



GLOBAL LOGISTICS & SUPPLY CHAIN STRATEGIES

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Baxter Planning Systems Help SGI Profit from Aftermarket Parts

For high-performance computer company Silicon Graphics (SGI), its four-year-long partnership with Baxter Planning Systems just keeps getting better. On May 1, 2006, SG renewed its global service planning solution agreement with Baxter for a second time, in large part because Baxter's Prophet solution reduced gross inventory by 20 percent from March 2004 levels while maintaining industry-leading fill rates. The Mountain View, Calif.-based company started using Baxter for its aftermarket parts support in 2002, and was able to reduce its inventory levels by 28 percent during the first two years of its partnership.

"Prophet has allowed SGI to continue to exceed our customers' support expectations by having the right material, at the right place, at the right time," says Kipp Hooper, SGI's global logistics materials manager. "Baxter's commitment to continuous improvement of Prophet has made the tool even more user friendly and efficient for both distribution and field planning."

Prophet by Baxter translates SGI's forecasts, demand and material availability into what to buy or repair, when to buy it or repair it, and where to have it in order to meet demand. Prophet by Baxter also optimizes where actual warehouses and stocking locations should be located, based on service contracts and required response times.

Hooper says that Prophet by Baxter's new Control Center module allows for more efficient management of alerts by planners, as well as providing an excellent visual management overview. Field planning has also benefited from recent enhancements that have improved the target stocking level accuracy of SGI's material stocked around the world.

When a rare problem does occur, Hooper says that Baxter's support team responds immediately to correct the situation. The support team is fully stocked with extremely knowledgeable individuals who either individually or collectively can very quickly solve any problem that may arise.

"It is an absolute pleasure dealing with the Baxter Team," says Hooper.

He attributes much of his company's success in the logistics service area to Baxter and its Prophet solution.

"Since we began using Prophet in 2002, efficiencies and accuracy in the planning and filed distribution processes have dramatically improved," Hooper says. "Inventory has consistently been reduced and is now maintained at a level appropriate for the current demand trends."

Hooper expects that SGI's partnership with Baxter will continue to flourish because of the very strong enhancement road map that Baxter has laid out for its Prophet solution.

"These enhancements will without doubt allow SGI and other Baxter customers to be even more efficient and realize gains in areas that other supply chain products simply can't do," he says.

