

Accelerating Demand Responsiveness while facing Uncertainty and Growth – A story from Ruckus Wireless

Background & Challenges

Ruckus Wireless is a growing force in the wireless internetworking area providing Smart Wi-Fi products and WLAN systems. Back in 2007, Ruckus was a smaller startup with ambitious plans - to grow aggressively (4 to 5x in 4 years) and to compete and win against much bigger rivals. It faced several hurdles – limited resources and working capital, limited purchasing power and little brand recognition. On top of that, the macro-economic situation became uncertain. Managing limited resources intelligently therefore, became a prerequisite to success.

The Operations leadership faced the following imperatives –

- Scale Operations (4 to 5x shipment growth) to service customers in over 25 countries (starting with 1)- within 4 years without significant increases to Operational costs (team size, expensive enterprise systems)
- Support growing global demand in a highly responsive manner, without increasing inventory stockpiles

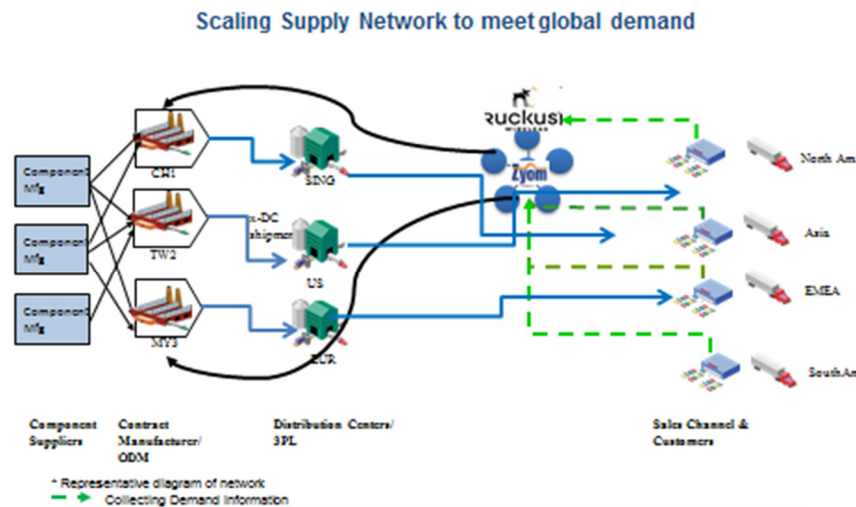


Fig 1. Tighter coordination needed across the Supply Network

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Ruckus rapidly expanded their outsourced manufacturing & logistics model which consists of Contract Manufacturers (CMs), Original Design Manufacturers (ODMs) and Third-Party Logistics (3PL) providers, to ramp up the physical supply chain capacity. The critical challenges that Ruckus Operations faced were -



COMPANY OVERVIEW

Smart Wi-Fi products & WLAN systems provider. Products deployed world-wide across industries. Utilizes extended supply network of manufacturers (CMs, ODMs) to build and deliver its products to customers. Significant growth in shipments.

REQUIREMENTS

- Manage growing supply network (7 CM/ODM locations world-wide)
- System to collaborate with supply network
- Better collaboration with CMs/ ODMs
- Migrate from error-prone spreadsheet-based communication to a system

SOLUTION

- MozartDS on-demand system from Zyom
- Available on-demand (24x7x365)

BENEFITS

- Helps anticipate & minimize shortages
- Reduce Excess & Obsolete inventory risks
- Rapid deployment, low deployment cost

“Zyom has proven to be a valuable partner for Ruckus in scaling our Operations. They have been extremely responsive and their on-demand systems innovative, yet easy to use - giving us the bang for our buck. I would recommend Zyom to any Operations organization with manufacturing partners and customers spread across the globe - one that's trying to make their operations highly responsive while keeping costs down.”

Fred Harried
VP of Operations,
Ruckus Wireless



- a.) How to manage this rapid growth (from 1 to 7 different CM/ODM supply locations).
- b.) How to effectively coordinate across this diverse multi-tier supply network (larger & smaller CM/ODMs) without any major slippages.

