



Baxter Planning Case Study: **Industrial Equipment Manufacturer**

MDC Vacuum Products, LLC (MDC) is a world leader in vacuum, insulator seal, and gas delivery solutions. The company was founded in 1975 to serve a rapidly expanding vacuum industry and to satisfy the increasing demand for high quality vacuum components with fast delivery and reasonable prices. MDC provides engineered solutions for a variety of industries including aerospace/defense, industrial research, life sciences, semiconductor, and many more.

INDUSTRY

Industrial vacuum products

LOCATION

Headquartered in the United States with presence globally

SOLUTION

Implemented Prophet by Baxter to automate and streamline processes paired with Planning as a Service to leverage supply chain expertise

RESULTS

26% reduction in inventory while maintaining a 95%+ service level



Challenge & Solutions

This industry leader takes pride in maintaining high service levels of its basic catalog components to respond quickly to urgent customer needs. Following an Insight analysis that validated the opportunity for service parts optimization, MDC became a Planning as a Service customer in October 2018 and has successfully leveraged Prophet for the automation of forecasting, supply ordering, and continuous improvement.

Prophet's intuitive interface allows MDC to maintain visibility of separate demand streams for customer orders versus internal builds while using both sets of data when forecasting. The proprietary Auto-Select forecasting engine allows MDC to consider the statistical equation that best fits the historical data while outlier corrections work to automatically smooth any spikes in demand. Prophet then takes that forecast and uses material and supplier data such as processing costs to calculate an economic order quantity and optimize supply orders. These intelligent order recommendations are reviewed by planners within the Prophet UI then transmitted to the customer execution system for seamless and automatic purchase order generation.



After a purchase order has been firming, MDC utilizes Prophet's Push, Pull, Cancel (PPC) functionality to optimally alter the dates of orders as customer needs change. PPC reporting enables a responsive supply chain so that MDC can push or cancel orders to optimize cash flow and pull orders to improve service level and meet customer needs.

Every month, as part of the Planning as a Service offering, the Baxter and MDC teams review historical performance leveraging Prophet's reporting and analytics. Supplier Performance reporting makes it easy to review the percentage of late orders by vendor and is a useful tool for reviewing the accuracy of the suppliers' quoted lead-times across a worldwide network of distributors. A regular forecast analysis provides recommendations to strategically align Xpress (In Stock) parts versus Xpert (Lead Time) parts to further optimize inventory costs and service level. Hit Rate reporting tracks how well the company is executing to the target service level and works to identify data, execution, and planning issues for correction in pursuit of continuous improvement.

ABOUT BAXTER PLANNING

Baxter provides cloud-based software and services for inventory planning across complex, global supply chains in diverse industries including technology, healthcare, and food service equipment.

For more information, visit baxterplanning.com or call us at +1 (512) 323 5959.

Results

MDC's adoption of Prophet and partnership with Baxter has provided visibility into key metrics such as Service Level and Planning Efficiency (Hit Rate). As a result, the company improved data accuracy and increased stocking policy review frequency to optimize inventory. In just 18 months since going live with Prophet, MDC has seen a 26% reduction in inventory while maintaining a 95%+ service level.



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