



Expanding Online Build-to-Order Capabilities at Toshiba Computer Systems Group

With more consumers using the Internet for major purchases, Toshiba America Information Systems recognized the urgency to offer its products through venues beyond just its own Web site. After replacing its in-house configurator with i2 solutions to enable expanded online purchasing capabilities, Toshiba America partnered with online retailers, and realized a full return on investment and increased its build-to-order volume.

With the resurgence of e-commerce as a major corporate initiative, many companies are now selling their products on more than just their own Web sites. More businesses are following the trend of offering their products through a retail partner's Internet storefront.

Toshiba Computer Systems Group (CSG) wanted to adopt this approach to expand competitive advantage in the personal computer and laptop markets. But Toshiba CSG's inefficient in-house configurator—which was not scalable—restricted the company's ability to enable purchases on a retailer's Web site.

In addition, Toshiba CSG's in-house configurator could not accommodate build-to-order capabilities.

"Statistics show that when customers have the choice to build to order, sales increase approximately 30 percent," said Todd Johnson, Toshiba CSG's Project Manager.

"We wanted to utilize this practice, but our in-house configurator system didn't tie into some of the legacy systems and into the back-end ERP systems. We knew that we'd have to look outside of the company to increase our customer base."



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Challenges

- Maintain and expand competitive advantage
- Increase build-to-order sales
- Offer products through retailers' Web sites

Solutions

- Replace inefficient in-house configurator
- Enable sales on retail partners' Web sites while still enforcing company rules
- Enable online capability for build-to-order computers

Results

- Increased build-to-order volume
- Achieved ROI
- Created the opportunity for additional online retail partnerships

Company Description

Toshiba Computer Systems Group is a division of Toshiba America Information Systems, Inc. (TAIS), a leading vendor for portable computers. In addition to notebooks, the company offers portable and wireless accessories, Pocket PCs, projectors, and mobile server computing solutions for business customers under the Toshiba brand name. Headquartered in Irvine, Calif., TAIS is an independent operating company owned by Toshiba America, Inc., a subsidiary of Toshiba Corporation. Toshiba has global sales of over \$40 billion and more than 300 subsidiaries and affiliates worldwide.

“The products available on our retail partners’ Web sites are Toshiba CSG products at the retailers’ price, with all of our rules being enforced, such as adhering to manufacturing requirements and showcasing suggested buys online,” Johnson said. “Our old system would never have permitted us to have our product represented on another customer’s Web site — in real time. This capability is enabling Toshiba CSG to expand its customer base and increase sales.”

***— Todd Johnson
Project Manager***

Toshiba Computer Systems Group

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Why i2?

Toshiba CSG began to search for a technological solution that would enable the company to leverage other Web sites to increase sales for build-to-order products.

“At the initial onset of this project, Toshiba CSG went live with several servers, moved to a proof-of-concept phase with one notebook, and then began the search for a technological solution provider,” Johnson said. “Although Toshiba CSG had a previous relationship with i2 for supply chain management solutions, company officials still reviewed five potential providers. But it was i2’s dedication to Toshiba CSG’s success that really made i2 the leader of the pack. We were confident that i2 would again meet our expectations.”

i2 is the undisputed leader in high-tech supply chain management solutions, serving more than 70 percent of the industry. i2 is the only solutions provider that can deliver an end-to-end supply chain management solution that helps high-tech companies and their partners become more responsive to market demands while simultaneously lowering their costs to serve the market.

“With our competitors’ products, every individual part has a SKU number. At Toshiba CSG, we have one SKU number—or one part number—for all of our 50,000 possible combinations. With 10 models, that translates into about 500,000 part numbers that our partners never have to worry about or maintain. Instead, our partners leverage i2 Configurator to calculate configurations in real time and to utilize the retrieved data to place orders.”

i2’s Contribution

Toshiba CSG implemented i2 Configurator™ and i2 Pricer™—a part of the i2 Intelligent Selling Solution™—for its notebook and desktop product lines on its retail partners’ Web sites.

“When potential customers visit one of our retail partner’s Web sites and click on ‘computers and peripherals,’ they’ll see a Toshiba link and have the opportunity to custom-build a computer,” Johnson said. “After selecting the custom-build option, the program actually links to i2 Configurator.”

While Toshiba CSG’s in-house configurator provided its customers, partners, and employees with pricing and SKU information for a specific product configuration, i2 Configurator adds a convenient feature for online purchasing for consumers, providing benefits for Toshiba CSG, as well as for its customers and partners.

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Toshiba CSG’s Results

With its implementation of i2 solutions complete, Toshiba CSG is showcasing its products in more venues, leading to an increase in sales and a return on the company’s technology investment.

“Toshiba CSG is definitely realizing improvements in its build-to-order volume using i2 solutions,” Johnson said. “From an ROI perspective, it has already paid for itself.”

Toshiba CSG’s mail-order and online business partners use i2 Configurator in collaboration with Toshiba CSG’s unique, SKU-based system. On the Web sites of Toshiba CSG’s retail partners, customers use an online interface that is directly linked to the configurator to place orders. The configurator enables Toshiba CSG’s retail partners to place orders without having to manage potentially unwieldy SKU data.

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i2 solutions also have enabled Toshiba CSG to better inform its customers on product constraints on the customer-facing site without adding additional data management responsibilities for its partners.

"By tying i2 solutions into our supply chain system, Toshiba CSG can directly represent constraints, such as when certain products are on allocation or on a limited availability, onto the customer-facing site," Johnson said. "In turn, this eliminates our partners' need to maintain that data twice. i2 solutions allow our partners to offer our products without having to maintain the pricing data, the rules data, and the promotional data, while we have our products represented in additional locations—it's a 'win-win' situation."



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