Baxter Planning Case Study:

Semiconductor Equipment Manufacturer

INDUSTRY

Semiconductor

LOCATION

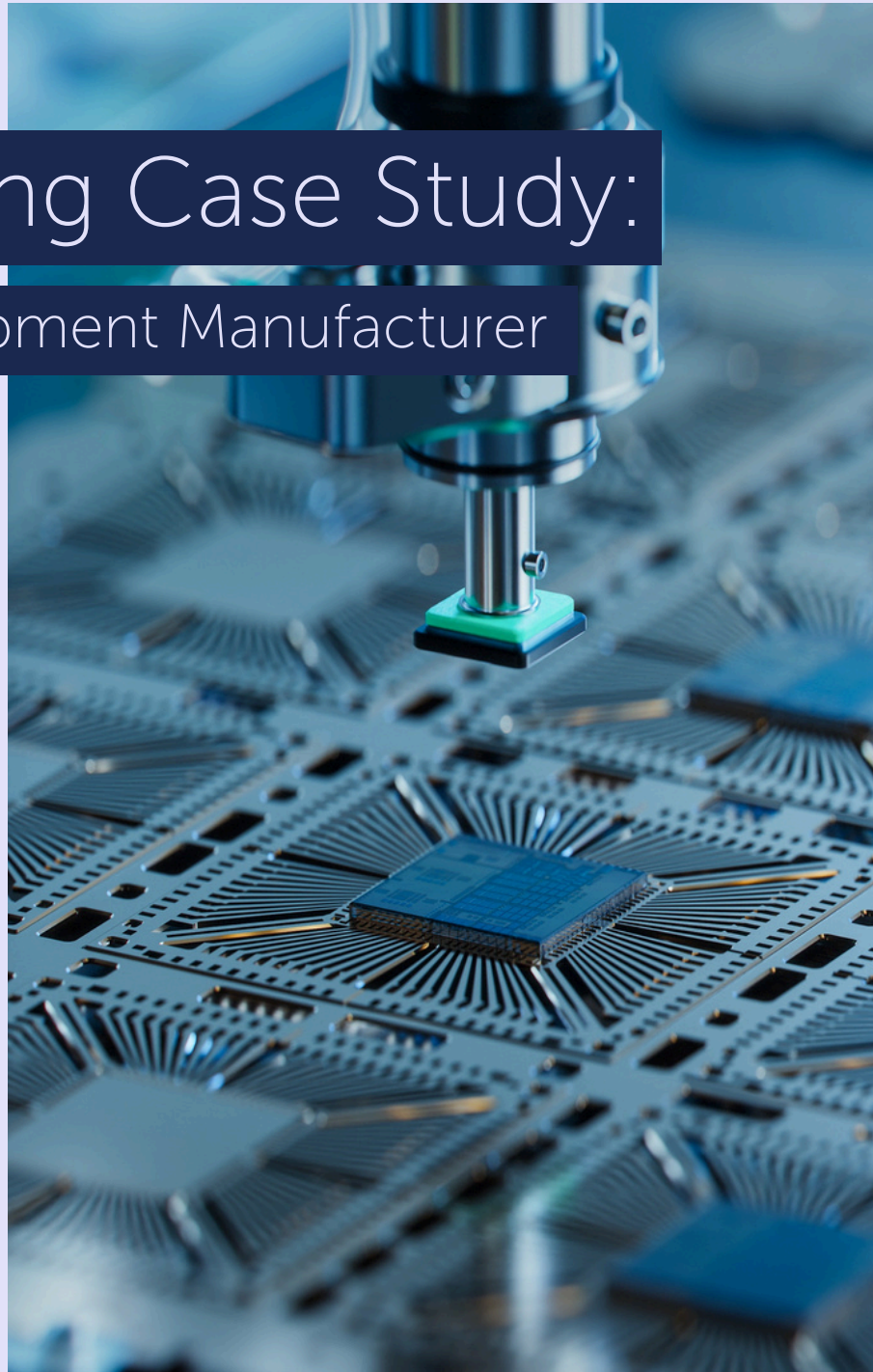Headquartered in Japan with presence globally

CHALLENGE

Achieve consistent planning execution across six regions spanning the US, Europe, and Asia.

SOLUTION

Complete four consulting engagements based on recommendations from a comprehensive assessment to increase user adoption, improve BaxterProphet configuration, and establish automated execution across all regions.

