MAINTECH

Enterprise IT Service Provider Case Study

Company Profile

Maintech delivers IT Infrastructure Support Services to the most demanding clients around the world in time-sensitive industries such as financial, healthcare, and retail. Maintech supports servers, storage and network devices from all major OEMs with services ranging from on-site hardware maintenance and server administration, to Remote NOC Monitoring and Managed Services.

Prophet by Baxter

Completely web-based, Prophet is an integrated suite of inventory forecasting and planning software solutions. A best-of-breed solution, Prophet helps clients forecast demand, optimize target stock levels, and integrate to other systems to execute supply, replenishment and repair orders for each part across the entire supply chain. Only Prophet, a solution designed for service parts planning with Baxter's unique total cost optimization logic, incorporating shipping cost and customer penalty considerations, among others, can achieve the optimal results clients require.

Baxter PLANNING SYSTEMS

Learn more about us at www.bybaxter.com or call us at 512.323.5959.

The Challenge

For more than 40 years, Maintech, Incorporated, a business unit of Volt Information Sciences, Inc., has provided IT Infrastructure services as an Independent Service Organization (ISO). The company has reliably supported its clients' enterprise systems, comprised of numerous manufacturers' equipment, both onsite and through remote technical support. As the industry landscape evolved with more complex product lines, stricter service level agreements (SLA), increased security measures, and the advent of cloud computing, Maintech has evolved as well.

In order to meet clients' increasingly demanding service needs and gain greater control over service parts inventory, the company began transitioning field inventory to third-party forward stock locations in 2005. While this change accomplished its goal of greater control and availability, there were still gaps. As Maintech's business grew through both new contracts and significant expansion within their existing Managed Services portfolio, it also produced requirements for additional field inventory.

Although Maintech's internal service management system was effective at keeping track of service parts availability, location and status, management believed that their current technology did not provide the dynamic planning capabilities that would improve service turnaround time. Maintech needed a tool to supplement and enhance its inventory management capabilities, while also ensuring that the right part was available at the right place, every time. Maintech selected Baxter to:

- Improve first-pass fill rate
- Reduce expedited shipments and transportation costs per service event
- Control service inventory costs

The Solutions - Prophet

The internal team had thoroughly assessed Baxter through industry forums and client discussions, and was more than ready to get started. With Baxter's support from its expert consultants, the solution was implemented to plan and forecast all of Maintech's inventory – nearly 100,000 parts from over 40 manufacturers in approximately 200 locations in 13 countries.

Maintech quickly realized efficiencies by leveraging Prophet through:

- Forecasting – forecast parts based on historical demand and past, current, and projected contracts
- Inventory Optimization – calculate target stock levels for every part in the logistics network using Baxter's unique Total Cost Optimization method
- Replenishment/Redeployment – manage replenishment and redeployment orders to balance inventory in the logistics network
- Supply Order Management – automatically generate recommended supply orders based on target stock levels, lead time, minimum quantities and other criteria, including exception based management
- Continuous Improvement – reports and analytics that intelligently assign and track root causes for each non-optimal fulfillment of demand (miss)

The Results

The anticipated return on investment paid-off. In less than 2 years, Maintech improved its first-pass fill rate by 20% and decreased overall transportation costs. Expedited shipping reductions were dramatic, while an increased number of contracts meant more parts and transportation requirements than ever. Even with a 40% increase in parts requirements over 2 years, the proactive insight into parts procurement helped consolidate and reduce the number of purchase orders, thereby decreasing total procurement, shipping and logistics expenses. Ultimately, Maintech has saved hundreds of thousands of dollars to date by using Prophet to optimally plan its global service supply chain.