Major slippages, such as shortages - missing customer delivery expectations, or supply overages - excess/obsolete inventory, due to demand changes, could have a severe impact on the young company's Revenue and COGS¹.

The mandate was clear – Keep Global Operations *team small*; deploy a *system* that could meet the unique needs of Operations and the extended Supply Network.

Ruckus partnered with Zyom for a System to support Operations – instead of other alternatives (larger ERP system or customization their legacy Expandable ERP system). The alternatives to Zyom had the following drawbacks –

- Deployment risk (both in time to deploy and the deployment costs)
- Do not have adequate Collaborative Operations capabilities.
- Are not tailored to the specific lifecycle needs – Ruckus needed a system that could 'scale' as business grew. Instead these systems force users to a 'one size fits all' approach, deploying a large volume of unrelated functionality or expensive customizations, failing to provide the critical few capabilities needed.

Solution

- *MozartDS* - an on-demand² Operations Support System from Zyom for Demand & Supply signal collaboration between Ruckus and its supply network partners (CM/ODM, 3PL)
- MozartDS has inbuilt Microsoft® Excel integrator for loading data & rapid migration from MS-Excel files
- Pre-defined user roles & self-administration capabilities for 2-tier, multi-party collaboration

¹ COGS = Cost of Goods Sold

² On-demand systems are also called SaaS (Software As A Service)

Benefits

MozartDS – the Operations Support System from Zyom provides innovative Operations collaboration capabilities that could be deployed rapidly. This was attractive to Ruckus at this critical lifecycle stage.

Before MozartDS, Ruckus and its supply network partners struggled to stay in-synch - sending spreadsheets with Demand and Supply information back-and-forth, with data accidentally getting deleted/ overridden or worse (multiple versions of demand-supply data). Following are some of Mozart's capabilities highlighted as the most valuable by the Ruckus user community:

- **Collaboration Framework** - MozartDS provides a structured framework for collaborating on Demand and Supply signals and changes to these signals across the Supply Network (Ruckus and its CM/ODMs, 3PLs).
- **Collaboration & Integration Hub** - A hub for Ruckus and its Supply Network partners to 'plug in' and collaborate on critical supply-chain data/ updates quickly. New supplier brought on line in 2-3 hours.
- **Availability** - MozartDS is available on-demand 24x7x365 – which is extremely advantageous to the globally dispersed Operations team and their Supply partners. System can be accessed & updated even while travelling - another big plus for Operations team members who travel frequently.
- **Impact Analysis** - Rapid evaluation of the impact of changes on key metrics – for example demand slowdown on Excess/obsolete inventory.
- **Collaborative Planning & Execution** - Enable Ruckus to coordinate with its partners both during *planning* (Quarterly/Monthly/Weekly) and *execution* (Daily/ hourly).
- **Proactive Alerts & Problem Resolution** - Web-based alerts to affected partners in case of demand or supply swings (up/down). Early problem detection & collaborative resolution if needed.

- **Rapid deployment** – Deployed within 5-7 days; Near Zero training required. Fine-grained access and update privileges facilitate trust resulting in rapid adoption.
- **Performance monitoring** - Fact-based performance monitoring of supply partners. Quarterly & Annual Business Reviews with partners are data-driven.
- **Cost** – Subscription based model (of SaaS) ensures huge performance/price advantage. Low Total Cost of ownership - Up-front costs minimal, costly upgrades eliminated, zero downtime (even for upgrades), pay only for what you use.

Lessons Learned

- Strong User champion. Ensured everyone participated fully at the outset. Once benefits were clear, all users stayed fully committed.
- Focus on eliminating new system deployment risk versus throwing money on a large system (or expensive customization to legacy ERP). Systems for supporting Operations require specialized expertise and experience. Look for relevant implementation experience.
- Manage scope fiercely. Start small with 'core' systems capabilities required to achieve results. Gradually add on other capabilities. Avoid the 'bulk buying' trap that many larger vendors subject their buyers to.

Next Steps

- Improve collaboration with demand channels.



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