LOGILITY

Customer Success Story

Fender rolls out a rockin' supply chain

Improved key item forecast accuracy

X2 Doubled finished goods inventory turns

Boosted service levels by 50%

Accelerated decision analysis from months to weeks

Challenge

Fender needed to improve forecast accuracy, gain better control of inventory, minimize capacity constraints, and synchronize supply flow.

Logility Digital Supply Chain Platform

Fender implemented Logility and achieved true visibility of supply and demand requirements, improved forecast accuracy, boosted service levels by 50%, and doubled finished goods inventory turns.

Fender®

Facts
Industry
Musical Instruments

Headquarters
Scottsdale, AZ

Profile
Fender is the world's #1 maker of stringed instruments and solid-body guitars.

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Senior Vice President of Supply Chain - Fender

Headquartered in Scottsdale, Arizona, Fender is the world's leading guitar manufacturer. Fender-branded guitars are the #1 selling electric guitars by unit volume. And, Fender offers a wide variety of products, from beginner-level to high-end advanced musical instruments, and also manufactures a complete line of audio equipment and accessories, including strings, replacement parts, cases, straps and clothing.

Tactical to Strategic

For a company whose vision is to "continue championing The Spirit of Rock-N-Roll® throughout the world," brand awareness and marketing is a top priority. Historically, supply chain management was viewed as more of an administrative function, but in the last several years Fender came to the realization that its supply chain could become a competitive differentiator.

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Senior Vice President of Supply Chain
Fender

But first, Fender had to work through several challenges. The company struggled with disparate and limited demand data. Several brands and products were not forecasted at all, and the planning horizon was a short 90 days, a scope too tactical to be able to improve and achieve strategic targets. Lost sales were primarily due to out-of-stock conditions. Fender's operations are labor-intensive; a handmade Fender guitar takes 28 days on average to complete and for a custom product, there are as many as 15,000 options, all leading to a very complex planning process.

Fender set out to build a more responsive supply chain, with a goal of end-to-end visibility and a comprehensive plan to drive and measure its global performance. Specific goals included: improve forecast accuracy, gain control of inventory, identify and minimize capacity constraints, and balance supply and demand profitably. The first step was to build a foundation with a fundamental demand plan, on top of which to synchronize all other processes.

Simple Approach for a Complex Supply Chain

Fender turned to Logility to meet its total supply chain requirements: real-time forecast results, direct visibility of impact to sales from supply constraints, easy integration with SAP, and ultimately a user-friendly solution that would be up and running quickly.

Logility Demand Planning™
provides visibility across Fender's supply chain to increase forecast accuracy and right-size inventory levels.

Logility Inventory Planning™
allows Fender to improve inventory performance and customer support through demand and inventory plan alignment.

Logility Replenishment Planning™
provides visibility across Fender's supply chain to increase forecast accuracy and right-size inventory levels.

Logility Supply Planning™
helps Fender balance supply, manufacturing and distribution constraints based on corporate goals for maximizing profit or minimizing costs.

Logility enables you to:

- Increase forecast accuracy
- Align inventory with customer demand
- Optimize inventory levels and increase inventory turns
- Boost customer service through product availability, accurate order fulfillment and on-time deliveries
- Optimize your entire value chain and get the right products at the right price to the right place at the right time

"Logility has made Fender's complex supply chain simple to understand and easier to balance in order to ultimately meet our customer's needs. Everyone 'gets it'. With the flexibility and control afforded by Logility, we are all on the same page as to where our business is going and where our opportunities are," notes the senior vice president of supply chain at Fender.

Quick ROI

Quick implementation and business user training were fundamental to Fender's success. An efficient on-boarding process was established in the first six months. "We listened and learned from the experts. The Logility team gave us situational recommendations based on experience. They made a significant effort to learn our business needs and focus on what was important to Fender, and how to apply Logility to solve our challenges," says the senior vice president. Fender saw an almost immediate return on investment; ROI was achieved in the first six months, much faster than was planned. "From a resource perspective, Logility is also very cost-efficient to support. Any increase in resources is to support company growth, not administration of the supply chain. With Logility, we have been able to expand our business not only via organic growth but also through acquisitions, and easily meet the needs of new divisions, products and markets," the senior vice president explains.

Rockin' Results

Through market fluctuations, Fender's supply chain remains responsive and flexible. The company is able to anticipate changes and react strategically. The results are impressive: Fender increased service by 50% and doubled finished goods inventory turns. The company also has boosted forecast accuracy for key products and reduced inventory while improving revenue. With Logility, Fender has the ability to see what changes from one week to the next in the context of its strategic plans. With this visibility, Fender has gone from its previous 12 decision points to more than 52 decision points a year.

"Our metric improvements are great. Logility has been a great partner providing tremendous supply chain expertise and fantastic customer service. The continued willingness of the Logility team to listen and to strategize with us on how to best solve our new business challenges has been a key to Fender's continuing success," concludes the senior vice president.

About Logility

Accelerating the sustainable digital supply chain, Logility helps companies seize new opportunities, sense and respond to changing market dynamics and more profitably manage their complex global businesses. The Logility® Digital Supply Chain Platform leverages an innovative blend of artificial intelligence [AI] and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility. Logility is a wholly owned subsidiary of American Software, Inc. [NASDAQ: AMSWA].

To learn how Logility can help you make smarter decisions faster, visit www.logility.com.