RESULTS

- 95% reduction in forecast alerts
- 22% reduction in min cost while maintaining required service level
- 44% reduction in supply order suggestions
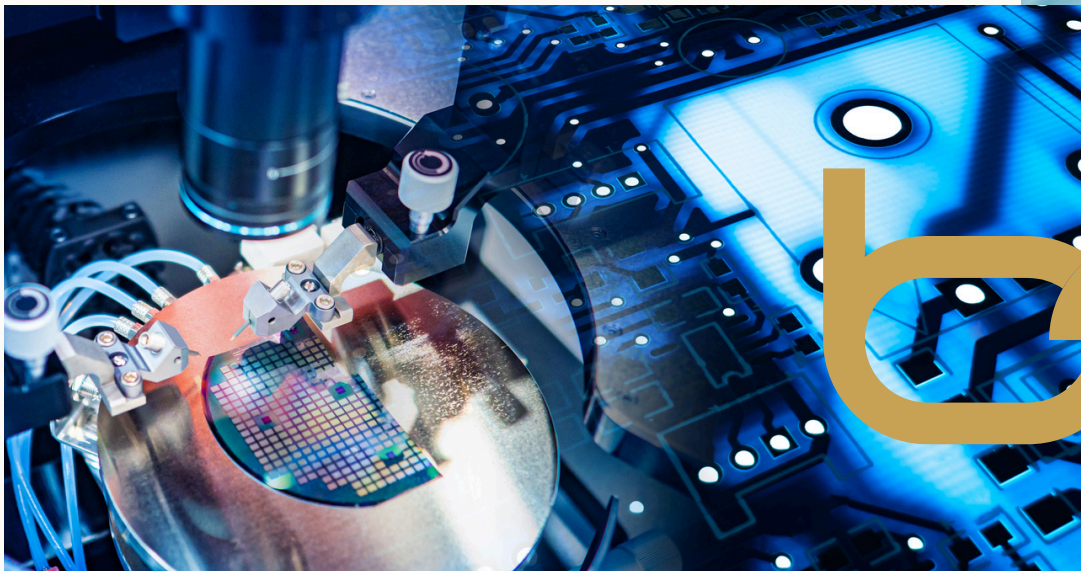- 60% reduction in BaxterProphet reported misses to improve accuracy of Hit Rate

See ahead. Stay ahead.

Tokyo Electron Limited (TEL)

Tokyo Electron Limited (TEL) is a Japanese semiconductor production equipment and flat panel display (FPD) production equipment company headquartered in Tokyo, Japan.

TEL is best known as a supplier of equipment to fabricate integrated circuits (IC) and FPD.

Established in 1963, TEL operates in 77 locations across 17 countries and was most recently ranked on Fortune's "The Future 50" list which ranks the global companies with the best prospects for long-term growth.
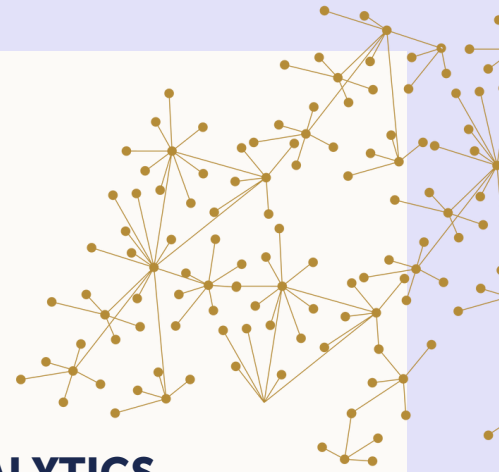
CHALLENGES AND SOLUTIONS

TEL went live with BaxterProphet in May 2017.

As a large, global company with planners in six different regions across the US, Europe, and Asia, the company had difficulty achieving consistent planning execution across all teams.

With this in mind, the Baxter Planning team completed a comprehensive assessment for TEL to identify and prioritize improvement opportunities.

Based on the results, the two companies partnered together for a consulting engagement to complete projects in four of

Baxter Planning's key practice areas:

FORECASTING

The TEL team found the large number of Forecast Alerts generated each week to be unmanageable and not meaningful as they were typically for very low dollar parts or very low demand items. The Baxter Planning team reviewed the alert configuration and uncovered an opportunity to improve the Auto-Outlier Functionality by updating the parameters to trigger more intelligent alerts.

After the configuration was updated, training sessions were held to review best practices for analyzing and resolving alerts so that the TEL team walked away with a manageable alert workload and a well-defined maintenance plan for actioning alerts.

PLANNING ANALYTICS

After reviewing misses on the Hit Rate report during the comprehensive assessment, the Baxter Planning experts identified configuration changes that would help improve the accuracy of what BaxterProphet was deeming a hit vs a miss.

From here, Baxter Planning's planning experts conducted training sessions to review how to best utilize the Hit Rate report going forward. Each region gained a better understanding of the best practice for reviewing Hit Rate monthly.

INVENTORY OPTIMIZATION

BaxterProphet utilizes its proprietary Total Cost Optimization to calculate target stock levels that balance inventory costs with stockout costs.

Through an iterative process, the Baxter Planning and TEL teams worked to tune parameters and define five categories of material criticality. This enabled the planning software to comprehend some materials as more important than others and ultimately, calculate more accurate target stock levels.

SUPPLY ORDER AUTOMATION

The team was able to take advantage of BaxterProphet's Auto-Approval functionality to automate and gain efficiency around placing supply orders.

The team's comfort with Auto-Approval began as a pilot of five to ten materials and has since expanded to a growing list of 500+ materials today with plans to further expand this capability.

BAXTER PLANNING™

Result:
Partners in Planning

As a result of the efforts by both teams, user adoption and overall understanding of BaxterProphet has greatly improved.

TEL's end-users are now more confident utilizing the planning software to perform planning activities and are trust the recommendations to automate execution.

The improvements were reflected on Baxter Planning's Best Practice Scorecard and TEL's benchmark ranking among all customers improved from the 60th percentile to the 84th percentile.

This project exemplifies the strong partnership values held by both organizations and the two teams continue to meet and monitor status and metrics.

- 95% reduction in forecast alerts

- 22% reduction in min cost while maintaining required service level

- 44% reduction in supply order suggestions

- 60% reduction in Prophet-reported misses to improve accuracy of Hit Rate

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.