

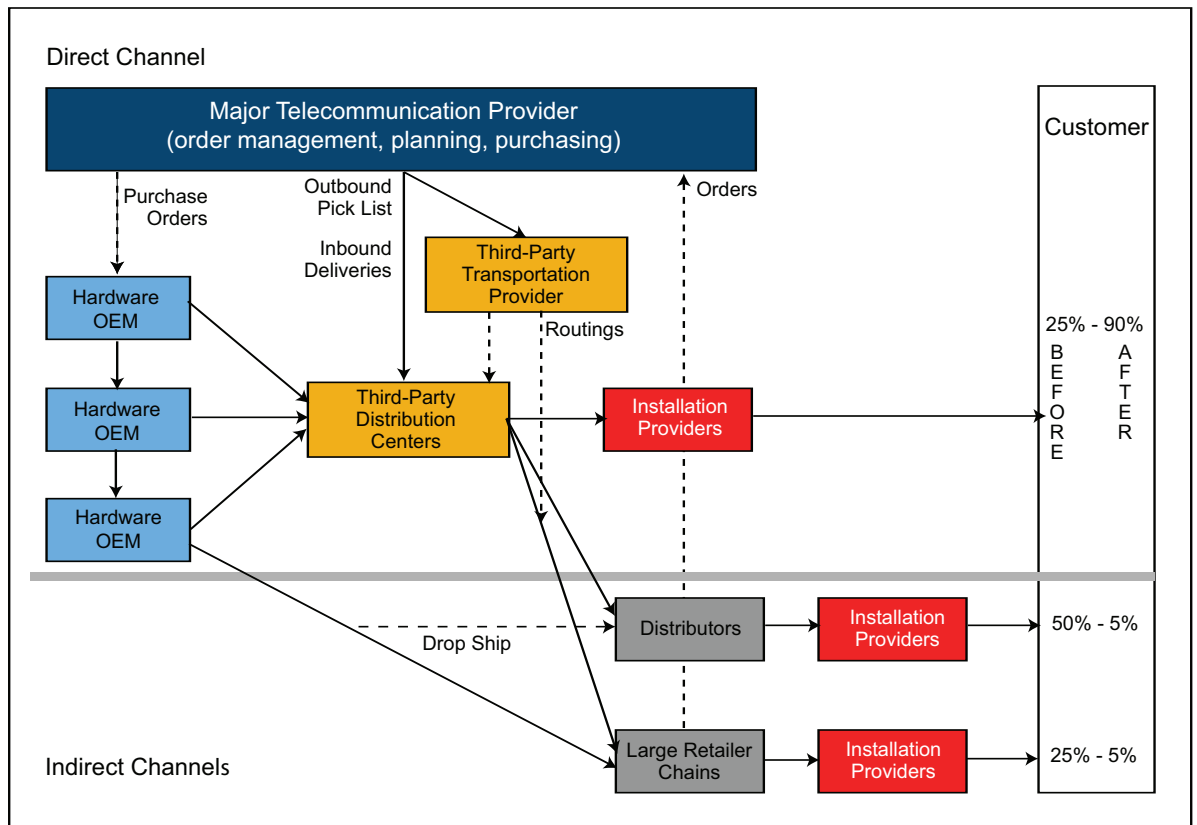
ACHIEVING SUPPLY CHAIN NETWORK EFFECTIVENESS THROUGH IVC A MAJOR TELECOMMUNICATIONS PROVIDER

Benefits

- Became the Channel Master of their Supply Chain
- Scalable Supply Chain Infrastructure
- Alert-based SCM Management
- Improved SCM staffing skills
- Decreased supply chain cost by \$40M
- Electronic integration of Trading Partners

A major telecommunications provider wanted to transform its 'go to market strategy' to gain a competitive advantage. To achieve this, the company needed to become the channel master by improving the management of its extended supply chain with B2B customers, transportation and warehousing providers, and its OEM supply base. The company wanted to accomplish this while removing significant supply chain costs and limiting supply chain management staffing increases.

Its supply chain consisted of multiple partners; manufacturing was outsourced to OEM manufacturers. Two channels that amounted to 75 percent of total volume, retail distribution and third-party dealer distribution, were supplied directly by the OEMs. The balance of the channels including consumer direct was provisioned from a third-party warehouse. The majority of the supply chain processes were manual and nearly all supplier interactions were via email, fax, and telephone. A separate relational database maintained inventories, and no automated demand/supply planning existed.



Initially, CSC assisted the client in visualizing the supply chain/network to achieve the goals of controlling the product flow and reducing costs. The final network needed to supply 300 percent more volume through the third-party warehouse to control 90 percent of the flow of product to the end consumer.

For the company to transform from the current state, they needed to consider people, process, technology, and information. By adopting the SCOR® model, CSC identified new enabling capabilities including network capacity, sourcing, customer service, and transportation. CSC created a road map to provide the process capabilities based on business priorities, as well as a prioritized release plan.

The initial release centered on purchasing, planning, and expanding the network to handle the volume. All supplier contracts were re-negotiated to change the flow of materials into the company's network. MRP-based planning was introduced, automating manual procurement processes. CSC performed a network analysis to identify the number of warehouses required. A phased approach introduced a new West Coast facility, with a planned third facility to be located in the New England area. The company selected a third-party consortium of providers to manage both inbound and outbound transportation. Electronic links were established to both warehouse and transportation providers.

Customer service capabilities to process the new channel volumes were added in the second release. Self-service capabilities for customers to order and return materials were introduced and further automation was developed to eliminate manual steps required to submit orders through to supply chain partners. A collaboration hub that reduced manual interactions with suppliers concerning order confirmations, changes, and shipments was also added.

In addition, an organizational plan was created to bring in new talent to the company and development plans for others still within the organization.

To learn more about our Integrated Value Chain solutions, please contact Brad Barton at 314.303.5104 or via email at bbarton@csc.com.

About CSC

The mission of CSC is to be a global leader in providing technology enabled business solutions and services.

With the broadest range of capabilities, CSC offers clients the solutions they need to manage complexity, focus on core businesses, collaborate with partners and clients, and improve operations.

CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.

For more than 45 years, clients in industries and governments worldwide have trusted CSC with their business process and information systems outsourcing, systems integration and consulting needs.

The company trades on the New York Stock Exchange under the symbol "CSC."

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