VTech Goes "Live" with Supply Chain to Save Millions

> "The most important benefit of the Live Server application has been the real-time collaboration between business groups. With the real-time synch of information, people can actually make decisions much faster than before based on up-to-date data.
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>
> John Lou
> Director of IT
> VTech Communications

Business Challenge

Inefficient Supply Chain Management

VTech Communications, headquartered in Beaverton, Oregon, is one of the largest manufacturers and distributors of cordless phones and data networking products in the world and has distribution offices in Hong Kong, China, Canada and the United States. As one of the foremost distributors of AT&T-branded wireless products in North America, the challenge of coordinating the forecast, demand planning and allocation of more than forty products with distribution personnel in four different countries had proven to be a daunting task.

Prior to integrating the ProClarity Live Server technology into their operations, VTech Communications relied solely on Excel for the management of their global supply chain. "All of our supply chain management used to be done on spreadsheets," said John Lou, Director of Information Technology. "We used to waste a lot of time copying and pasting data back and forth because the information was in so many hands and located in so many places. Now that users have access to the same information all in one location, it has really eliminated all potential man-made errors and there is no time wasted transferring data between users. They simply write back up-to-date information for others to consume."

Resolution

Reduced Inventory Expeditures

The Live Server application at VTech Communications has been extremely successful. The company estimates significant cost savings each month thanks to considerably improved supply chain management. "We have reduced unnecessary inventory expenditures by approximately a half a million dollars per month. This technology has really taken our supply chain to the next level."

Deployment

Speedy Delivery

VTech implemented the ProClarity Live Server technology anticipating it would resolve its inefficient supply chain management by providing "live" and persistent connections to valuable product information for all users. The first deployment of the VTech application took approximately three months to complete – the majority of which was spent on the development of the back-end data warehouse. "The accurate design

of the data warehouse itself was the most cumbersome part of the solution," says Lou. "It took us three attempts to finally get it right, but now we are able to do a lot more BI reporting and analysis which allows us to make quicker supply chain decisions and more tactical business choices."

Because Live Server connects directly to the data source, there was no need for VTech to physically move, integrate or scrub existing data. Once the back-end Oracle database had been successfully populated with the correct data, the Live Server was able to establish live and persistent connections to this information to provide users in all locations of the organization with real-time access to the same information. As Mr. Lou states, "This solution is much easier to implement to other users or divisions within the company, and the use of the familiar spreadsheet environment dramatically increases user adoption. ProClarity's Live Server is more scalable because the application simply reaches out to bring information back to the user in Excel." Because Live Server provides "live" and persistent connection to the data, VTech distribution managers now have the comfort of knowing they always have immediate access to the most up-to-date supply chain information.

ProClarity Solution
Faster Decisions

With Live Server in place, the distribution managers for VTech Communications are now able to conduct much more accurate forecast and resource planning, more exact inventory management, and dramatically improve operating efficiency. "Now that we have a centralized database for our supply chain, instead of valuable information sitting in separate spreadsheets

in different offices around the world, it is sent into our data warehouse for all to pull information from and write back to," explains Lou. "This is something that we simply weren't capable of doing before - it has really enhanced our analysis capabilities and dramatically improved our supply chain management."

Vtech's manufacturing and sales offices around the world are finally on the same page. Users are able to work with real-time information in what is essentially the same Excel spreadsheet, regardless of their physical location. "This technology allows for the collaboration of real-time supply chain information among our core users," Lou said. "Also, because this information is presented in a familiar spreadsheet container, users are already very familiar with the functions of the interface, so very little training was required." Individuals responsible for the planning, forecasting and allocation of the company's vast supply chain can now monitor inventory performance and movement throughout the world, manipulate the information as necessary and write it back to the central database for the immediate use of others.

Return on Investment
Improved Supply Chain Saves Millions

And while the company is more than pleased with the results of their ProClarity investment, Mr. Lou plans to take further advantage of the Live Server technology by eventually pulling live data directly from internet websites to give users real-time access to even more product information. But for now, the company has seen dramatic improvements with the deployment of Live Server, and as John Lou says, "With the real-time synch of information, people can actually make decisions much faster than before based on up-to-date data."