



SCM



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CONTENT



PLATFORM

i2 SCM Case Study

2002. 10

i2 Technologies

General Industry's Issues and Challenges

- Demand variability
- Low velocity by sequential planning and execution
- Extensive capital investment
 - Optimize equipment/plant utilization
 - Minimize Set-Up
- Lack of Upstream and Downstream Visibility
 - PSI(Production, Sales and Inventory) Visibility
- Accurate order promising & Perfect delivery
 - Strategic Allocated ATP & Accurate Order Promising
- Business Extension
 - Global Operations
 - Required Collaboration from strong customers



Key Enabler :

Supply Chain Management

- **Right Product** is in stock at the **Right Time**, at the **Right Place**, at the **Right Price** and at a **Minimal Cost-to-Serve**.

- high forward visibility
- intelligent and fast decision making & execution
- optimization across business functions



velocity

Trading Partner

Process, Information

...



Key Enabler :

Key leverage 3 factors

■ Process

- Simplicity
- Quick Response
- Business Rules and Policies

■ Organization

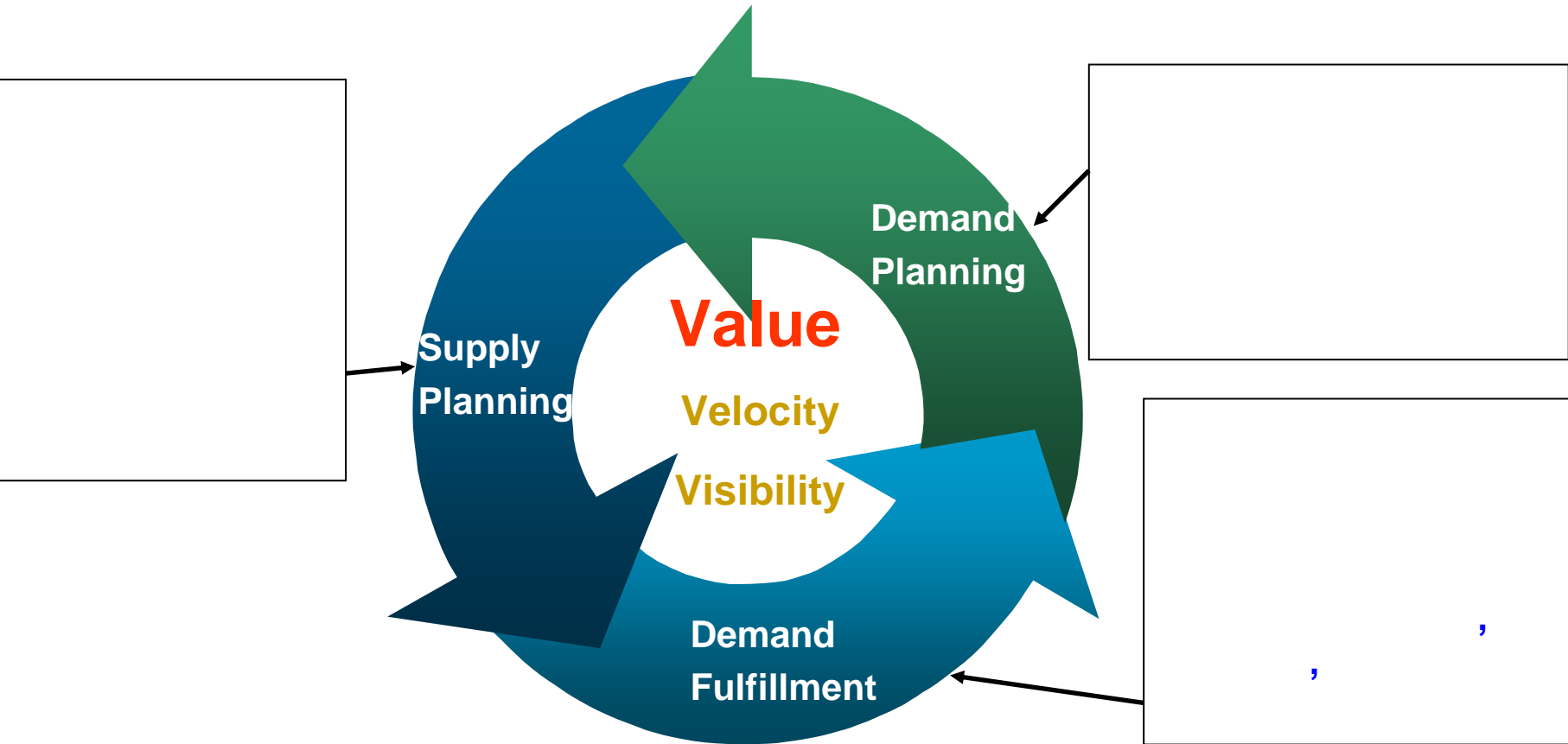
- Process Organization
- Master Planner(Command Center)
- MBO and KPI

