

Delivering Super Service Management for Super Computing

SERVICE PARTS MANAGEMENT



“We’ve been able to significantly reduce inventory by identifying excess with Servigistics. We’ve cut our inventory by roughly 27%.”

JIM TENNESSEN
*Manager of Logistics
 Cray, Inc.*

CHALLENGE:

Cray needed to optimize its global service parts inventory for multiple generations of supercomputers operating in 30 countries. The company needed a solution that would:

- Rapidly identify excess parts inventory
- Reduce service parts investment without impacting parts availability
- Maintain and increase customer service levels
- Seamlessly integrate with existing inventory systems

RESULTS:

Servigistics responded with an integrated Service Parts Management solution that reduced inventory levels while increasing service parts availability, efficiency and customer satisfaction. Like Cray computers, the results were super:

- \$12 million reduction in service parts inventory
- Increased planner productivity by 50%
- Global parts visibility and control

Many large, international organizations rely on global supercomputing leader Cray, Inc., to deliver high-end supercomputers to solve the most demanding, most crucial computing problems on the planet – designing life-saving drugs, forecasting the weather, predicting natural disasters and safeguarding our national security.

As a result, Cray cannot afford to have its customers experience excessive downtime. To maximize uptime, Cray developed a world-class service organization that delivers rapid response to customer problems. A key element of rapid response is having the right part, at the right location, at the right time to perform the necessary repair. To ensure part availability, Cray historically overstocked expensive service parts at or near its customers’ facilities. The result: high customer service levels, but equally high service costs. This introduced a new challenge: how to reduce service parts inventory and costs without jeopardizing part availability and customer service.

SEEKING A “SUPER” SOLUTION

Cray needed to automate and streamline its outdated parts forecasting and planning processes. The challenge was to find a global, scalable parts management solution that would rapidly meet Cray’s cost reduction and customer service goals while integrating with its existing inventory system.

Cray required a solution that would:

- Maintain high customer service levels
- Ensure service part availability
- Manage both central and field stocking locations
- Integrate with the company’s legacy inventory management system
- Provide forecasting and performance evaluations
- Be rapidly implemented

Seeking a more scientific approach to planning, Cray selected Servigistics to implement its Service Parts Management solution. Servigistics offered the strongest functionality and was the only company that could quickly integrate with Cray’s legacy system and support the company’s complex product line without sacrificing its traditionally high service levels.

“Maintaining a well-balanced inventory of parts is not only essential for keeping our customers happy but also necessary for minimizing inventory expense. With Servigistics, we have been able to accelerate reduction of our inventory levels while minimizing risks. We will drive even more cost savings after we integrate Servigistics with new CRM and ERP systems.”

GERALD LOE
 Vice President of
 Worldwide Sales and Service
 Cray, Inc.

HIGH-PERFORMANCE SERVICE IN HAND

The Servigistics Service Parts Management solution was implemented in only eight weeks, which included integration with Cray’s legacy inventory management system. The implementation plan created during the first week of the project took into consideration each and every location data feed from the company’s inventory management system and the service level commitments to develop demand forecasts.

To continue meeting customers’ requirements, Cray uses Servigistics to monitor actual parts consumption across the entire service parts network. Based on usage, the Servigistics solution updates Cray’s parts forecast to ensure that the right parts are at the right location. By implementing Servigistics’ fully integrated solution, Cray realized improved customer service levels while significantly lowering inventory expenses.

SCOPE

The Servigistics solution was used to manage Cray’s service parts globally, consisting of:

- 14,000 service parts
- Sites in 30 countries
- Integration with a legacy inventory system and CRM
- Retention of 99% service levels
- Reducing expediting charges

SUPER RESULTS

The Servigistics solution was implemented in only eight weeks, and Cray successfully reduced inventory by 27% within eight months.

STREAMLINING FOR SAVINGS

Cray met its main objective of reducing inventory without compromising parts availability or customer satisfaction. According to Jim Tennesen, Manager of Logistics for Cray, Inc., “By using Servigistics in Cray’s service model, we’ve been able to reduce costs while maintaining customer satisfaction, which is improving Cray’s profitability.”



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