Baxter Planning Case Study:

Network & Enterprise Security Company

INDUSTRY
Network Security

LOCATION
Headquartered in the US with presence globally

CHALLENGE
Rapid business growth called for automated planning to ensure customer satisfaction by honoring the commitments to service level agreements (SLAs).

SOLUTION
BaxterProphet software as a service (SaaS) solution optimizes target stock levels and streamlines processes while the Planning as a Service (PaaS) offering delivers planning expertise and guidance for best practices.

RESULTS
Since implementation, Palo Alto Networks' inventory dollars per contract decreased by 50% and service levels increased to 99%+ while Install Base grew by 500% as a result of BaxterProphet's optimization algorithm paired with Planning as a Service.

See ahead. Stay ahead.

Palo Alto Networks

Palo Alto Networks is a network and enterprise security company defining the next-generation firewall and continuously challenging the security status quo. The company serves more than 50,000 customers in 150+ countries across multiple industries. Over 85 of the Fortune 100 rely on Palo Alto Networks to improve their cybersecurity posture.

Palo Alto Networks uses BaxterProphet for its World Wide Operations Organization to plan and forecast same- and next-day service parts inventory supporting its global base of enterprise customers.

Since 2013, this enterprise firewall market leader has combined the adoption of the planning software with Planning as a Service to realize the full benefits of the solution.

CHALLENGE

**Rapid Business Growth Outpacing the Industry**

The company produced and shipped its first firewall in 2007, debuted on the NYSE with an initial public offering in 2012, and went live with BaxterProphet in 2013. Named on Fortune Magazine's Top 50 Companies Changing the World, the company's growth significantly outpaces the industry as evidenced by a 28% year-over-year increase in revenue in 2017. At this crucial stage of maturation, it was more important than ever to ensure customer satisfaction by honoring the commitments to their service level agreements (SLAs).

In the 5 years of partnership with Baxter Planning, Palo Alto's rapidly growing business included:

- **2x increase in number of field sites**
- **2.2x increase in supported materials**
- **5x growth in installed base contracts**
- **Service level increase from an average of 90% to over 99%**

Solution:
BaxterProphet and Baxter Planning Expertise
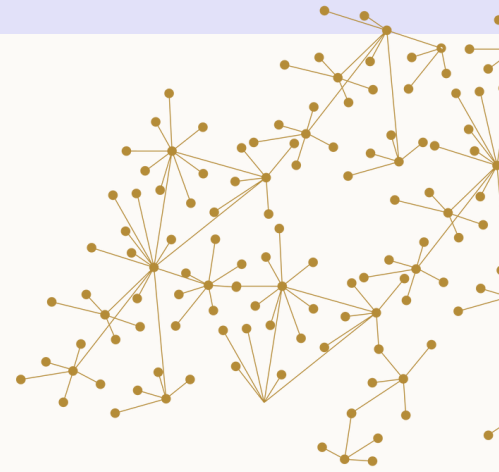
The BaxterProphet software as a service (SaaS) solution optimizes target stock levels and streamlines processes while the Planning as a Service (PaaS) offering delivers planning expertise and advocates best practices. Collectively, Baxter Planning's solutions and services come together as the planning software automates the tactical PaaS optimizes the strategy. This combination allows customers to exceed service level goals while minimizing inventory levels and excel across key Service Supply Chain practice areas:

INVENTORY OPTIMIZATION

Baxter Planning's Total Cost Optimization model calculates target inventory levels by balancing inventory costs (the cost of positioning material) against stockout costs (the cost of a not having material available when and where demand occurs).

These parameters are the foundation for BaxterProphet's target stock levels so Baxter Planning consultants worked closely with the Palo Alto planning team to ensure the inputs accurately reflect current business conditions.

Together, the teams were able to determine downtime cost for each field site, define customer importance for major accounts, categorize critical materials by tiers, and enact rules that ensure coverage for their four hour commitments.

SUPPLY ORDER AUTOMATION

The team then focused on managing orders from purchase and repair vendors to ensure inventory availability at the replenishment source. BaxterProphet's forecasting methods automatically determines the statistical equation that best fits the historical data while its alert functionality helps organize and prioritize planning activities. *The plan-by-exception model ensures accurate inventory injections and simplifies planning for the dedicated Baxter Planning expert to consistently meet the best practice for monitoring forecast deviations and actioning stockout warnings.*

REPLENISHMENT AND REDEPLOYMENT

With target stock levels driven by a cost model adjusted directly for their business, Palo Alto was able to take advantage of Baxter Planning's replenishment and redeployment functionality to balance inventory within the network. The intelligence of the planning software's Backlog Criticality Index (BCI) allows for the optimal deployment of inventory while confidence in the target stock levels opened the doors for automation. *BaxterProphet's automation capabilities position inventory where it's needed as a result of the Baxter Planning team's guidance to define an effective stocking strategy and move Palo Alto towards best practice fill rate goals.*

LIFECYCLE MANAGEMENT

As their business continued to expand, it was important to manage New Product Introductions (NPI) for accurate ramp-up projections of new portfolio items and meet service level goals for their customers. On the other end of the product lifecycle, Baxter Planning's End of Life (EOL) capabilities enabled Palo Alto to drive proper last-time-buy (LTB) quantities to best mitigate excess inventory.

BaxterProphet is able to generate accurate forecasts and recommendations as a result of Baxter Planning experts continually driving best practices for NPI and LTB.

PLANNING ANALYTICS

With optimally modeled targets, automated ordering, and predictable NPI/EOL processes, the Palo Alto Team was ready to analyze past performance through the Hit Rate Report.

Hit Rate evaluates each demand request and uses Miss Root Cause categorization to identify improvement opportunities by identifying issues with data, configuration, or execution.

ABOUT BAXTER PLANNING

Baxter Planning is a global leader in Service Supply Chain software, delivering a Service Experience Advantage to the world's most innovative enterprises for over 30 years. The end-to-end BaxterPredict platform empowers organizations to optimize service parts planning, execution, and resolution, driving superior customer experiences, fostering long-term loyalty, and fueling business growth.

By combining purpose-built technology, award-winning AI, decades of practitioner expertise, and a commitment to true partnership, Baxter Planning consistently delivers industry-leading outcomes for its clients.

The company is headquartered in Austin, Texas, United States, with offices around the globe. For more information, visit www.baxterplanning.com.

Result:
Partners in Planning

Baxter Planning's business review is a specific example of the Service Supply Chain (SSC) leader's commitment to helping customers optimize and automate their operations. The methodology leverages decades of experience to identify and measure 30 critical SSC best practice categories during each client's business review. The Best Practice Scorecard uses a set of grading criteria to assess customer utilization of BaxterPredict and its products with Best Practice adoption. A comprehensive assessment provides an in-depth analysis of each scorecard attribute, along with prioritized improvement opportunities, and ongoing reviews to monitor adoption of the recommendations.

As SSC experts, Baxter Planning successfully employs this methodology to challenge the Palo Alto team on best practices to accurately model target stocking level parameters to optimize inventory, execute to fill rate targets to maintain high service levels, automate ordering to ensure supply availability, and reviewing Hit Rate reporting to analyze past performance and continuously improve. The product's efficacy in measuring the adoption of the software is clear as Palo Alto ranks in the 99th percentile of all customers and the benefits are well evidenced in their metrics.

As recognition of a successful ongoing relationship, Palo Alto presented Baxter Planning with the 2018 "Excellence in Supply Chain Software Solutions" award at the Palo Alto Networks' annual Operations Vendor Appreciation event in San Jose, California.