■ System

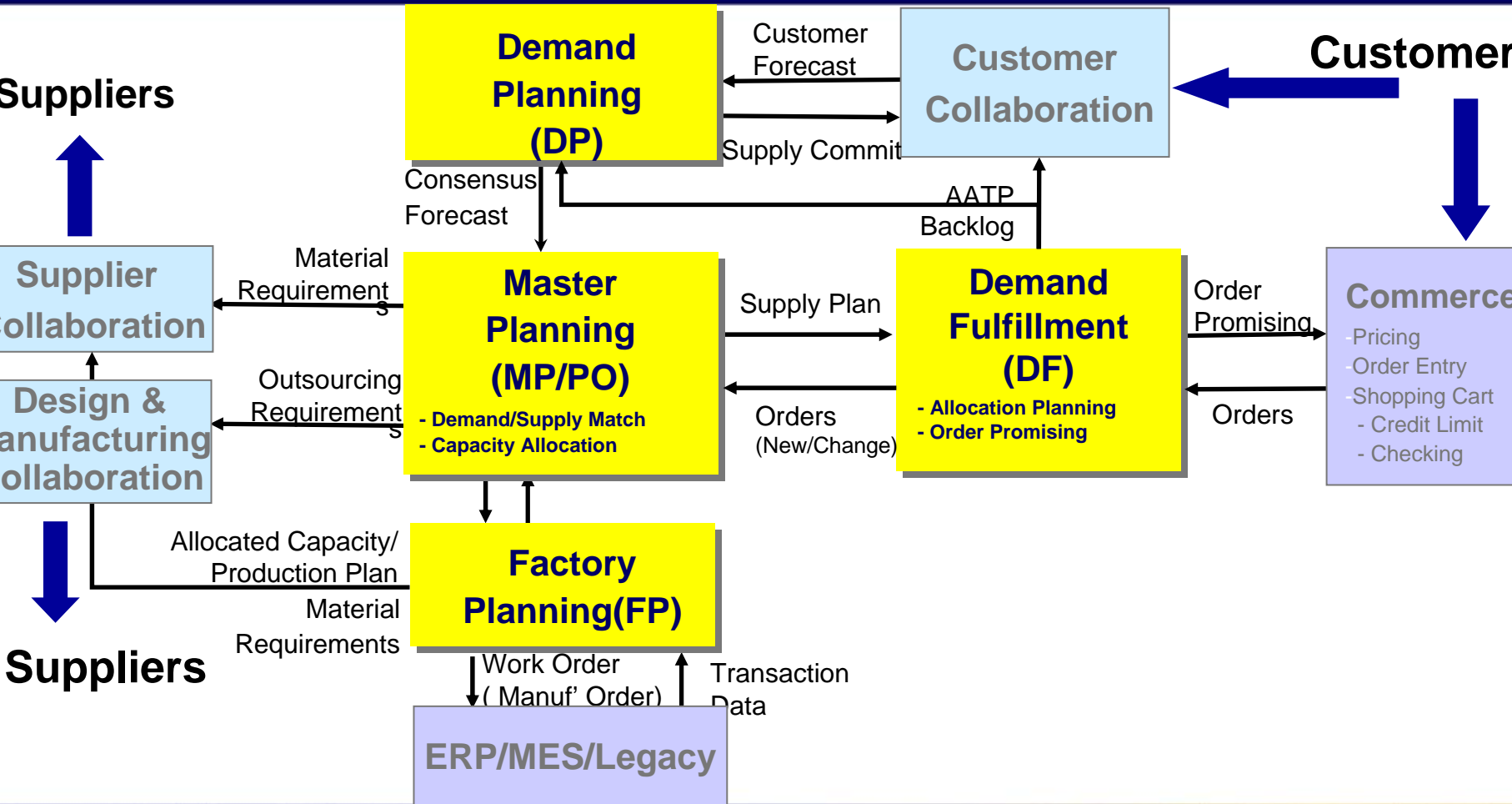
- APS(Advanced Planning System)



