Creating a supply chain culture

Lippert Components is a global leading supplier of components to the recreational vehicle and residential housing industries, as well as adjacent industries including bus, cargo and equestrian trailer, marine and heavy truck. With multiple facilities worldwide and more added all the time through acquisitions, Lippert needed a supply chain planning solution that could integrate all those systems and processes – and help improve supply chain planning across the enterprise.

The Lippert challenge

Much of Lippert's growth has come through acquisitions over the past two decades. Unifying people, systems and process presented many challenges throughout the

> **"** We chose Kinaxis to develop a comprehensive view of our entire supply chain to reduce decision latency by connecting all links throughout our organization
>
> **SCOTT MEINER**
> **CHIEF SUPPLY CHAIN OFFICER,**
> **LIPPERT COMPONENTS**

enterprise. In 2014, Kristen LeBaron was appointed Director of Supply Chain and tasked with creating and running an internal supply chain organization.

"Poor demand visibility challenged our manufacturing facilities with determining what to make because they did not have the right raw materials to meet production needs. Plants would increase safety stocks, which led to excessive and costly inventory and increased the risk of building obsolescence. Conversely, inventory shortages for new and promoted products impeded the promotional programs that were being pushed by sales. Stock-outs occurred because we failed to have the right product at the right place at the right time, which led to increased costs due to expedited orders or, even worse, lost sales," says LeBaron.

"My goal was to build a cohesive supply chain culture throughout the company. That meant instilling a high sense of urgency and accountability. Being demand-driven required us to view the business through a different lens, look at it from the outside-in, and then understand what the market wants to satisfy future demand. As simple as that sounds, without a sophisticated planning platform like RapidResponse, it's a difficult concept to execute," says LeBaron.

Benefits of using Kinaxis

Holistic view of the entire supply chain

Report-building tools that allow any user to get information quickly and easily

Improved forecasting through accurate historical demand data

Complex BOM and costing analysis with no lag time

The Kinaxis difference

RapidResponse® gave Lippert the ability to see and connect hundreds of siloed data points. Instead of manually bringing all that information together, the company can now quickly and easily build custom reports across all of its facilities, providing a holistic view of the entire global supply chain and enabling simpler, faster planning of demand, inventory, production and capacity.

While those benefits were what Lippert set out to get from RapidResponse, the company quickly found it could do much more with the software.

Solution Architect, Matt Getz points to historical demand tracking as one of the unexpected areas that has improved with RapidResponse, "We had all these problems trying to project our future demands because our historical demands were a bit of a mess,"

> We've faced a lot of external and internal challenges over the years, and RapidResponse has helped us respond in all kinds of interesting ways.

MATT GETZ
SOLUTION ARCHITECT,
LIPPERT COMPONENTS

he says. "When bills of material were changed, historical usage was no longer a predictor of future demand. We were able to use RapidResponse to virtualize the demand history by using active bills of materials and the last three years of sales history. This also corrected issues with production line substitutions and build schedules that did not represent the customer promised delivery date."

With RapidResponse, Lippert can account for these kinds of changes, and now runs an updated historical demand report daily to make the best predictions.

Taking BOM analysis to the next level

Another unexpected benefit of RapidResponse has been its ability to analyze complex bills of material (BOMs). Lippert needed "full indented BOMs" – views showing all components and sub-components and their relationships across vertically integrated sites. It also needed "where-used reports" listing all products requiring particular components. The old method of using SQL queries to produce those reports was time-consuming due to the sheer number of inputs from different data sources. For example, running a massive where-used across all of their import products took hours to complete in SQL and only a few minutes within RapidResponse.

"We started using RapidResponse to double-check those queries," Getz says. "The results pulled so quickly that RapidResponse has been used as the primary alternative for various engineering requests."

LeBaron says RapidResponse lets Lippert take BOM analysis even further by bringing in cost information and comparing it to average selling price. Her team is building reports that show historical cost performance data at any point in time as well as reports that can help them plan for the future.

As an example, she cites the phase-in of tariffs over time. Lippert can input the cost increases and their associated

effective dates, and RapidResponse combines that information with inventory on hand as well as with demand forecasts to calculate the cost and its effect on margins.

"When we were looking for software, we weren't looking for a tool that would help us do BOM analysis or build out some of our inventory reports," says Getz. "We never expected that RapidResponse

Results that matter

Implementing RapidResponse has allowed Lippert to streamline its supply chain processes – and bring hidden problems to light before they have the chance to "snowball". Getz tells of migrating one facility to the new system and discovering an entire product line had been recorded improperly in the old system.

"That system didn't require good data management," he says. "Bills and materials were entered haphazardly, and workarounds were created to make it all work.

would be integrated throughout every department in our organization either," says LeBaron. "When you're evaluating tools it's hard to identify all the benefits without knowing the solution inside-out. RapidResponse has exceeded ALL of our expectations and more. We often tell people, 'If you can think it, we can build it.' It has been rare for us to come across a situation where we haven't been able to deliver on a specific need," says LeBaron.

The new system doesn't allow those kinds of shenanigans, so it promptly shuts down the line."

Solving the problem with SQL queries would have taken days but Getz and his team were able to get production back up and running by that afternoon with RapidResponse.

Other Lippert departments not directly involved with supply chain management have been able to use RapidResponse to enhance their work: production

> ❝ You can slice information any way you want in RapidResponse.

KRISTEN LEBARON
DIRECTOR, SUPPLY CHAIN,
LIPPERT COMPONENTS

managers, engineers, sales representatives, finance employees and inventory managers. Even external vendors are able to collaborate and connect their information, giving Lippert access to even more upstream information.

A cohesive supply chain culture is one of inclusion. When everyone can work off a single platform to collaborate with a focus on what's best for the business, not just one functional silo, it changes the way people manage their own responsibilities. New levels of trust and confidence are injected in supply chain planning decisions.

"We started with 10 licenses," says Getz, "and we thought maybe we'd end up with 40. We're up to 120, and we're probably going to add another 40 in the next six months."

Many of Lippert's users are not just looking at reports created by others. Getz says they've been impressed by how easy it is to develop in RapidResponse – even with no knowledge of any programming languages: "If you can build it in a spreadsheet, you can build it in RapidResponse."

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Kinaxis® gives people the confidence to know they're making the best planning decisions to maximize business performance in today's volatile world. Plan for any future. Monitor risks and opportunities. Respond at the pace of change. Our platform blends human and machine intelligence to solve complex planning problems in easy-to-understand ways.

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