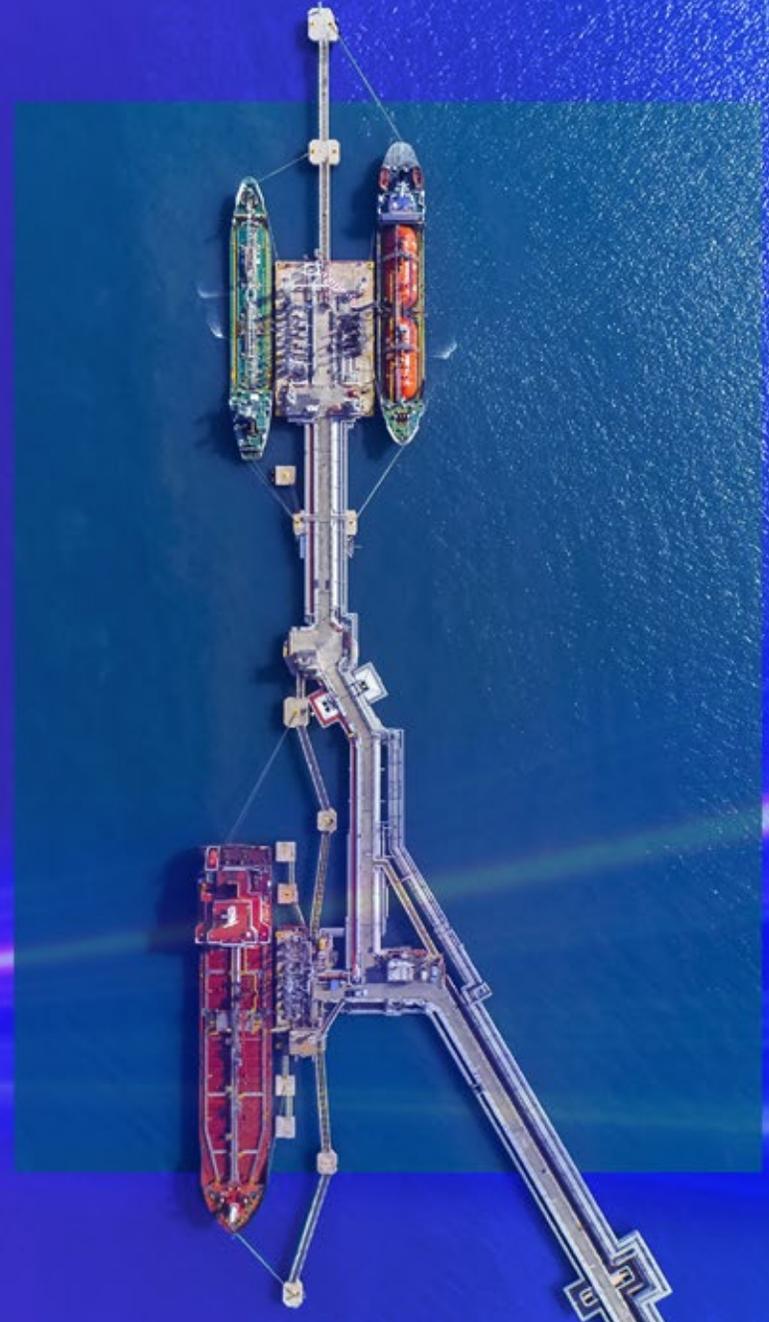




e2open

# Bringing visibility and resilience to a complex supply chain

A telecommunications manufacturer  
uses e2open to connect with suppliers  
and manage disruption



## Key facts

**Client:** A leading specialty telecommunications manufacturer

**Industry:** Telecommunications

**Primary goal:** Reengineer supply chain for better collaboration, data, and adaptability

**Platforms:**

- e2open supplier collaboration
- e2open supply planning and response
- Oracle Advanced Supply Chain Planning (ASCP)

As a leading supplier of equipment and software for specialized professional communications, our client relies on hundreds of suppliers for the components and materials that go into its products. Managing this complex supply chain was never easy, and by late 2021 shortages and disruptions driven by the COVID-19 pandemic and other factors had made the need for better visibility and control critical. Planning, scheduling, and fulfilling customer orders had become difficult enough to impact revenues and create unwelcome surprises on quarterly earnings calls. To meet these challenges, the company turned to KPMG and e2open, a cloud software provider specializing in supply chain management.

## Outcome highlights

<b>Key outcomes</b>	Now able to analyze shortages of approximately 3,000 components—up from only 10 components before	12 percent improvement in quarterly revenue prediction accuracy enabled via multi-tier supply allocation	Exclusively using scenario modeling and technology processes for projecting quarterly revenue
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# Client transformation journey

## Before

### A limited view of a multi-layered supply chain

Like most electronics manufacturers, the client sources components from overseas Electronics Manufacturing Services (EMS). These suppliers in turn acquire parts and materials from other suppliers, making the combined supply chain longer, less transparent, and more vulnerable to disruption. Adding to this complexity is the fact that most of the client's products are highly configurable by customers seeking specific features or capabilities.

To manage this intricate supply chain the company used a combination of Oracle Enterprise Resource Planning (ERP) software and simple spreadsheets. Tracking availability and costs was not only slow and labor intensive but limited in functionality—out of thousands of parts used in a single product, a maximum of only 10 could be analyzed at once. And for suppliers, using the existing ERP solution was often difficult, leading to incomplete or inaccurate data.