Key Enabler : APS is



SCM/APS Solution Footprints

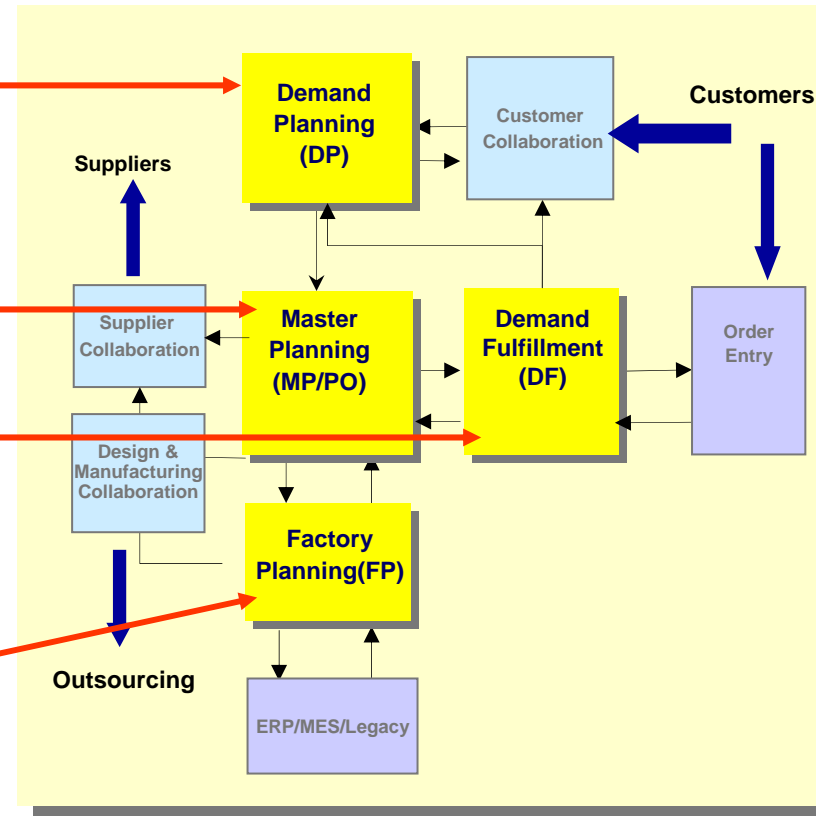


SCM Mega Process and Solutions

Mega Process

- Collaborative Demand Management
- Integrated(Demand/Supply) Master Planning
- Strategic Order Promising (Real Time)
- Factory Planning (Order Planning)

SCM Solution Footprints





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Case Study

i2 High Tech Industry Customers

Semicon./LCD 18 out of top 20

Amkor/Anam
Fujitsu
Hynix
Hitachi
Infineon
IBM
Intel
Micron
Mitsubishi
Motorola
National Semi
NEC
On Semi
Philips/LG Philips LCD
Samsung
STMicroelectronics
Texas Instruments
Toshiba
TSMC
UMC

Contract Manufacturers 6 out of top 9

Avex Electronics
Celestica
Flextronics
Hon-Hai
Jabil Circuits
Lite-on
NatSteel Electronics
SCI Systems
Solectron

Hard Disk Drives 6 out of top 8

Iomega
Fujitsu
Hyundai
IBM SSD
Maxtor
Quantum
Seagate
Western Digital

Personal Computers 10 out of top 11

Acer
Apple
Compaq
Dell
Fujitsu-Siemens
Gateway
HP
IBM - PSG
Micron
NEC
Toshiba

Telecom Equipment 5 out of top 6

Alcatel
Ericsson
Lucent
Nokia
Nortel
Qualcomm

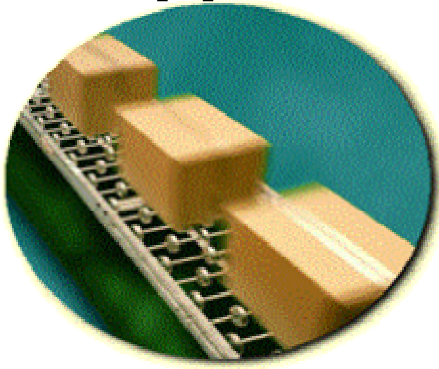
Data Networking 3 out of top 3

Cisco
Nortel
3COM



Case Study : Dell Computer

Suppliers



Continuity of Supply
E-Business
Collaboration
Technology leaders
Low-cost
manufacturers

DELL



- Best Customer Experience
- Low Cost Efficiency & Highest Quality
- Partnering/
Virtual Integration

Customers



- Product Quality
- Price for Performance
- Customization
- Reliability, Service and Support
- Latest Technology



Case Study : Dell Computer

Some statistics ...

