

Driving success through multi-tier supplier commitment

Since 1903, this legendary American multinational automaker has revolutionized car manufacturing – first making cars and trucks accessible to the masses, and then becoming one of the world’s most recognizable brands. In an era of global industrialization, the company still bears its founder’s name as it becomes synonymous with the advancement of manufacturing.



The situation

But today, advancement is hard to come by as the automotive manufacturing industry is battling to overcome constrained supply, assumption-based supply plans, and a lack of visibility into future supply availability. These issues have increased operating and production costs -- from maintaining buffer stocks and taking remedial actions to cover volatile demand. On top of critical component shortages, consumer buying trends and labor issues have riddled the industry.

The challenge

Placed squarely in the middle of so much uncertainty and volatility, the automaker realized the debilitating impact of having an unachievable supply plan and its reliance on single-sourcing practices without alternative supply streams. The lack of availability of essential supply components when demand dictated resulted in production stoppages and failure to deliver on customer commitments. Additionally, without accurate supply forecasting technology and formal commitments from their suppliers, poor customer service, delivery, and availability became commonplace. At the same time, higher operating costs and a loss of market share became

inevitable while critical supply shortages resulted in 95% of finished vehicles sitting idle for months.

The company needed a better way to create and share an accurate forecast with multi-tier suppliers and gain supplier commitment to deliver on these forecasts. The company sought to proactively align supply with demand by collaborating with suppliers ahead of time to improve productivity and supply assurance while reducing lead times and risk. To do it, they adopted the mentality of supply management through supplier collaboration.



The solution

The deployment of e2open Supply Collaboration created a more collaborative supply process with their multi-tier suppliers. By sharing forecasted supply needs and ingesting supplier inventory status, the company could see constraints earlier, understand their downstream impacts, and act to remediate the issue before it impacted their

production. With two methodologies in place, they ingrained collaboration directly into the supply forecast and supplier inventory processes.

Supply Forecast Collaboration also let the automaker share a time-phased view of their future supply needs with their multi-tier suppliers. They took this a step further by utilizing supplier commitments to properly adjust for peaks and troughs, creating a more accurate supply forecast and highlighting potential issues for efficient remediation.



Automotive Manufacturer

Challenges

- Volatile and constrained supply
- Poor collaboration with suppliers
- Slow remediation of known issues
- Unachievable supply forecasts and plans

Solution

- Orchestrated data-sharing with multi-tier suppliers
- Supplier commitments for supply
- Proactive supply risks and availability alerts

Applications

- Supply Forecast Collaboration
- Supply Inventory Collaboration

Supply Inventory Collaboration now helps the automaker ingest inventory status from their suppliers and use them to build a more feasible supply plan. With more visibility, they're able to intelligently categorize issues for fast remediation with a new level of insight into what their suppliers can truly deliver.

Finally, an analytics-based dashboard provides performance insights for the company and its suppliers and gives them greater control over supply issues.

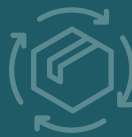
The outcome

This new commitment-based approach to sharing forecasts with multi-tier suppliers, receiving supply inventories, and resolving issues before they become disruptions, has made this global company's supply chain more resilient, flexible, and agile amidst an era of constrained supply and volatile consumer demand. Having this level of visibility and collaboration with suppliers has allowed them to produce much

more achievable supply plans that directly help them deliver on their customer commitments. By providing a comprehensive platform and multi-enterprise network, they can reach through their supply chain to connect all ecosystems and tiers to build healthy, two-way relationships that expose collaborative solutions to shared problems.

Applications

- Supply Forecast Collaboration
- Supply Inventory Collaboration



About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 480,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 15 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More: www.e2open.com

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