These long-standing challenges became even more daunting in recent years as COVID-19, the war in Ukraine, and trade tensions with China impacted supply chains for manufacturers worldwide.

## After

### Scenario modeling enables better planning, data, and reactions

Adopting e2open software provides better visibility into supply chain activities across all tiers and allows the company to plan more effectively and adapt more quickly to shortages, price fluctuations, and other issues.

E2open's scenario modeling capability makes it possible to envision a full range of specific supply chain events and evaluate their impact on revenues, procurement costs, working capital impact, and on-time customer delivery.

With some 300 suppliers connected via e2open so far, working capital waste and costs have already been reduced significantly, while millions in additional revenue have been generated through multi-tier supply allocation and scenario modelling.

## Next

### More suppliers, added functions

The client is working to connect the rest of its suppliers to the e2open network as well as adding minor functional upgrades.

Future e2open releases will enable new functions, including logistics visibility for tracking shipments, buy-sell management for procurement sourcing and discovery, and part shortage management for accelerating purchase orders and freight.



I think our client wanted to work with KPMG not just because we understand the e2open supply chain management solution, but because we also understand the related software, data, and processes that need to work with e2open to make it even more effective for manufacturers and their suppliers.

— Sean Cassidy

KPMG Advisory Managing Director,  
Consumer & Operations Commercial practice

# KPMG and e2open deliver better planning, collaboration, and adaptation



## 1. Vision and validation phase

### From assessment and analysis to a roadmap for change

The project began when the client asked KPMG for a strategic assessment of its supply chain. We conducted research and interviews with internal stakeholders and key suppliers, as well as an analysis of existing technical gaps and limitations. A key conclusion was that a successful technology solution would need to enable better information sharing and collaboration with suppliers as well as related supply chain participants such as shippers and logistics partners.

Working from this assessment, our team developed a supply chain transformation roadmap and worked with executive leadership to gather the support and funding required. We then provided an initial list of technology solutions providers and helped the company prepare an RFP to solicit and review bids. At the end of this review, e2open was selected for its advanced digital capabilities, including supplier collaboration and scenario modeling.

## 2. Design and construction phase

### Optimizing e2open to meet specific needs

When work on the design and configuration of e2open began, the goal was to activate an initial version of scenario modeling within six months, followed by collaboration and other functions. Our team included a core group of KPMG technical consultants working directly with the company and e2open personnel, as well as additional programming executed at our KPMG Global Services (KGS) offshore delivery center.

Much of our work involved customizing e2open's standard pre-configured solution to meet the manufacturer's specific requirements. While e2open is designed to be more configurable than most cloud-based ERP platforms, keeping the initial deployment relatively simple for both the client and its suppliers was a priority. An overengineered solution with too many steps, rules, and alerts may deter supplier participation.

Another challenge was integrating new functions enabled by e2open with the client's existing ERP solution. To address this, e2open uses extract, transform and load (ETL) middleware to connect data from supply chain participants that might not otherwise be accessible. It also offers a set of specific supply chain tools including channel partner collaboration applications, global trade compliance, and transportation management solutions.

## 3. Delivery phase

### Initial deployments deliver rapid results

Deployment of the new e2open solution occurred in stages, starting with an initial release of scenario modeling running in parallel with the legacy process and a pilot release of collaboration to several suppliers over a three-month period. Feedback from the pilot was applied in a wider launch through a second release that enabled additional functions.

Today the client uses the e2open network to offer forecast collaboration, purchase order, Advanced Shipping Notice (ASN), and receipt collaboration functions to around 300 suppliers. Even at this early stage, scenario modeling and multi-tier supply allocation have significantly increased the number of component shortages analyzed, improved revenue prediction accuracy, and raised employee productivity. Scenario model testing also helped uncover and correct incorrect bill of materials (BOM) data, resulting in more accurate transmission of forecasts to suppliers. These improvements have in turn led to more consistent financial reporting and reduced the amount of time and effort required to assemble quarterly financial data for investors.

#### 4. Evolution phase

##### New suppliers and expanded functionality

The next steps for the client will be to release the current version of e2open to all of its suppliers and to make minor improvements to its range of functions. Looking ahead, other significant updates to the platform will enable new functions including:

- Part shortage management, which helps offset shortages by expediting purchase orders and freight options
- Buy-sell management, which allows manufacturers to buy components directly and then sell them to EMS or other supplier partners

Working together, KPMG and e2open have helped the client maximize its complex supply chain by combining better visibility with the ability to analyze and apply data for better planning and resilience.



## Spotlight

### Turning insights into opportunity

### Cut through complexity with the right tools and processes

In a recent KPMG global survey, 70 percent of respondents described their supply chains as very or extremely complex. Lingering disruptions caused by COVID-19 and the Russia-Ukraine war are only adding to this challenge. KPMG can help you adopt the technology and processes to transform your supply chain. Learn more at [Supply Chain \(kpmg.us\)](https://www.kpmg.us)

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## Meet the team that can make the difference when it comes to your supply chain

Let's talk about your specific supply chain challenges and how to address them.

**KPMG. Make the Difference.**



## Start a conversation

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