- 70% of revenue = purchases
- 0.6% reduction in material costs per week
- 5 day customer order lead-time (> 92%)
- Average purchase lead-time of 45 days
- 2,000 deliveries per day from suppliers
- 8 part number transitions per day
- Factory inventory measured in *hours*



Case Study : Dell Computer

Basic principles of SCM

- Buy to Plan – Build to Order
- Always have enough – Nothing left over
- Precision Transitions
- Forecast = Buy = Sell
- Reality based conversations - “Be Direct”
- Relentless Demand \ Supply Balancing



Case Study : Dell Computer



With i2

VMI On- Hand 

70% Reduction

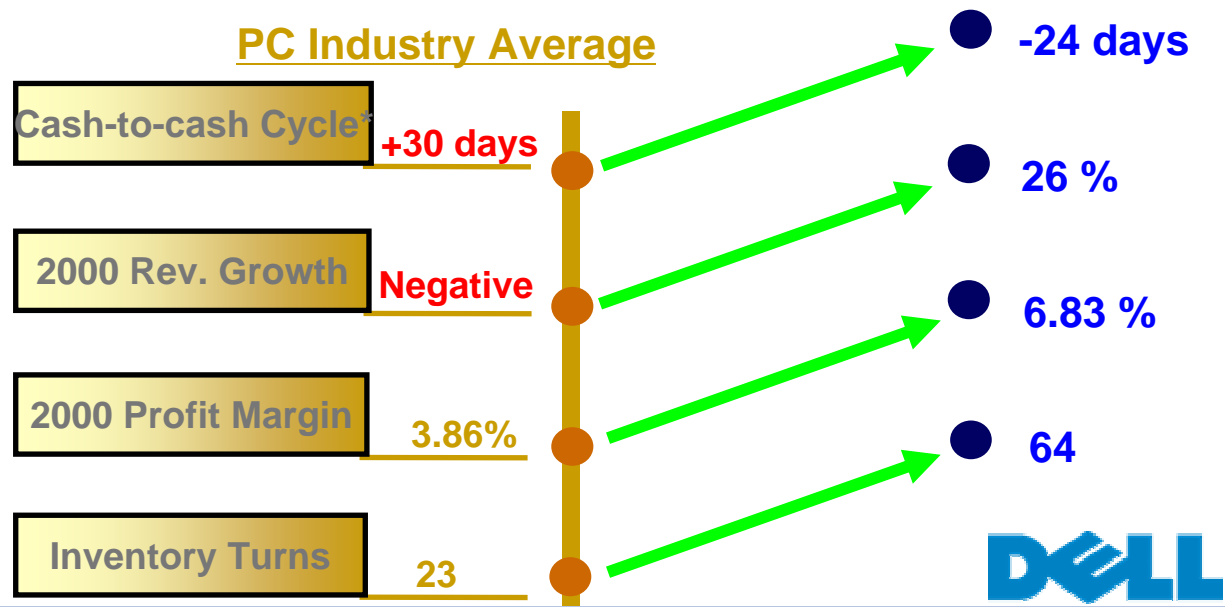
Ship-to-target 

12% improvement

Inventory Turns 

>100% improvement

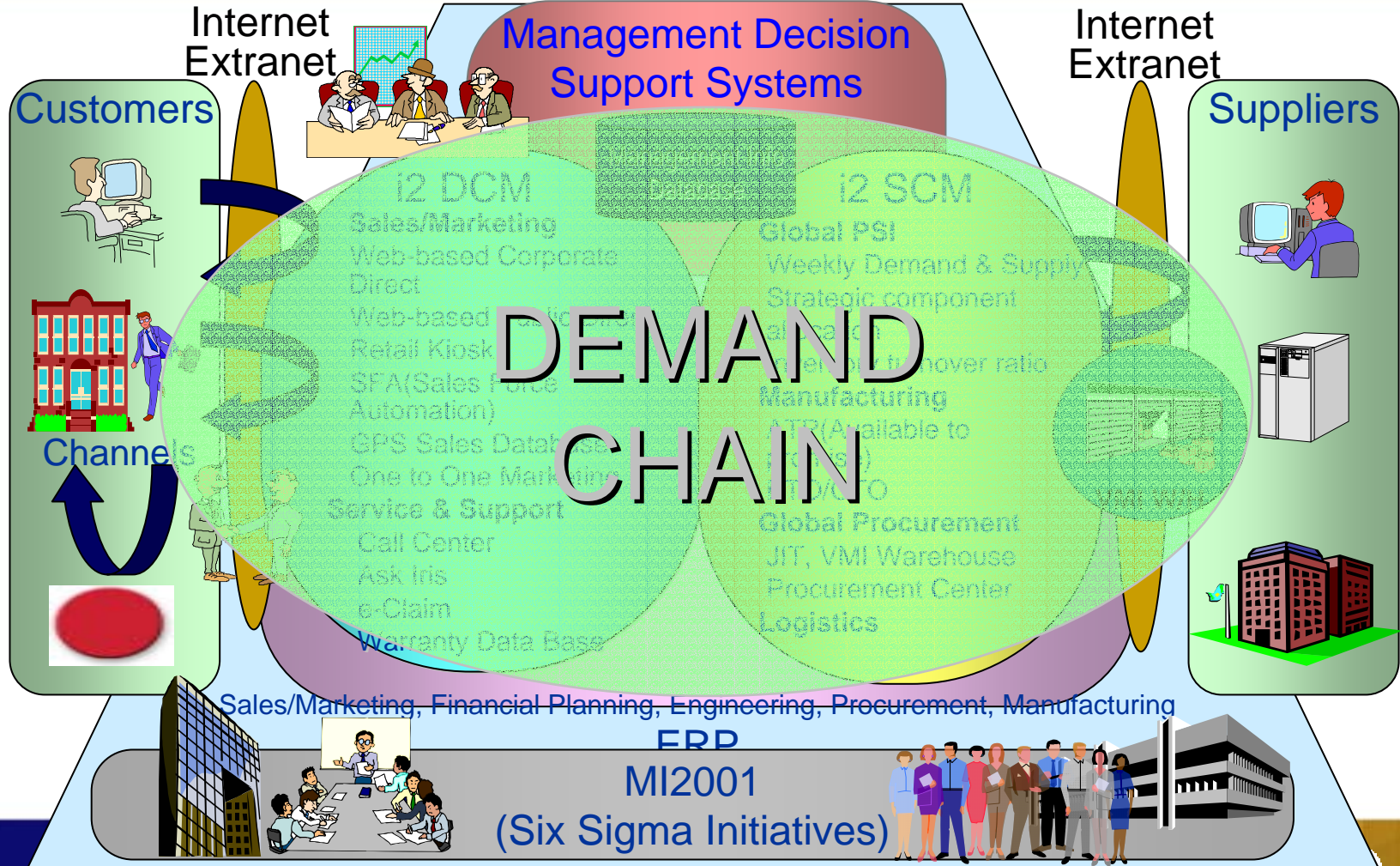
DELL's Competitive Advantage



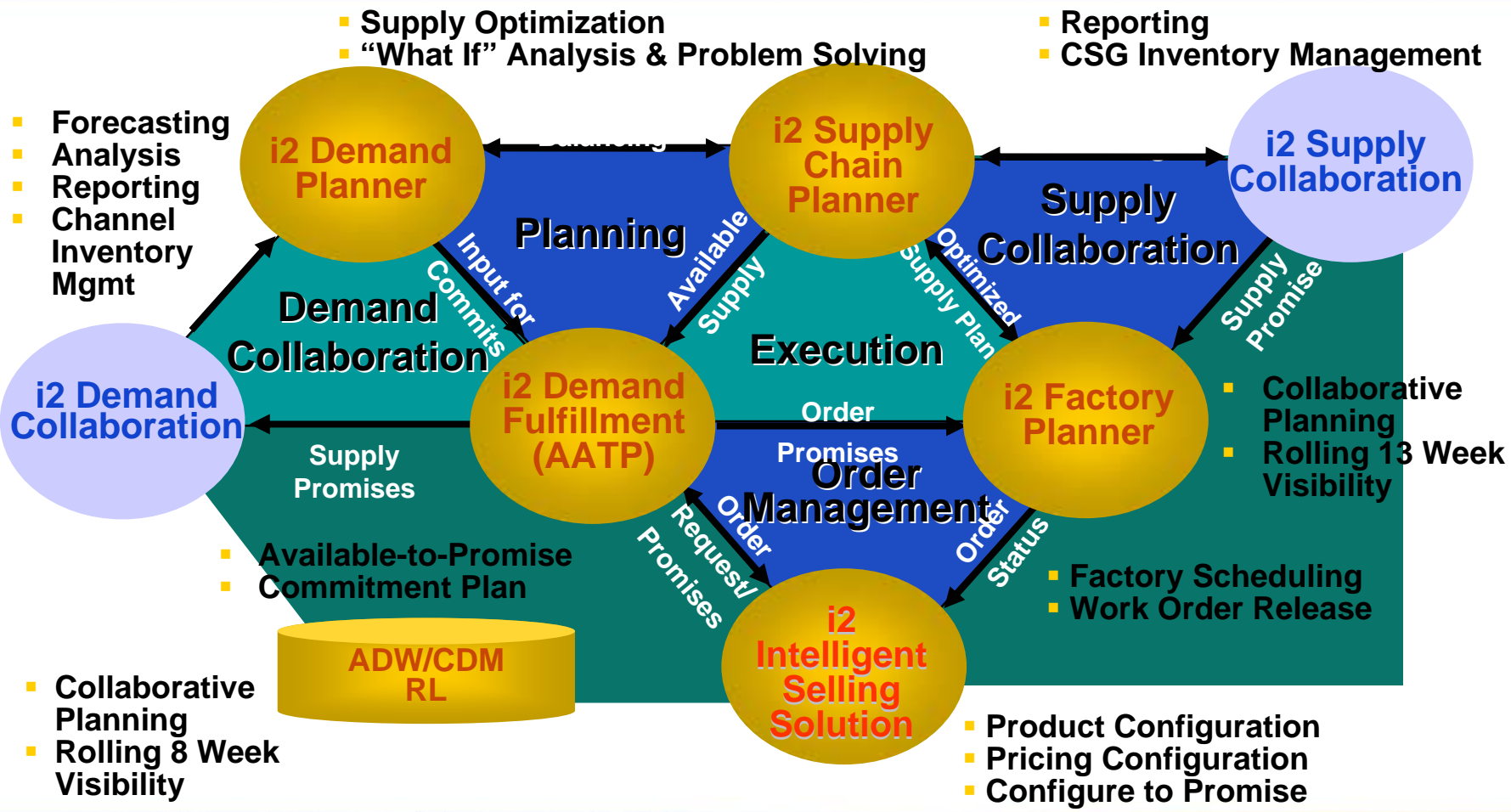
Dell implemented i2's Solution in its entire Americas region in **109 days with over 100% ROI**

CASE STUDY

Case Study : Toshiba Semiconductor



