and in short order, confidently understand:

- what can be built, and when;
- what the critical parts are, and when they are needed;
- what build plan makes sense strategically (taking into account multiple considerations: working capital, constraints, customer service); and
- ultimately, what delivery date should be provided to the customer.

For a single, discrete order (or order change), SMTC is able to determine the clear to build based on material status for every single part within two minutes.

For a multi-level customer order involving a hundred different SKUs, the **entire clear to build analysis can be performed in less than an hour.**

Leverages RapidResponse as its:

- Planning and MRP engine
- Transactional engine (e.g. purchasing)
- "What-if" analysis engine
- Executive reporting
- Acquisition integrator

A Broad Platform for SMTC

SMTC leverages RapidResponse as a planning and transactional engine with closed loop integration with their ERP system. SMTC maintains their demand forecast in RapidResponse; uses RapidResponse as its MRP system; and have extended the solution to act as a transactional engine for them. For example, through automated EDI transmissions and write-back processes, SMTC issues purchase orders straight from RapidResponse.

SMTC employs RapidResponse at all five of its sites, with on average, between 80 – 100 people logged in at any given time (and spending the majority of their time in the solution), with a total named user community approaching 400 people and growing.

Beyond the planning and purchasing groups, other uses and users of RapidResponse include:

- Executives: reporting and dashboards;
- Finance: reporting; cost accounting, accounts receivable and accounts payable;
- Engineering: BOM details; and
- Inventory managers: dynamic inventory balancing.

"I don't think there is any functional team at SMTC that doesn't directly use or at least get some type of an output from RapidResponse."

Scott Tracey, VP Supply Chain, SMTC

The company is also heavily involved in growing its businesses via possible acquisition activity. RapidResponse is an ideal vehicle during acquisition on-boarding because of the ease in which it can integrate with ERP and other planning systems. When an acquisition is made, SMTC can quickly bring that company onto the RapidResponse platform. They can easily extract all necessary information and import that into RapidResponse as part of the master dataset for the company.

Multiple Business Processes Served by One Product

Taking a holistic approach to leveraging RapidResponse across the company, SMTC’s use of RapidResponse has evolved and permeated throughout the organization over time.

Supply and capacity planning is a good example of the extent to which RapidResponse is integral to the organization and can provide strategic advantages.

SMTC uses the capacity manager capabilities in RapidResponse and have tied it into all of its work centers. They can do capacity planning based on the factory load — so they understand in detail not just material constraints, but also capital equipment capacity. It allows SMTC to monitor work centers and know when they may be either overloaded or underutilized.

With a growing business, SMTC needs to make sure that they are looking far enough in advance to predict spikes in demand and adjust capacity in a way that avoids impact to customers and their deliveries. Ultimately, decisions must be made if and when new additional work centers or capital investment is required to grow the business and to support new customer demand. With RapidResponse, these decisions are monitored and made on actual data at its source, not estimates, averages or aggregates typically plugged into a different system for assessment.

Having Everyone on the Same Page

Years ago, previous to RapidResponse, SMTC’s ERP system was databases that produced silo reports, and that were manually consolidated. RapidResponse has brought all sites together, producing a single data source from which to manage operations.

With RapidResponse, any individual in the organization can access a view of any site and can perform “what-if” analysis and make changes based on the permissions that the end user has. One of the selling features of the SMTC’s supply chain management services is that everyone is working from the same dataset allowing functional groups to act across systems, sites and functions.

For example, a buyer in Canada can purchase material that supports the Asia factory and vice versa. Likewise, it takes about half hour to convert a San Jose purchase to a Mexico purchase.

Business Processes Addressed by RapidResponse

- Supply/capacity planning
- Master production scheduling
- Order promising
- Inventory rationalization
- Revenue at risk analysis
- Supplier collaboration
- Support for the OEM’s S&OP and NPI processes
- B-to-B communication

The Supply and Capacity Planning Checklist:

- Receive demand from customers.
- Determine master production schedule.
- Apply constraint planning, capacity management capabilities to assess if there are any capacity issues.
- Perform clear to build analysis.
- Identify and resolve any material constraints.
- Execute to set plan. Monitor and adjust as required.

The critical piece is that all these tasks are tied together and **managed from within a single system** ensuring alignment throughout the process and across the impacted functional

When working from one system, everything is transparent — to both the company and the customers, not to mention, it makes things fast and easy from a resource standpoint. SMTC customers appreciate the fact that they don't have to go through a timely and cumbersome transition plan when orders are fulfilled by one site versus another.

Unmatched Flexibility

"We've tailored RapidResponse to our business. It gives us an avenue to continually enhance our processes.

RapidResponse allows us a great deal of flexibility to do our own changes without having to make the type of large investments with developers that are typical with ERP systems and their associated modules. Virtually all of the configurations we've made have been done by internal employees that have become RapidResponse power users.

I like to think of Kinaxis as personalization tool not a customization tool."

Scott Tracey, VP Supply Chain, SMTC

Next on the RapidResponse Agenda

The company has recently upgraded RapidResponse and is eager to learn more about the advances made in the current version that can be leveraged to streamline the supply chain, particularly the added dashboard capabilities which offer a superior means for understanding the state of operations at a glance and monitoring performance from a user-defined perspective.

ABOUT KINAXIS

Kinaxis delivers a cloud-based solution at the heart of planning and response management for value chain operations. Large manufacturing companies with complex supply chain networks and volatile business environments rely on [RapidResponse](#) for collaborative planning, continuous performance monitoring, and coordinated response to plan variances across multiple areas of the business. With RapidResponse, enterprises are able to attain a control tower solution that encompasses a full spectrum of supply chain related business processes, including such functions as: [S&OP](#), [supply and capacity planning](#), [demand planning](#), and [supplier collaboration](#). As a result, Kinaxis customers have replaced disparate planning and performance management tools and are realizing significant operations performance breakthroughs. From a single product, customers are able to make both long-term and real-time demand and supply balancing decisions quickly, collaboratively, and in line with the shared business objectives of multiple stakeholders.

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