

Network Appliance demand planning system

Enterprise solutions provider, Network Appliance reduced the company's service inventory, which includes parts used to replace broken devices in the field, by implementing a demand planning system from Xelus. With a field parts planning module from Baxter Planning System already in place, the company also implemented World Chain's supply chain execution software. After receiving a forecast from the demand planning software, Network Appliance uses replenishment planning software from Baxter to determine inventory levels at the company's depots and hub. Following a service request, the supply chain execution application locates the closest depot to service the customer. The Xelus and Baxter system automatically notify the hub and the factory to replace all used parts. Since implementing the new system, Network Appliances has seen on-time service responses increase from 70 percent to 98 percent. The company has also reduced inventory growth rate despite a growing customer base (Worthen, 2003).

Companies can learn from this example, and implement a demand planning system that forecasts its customer needs. This would eliminate the need to stock or warehouse inventory for an unknown amount of time.

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