i2®

The Supply Chain Results Company™

Meeting Customer Commitments at AMI Semiconductor

AMI Semiconductor chose i2 solutions to cut its planning lead times and increase inventory turns, with the overall goal of increasing the accuracy of customer delivery date commitments. i2 solutions have enabled AMI to gain global visibility into its value chain, meeting the initial goals of the implementation and enhancing intra-enterprise communication and collaboration.

High-tech manufacturers demand speed and innovation from semiconductor companies. Factor in such challenges as extremely variable demand, shorter product lifecycles, and longer manufacturing cycles, and it's easy to see why communication within semiconductor companies is critical to success.

AMI Semiconductor realized that its planning systems were not leading to effective communication within the company and, therefore, hurting overall performance.

The company's various divisions were each operating in silos — not knowing how the other sections were creating their plans. Each division's planning systems was homegrown and could not communicate with the other systems throughout the enterprise.

AMI executives realized it needed a centralized planning system — one that would have control over worldwide planning, start to finish.

At the same time, AMI wanted to cut planning lead times and increase inventory turns, with the overall goal of increasing the accuracy of customer delivery-date commitments.
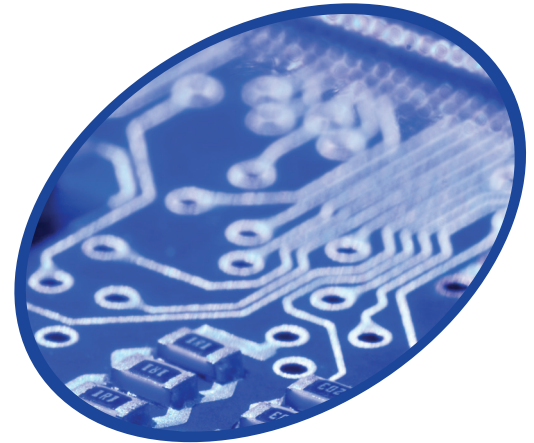
Challenges
- Move from isolated, incongruent operations within divisions to an integrated end-to-end planning system
- Increase accuracy of customer delivery date commitments
- Better understand capacity to determine correct cycle times

Solutions
- Unify disparate planning systems
- Convert to a build-to-order environment
- Provide global visibility into the supply chain

Results
- Increase delivery-date accuracy
- Cut planning lead times
- Increase inventory turns

Company Description
AMI Semiconductor, headquartered in Pocatello, Idaho, offers a broad range of digital and mixed-signal ASICs, ASIC translation services, mixed-signal application-specific standard products, and foundry services. This private company employs approximately 1,600 people in sales, technical, and design centers throughout the United States, and generates $382 million in revenues.

Why i2?

After evaluating the available planning systems, AMI chose i2 Supply Chain Planner,™ part of i2 Supply Chain Management™ (SCM).

i2 is the undisputed leader in high-tech value chain management solutions, serving more than 70 percent of the industry. i2 is the only solution provider that can deliver a value 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.

"By using i2 solutions, management expects us to shorten cycle times, better meet our delivery commitments to customers, and, of course, increase the number of inventory turns."

—Eva Ferguson, Master Scheduler, AMI Semiconductor

"We chose i2 because we believe in the concept of Supply Chain Planner," said Eva Ferguson, AMI's Master Scheduler. "It uses a pull system where you only start a product when there's an order. You build to order, you don't build to stock. We believe in that concept."

i2's Contribution

Although still early in the implementation of i2 solutions, AMI anticipates that several users will benefit from Supply Chain Planner.

AMI's planning group will use i2 solutions to generate a weekly plan. The individual plants will each use Supply Chain Planner to generate a daily schedule for their lines.

"Customer service will be using information about commit dates," Ferguson said. "They will be looking at the user interface to get information on when the commit date is and when the start date is going to be."

AMI's Results

By gaining global visibility into its value chain, AMI will enhance intra-enterprise communication and collaboration.

"i2 solutions work for the needs of not just the planning group, but also for users in customer service, marketing, and production manufacturing," Ferguson said. "i2 has established a system that will be workable for the whole plant."

AMI also anticipates more tangible results from using i2 solutions, including an overall increase in customer satisfaction.

"What's been driving us lately is to really understand our capacity," Ferguson said. "We're forced to understand our capacity better so that we can use it in the system and come out with the correct cycle times. By using i2 solutions, management expects us to shorten cycle times, better meet our delivery commitments to customers, and, of course, increase the number of inventory turns."

i2®

The Supply Chain Results Company™

One i2 Place
11701 Luna Road
Dallas, Texas 75234, USA
Phone 1.877.926.9286
Email info@i2.com
Web **www.i2.com**