

Case study

Forecasting and
Supply Planning



Marvell's Fast and Agile Supply Chain

Results

- Increased forecast accuracy by up to 30 percentage points
- Maximized speed and supply chain agility

Game-like speed

Silicon Valley-based Marvell Semiconductor is on the cutting edge of technology. The company manufactures a diverse product range, including storage devices, controllers, routers, switches, gaming devices, multimedia chips and printers. In each of these business areas, performance speed is extremely important. “In our products, we’re always trying to drive faster communication and higher data throughput.” – **Director of Supply Chain Applications, Marvell**

Speed-to-market is also an important goal, but, “One of the issues we face in the semiconductor industry is that it takes approximately 14 weeks to build a product from scratch. This can be challenging because customers generally do not want to wait that long. We have to have a good supply chain in place, one that can be changed rapidly to meet customer requests. This enables us to bring products to market faster.” To meet this goal, Marvell deployed Blue Yonder’s forecasting and supply planning solutions.

Challenges

- Marvell’s products have long lead times, but customers don’t want to wait that long for their purchases. Marvell wanted to maximize the speed and agility of their supply chain to respond.
- Changes in demand were communicated to planners via email, resulting in poor forecast accuracy. Marvell wanted a single view to demand.
- Manual processes and lack of inventory visibility caused Marvell’s supply chain to become out of balance, with too much inventory while demand was changing. They wanted to better integrate their entire supply chain.





Single view to demand

Prior to implementing the Blue Yonder forecasting and supply planning solutions, demand from various sources was communicated to planners via email, leaving planners to react to often conflicting information. As a result,

“Marvell’s forecast accuracy was probably in the 20 percent range.”

Marvell now has a single view of demand. “The solution aggregates inputs from a number of different sources to generate a single forecast that helps us run the company, not just the supply chain, but the entire business. Our revenue projections, our inventory management and our manufacturing plan are now all based on the same number.”

Integrated supply chain

Marvell now has the forecasting and planning capabilities to run an integrated supply plan. “We know how much material to buy, how many wafers to start, how many products to assemble and how much inventory to carry. Dashboards in the solution show our fill rates, supply shortages, excess inventory, expedited orders and any exceptions to the norm. We can proactively manage unexpected issues, instead of reacting after the fact.”

The company has also made improvements in inventory management. “We can now set inventory levels for different products so that we don’t have excess inventory accumulate. We also have greater visibility into potential excess inventory, enabling us to react to it sooner.”

Solution benefits

- A single view of demand increased forecast accuracy by approximately 30 percentage points
- An integrated supply chain improved inventory management and increased supply chain responsiveness
- Automated demand forecasting and supply planning enabled Marvel to better coordinate and control its entire supply chain process, increasing speed and supply chain agility

Blue Yonder expertise

“Supply chain is critical to our company’s success. To be nimble enough to react to our customers’ needs and manage volatile demand, we have to have an end-to-end supply chain. The functionality that Blue Yonder provides is much more than we needed, but it gives us direction on where to go in the future. They have solutions for every possible supply chain problem. We have a roadmap of what we want to do in the next two years. With Blue Yonder, we’ve found a strategic partner and a thought leader that we can rely on.”

 Luminate Planning

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