



Planning as a Service for the Service Supply Chain

Supplement or outsource your inventory planning for the expertise you need today.

ABOUT BAXTER PLANNING SYSTEMS

Since 1993, Baxter has developed solutions that meet the specific demands of aftermarket service, repair, and spare parts. Baxter's suite of integrated forecasting and planning applications enables companies to achieve industry-leading customer service levels while significantly increasing profitability. Headquartered in Austin, Texas, Baxter is privately held, self-funded, and profitable. Global 2000 and Fortune 500 enterprises deploying Baxter solutions include Sony, Stanley Black & Decker, Extreme Networks, Agilent Technologies, Riverbed Technology, Alcatel-Lucent, NetApp, Palo Alto Networks and many others.

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SUMMARY

Although most of the discussion around inventory planning is centered on the tools used to balance inventory and service levels, the skills and expertise to manage this function are also critical. Start-up companies and mid-size enterprises struggle to find resources with the required insight and experience. Even large companies may not find enough qualified people to plan and forecast their supply chain requirements.

Baxter Planning Systems understands these organizational challenges and disparities. Working with clients of every size, Baxter offers a range of services, from traditional Software-as-a-Service (SaaS), where your staff controls the planning process, to Planning-as-a-Service, where in-house Baxter experts perform planning activities on your behalf.

SUPPLY CHAIN PLANNING COMPLEXITY

Supply chain planning is not a new concept: the function was identified in the early 20th century with the creation of the assembly line. Materials needed to be sourced and collected at a central point to start the manufacturing process. Even as Ford Motor Company, Boeing, DEC, IBM, and other legacy leaders employed supply chain planning to consolidate resources for automobile, airplane, and high technology production, supply chain planning was not a core competency. Over time, targeted solutions evolved – from MRP (materials resource planning), to DRP (Distribution Resource Planning) and ERP (enterprise resource planning) to SCM (supply chain management).

During the evolution of supply chain planning, it became apparent that skills gained in one industry or aspect of planning are not always transferable to another industry or area. "Just-in-Time" manufacturing supply chain planning processes and core metrics are significantly different than those required for retail supply chain planning or "Just-in-Case" service supply chain planning.

The nuances and intricacies of inventory planning are particularly magnified in the service supply chain, where variable product lifecycles, service contract options, part supersession requirements, defective returns and repair planning within a global logistics network must be considered. These variables along with the complex logistics networks required to make spare parts available same- or next-day to field service technicians create unique challenges for planning a Service Supply Chain.

Today, only a fraction of companies have sufficient internal supply chain planning experts to manage all aspects of their supply chain. To magnify this issue, many do not have the mature recruiting, training processes, and career paths required to build and retain superior talent to effectively manage the supply chain. This issue is particularly relevant in the service supply chain where managing thousands of part numbers across hundreds of locations is not feasible via manual processes. In an article titled "Forecasting a Supply Chain Talent 'Perfect Storm'", SupplyChain 24/7 cited this issue, stating that in addition to a smaller pool of potential professionals available for the future, the growing skills gap is exacerbated by the transition from an industrial economy to an information/service economy.

By partially or completely outsourcing service planning activities to Baxter's experienced practitioners, your staff can focus on their main business functions and meet their service objectives faster and more cost effectively.

"Baxter's end-to-end solution, including outsourced planning, ensures that we provide industry-leading services that match the caliber of products we offer."

Manager, Global Logistics



PLANNING AS A SERVICE

When companies adopt Baxter's inventory optimization solutions, they also have the opportunity to outsource inventory planning activities such as:

LOGISTICS NETWORK MANAGEMENT	Perform logistics network modeling reviews to identify potential network changes while ensuring that business rules correctly map demand to sites based on business objectives.
DEMAND FORECASTING	Forecast demand based on historical data, as well as past, current, and projected installed base (contracts and sales).
LIFECYCLE MANAGEMENT	Facilitate the process of new product introduction (NPI) provisioning and end of life (EOL) buys and dispositions.
INVENTORY OPTIMIZATION	Validate target stock levels for each part at each location in the logistics network using Total Cost Optimization.
REPLENISHMENT / REDEPLOYMENT	Manage replenishment and redeployment orders to balance inventory in the logistics network by calculating real and potential costs of each backlog.
SUPPLY ORDER MANAGEMENT	Generate recommended supply orders based on target stock levels, lead time, minimum quantities, and other netting criteria to execute the inventory plan and control costs.
RETURNS FORECASTING	Forecast returns (good and defective) in support of future repair order planning, ensuring defective materials are used as a source of supply while calculating and applying yield/scrap rates.
CONTINUOUS IMPROVEMENT	Improve operations via the analysis of reports including analytics that intelligently assign and track root causes for each non-optimal fulfillment of demand.

RESULTS

Clients using Baxter's SaaS solution to plan service parts inventory using in-house personnel are able to gain the insight they need to reduce inventories and improve service levels. Incremental Planning-as-A Service benefits include:

- Variable cost for planning expertise
- Reduce/remove fixed costs and infrastructure
- Accelerate capabilities and expansion
- Improve performance

Depending on internal capabilities, clients may choose to completely outsource, partially outsource, or employ Baxter's experts for training and mentoring. Through regular performance analysis, mentoring provides proactive client support to identify issues before they occur and recommend solutions.

Contact Baxter to learn how to optimize your service supply chain operations to improve the bottom line and customer satisfaction.