Case Study : Toshiba Semiconductor



Case Study : Toshiba Semiconductor

Before i2

Lower customer
Satisfaction

Long planning
cycle times

High inventory

No front-end to
back end link

Customer
Service

Planning
Cycle Time

Inventory

Planning
Cycle Time

With i2

Improved customer
satisfaction

Reduced by 66%

Reduced inventory

Reduced planning
cycle times

“We believe that [i2] RHYTHM is the most important factor to contribute to a dramatic improvement of [our] supply chain management.”

–Hiroyuki Terado, Senior Manager, Toshiba Corporation

Case Study : Panasonic

Panasonic

BEFORE i2

WITH i2

Low and unmanaged

Fill Rates

Increased to 95%

High lead times

Lead Time

Reduced by 55%

Low

On-time
Delivery

Improved to 85%

50%

Forecast
Accuracy

Increased to 80%

With i2's solutions, Panasonic has set the pace in establishing strong channel relationships

Case Study : THOMSON

THOMSON

BEFORE i2

4 – 5 weeks

Planning Cycle Time

10 days

Forecasting Cycle Time

35 -70%

Forecasting Accuracy

73%

Order Fill Rates

5.5

Inventory Turns

WITH i2

1 week

2 days

95%

95%

8-12

CASE STUDY

Thomson set the pace by saving **\$128 MM** in inventory and obtaining over **\$210 MM** in revenue uplift with i2

Case Study : Nortel Networks



NORTEL
NETWORKS

BEFORE i2

High inventory carrying costs

Inventory

High obsolescence costs

Obsolescence

Planning and Scheduling systems were disjointed

Planning Cycle Time

Sending changes over phone/fax/email-(No real-time collaboration)

Productivity

AFTER i2

- 30% Reduction in 'Switching' division inventory

- \$3 million savings by reducing obsolescence of parts

- Reduced planning cycles from Monthly/Weekly to Weekly/Daily

- Increased productivity of staff focusing on problems and resolving them

*Nortel is providing dynamic information to the supply base, and managing by exception. **\$40M** in savings have been realized and counting!!!*

CASE STUDY



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Thank You