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Game On For onsemi

SPENDSETTER STORIES *REVEALED*



PAUL STICCKEL
Former Supply Chain Industrial Engineer
onsemi

Supply chain decisions cut from 2-3 weeks to 1-3 days with Coupa

Anyone who has tried to buy one of the latest generation games consoles in the last two years, particularly panic-stricken parents during gift buying season, will know only too well about the impact of global supply chain challenges in the semiconductor industry.

The availability of sought-after devices such as the PS5 and Xbox Series X are the tip of a monumental iceberg. Semiconductors are everywhere, running everything from the device you're using to read a book to the device keeping your food fresh in the kitchen.

The semiconductor industry is mind-bogglingly complex, but Phoenix-based onsemi has introduced efficiencies that have resulted in decision-making timeframes dropping from 2-3 weeks to just 1-3 days. These efficiencies mean engineers spend less time doing S&OP process analysis and more time improving factory efficiency. This translates to a bottom-line benefit of between 10-15% improvement in capital efficiency, and efficiency of allocations in terms of profit and revenue for each of onsemi's 25 different sites.

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1-3 days





This has drastically improved the speed of our decision making.

287

steps can be involved in the production process

COMPLEXITY ON A WHOLE NEW LEVEL

onsemi is a \$5.9B business with almost 40,000 employees worldwide. Its solutions are found in automotive, communications, computing, consumer, industrial, medical, and aerospace applications. Each of its four separate business units competes for production capacity across the organization's global factories.

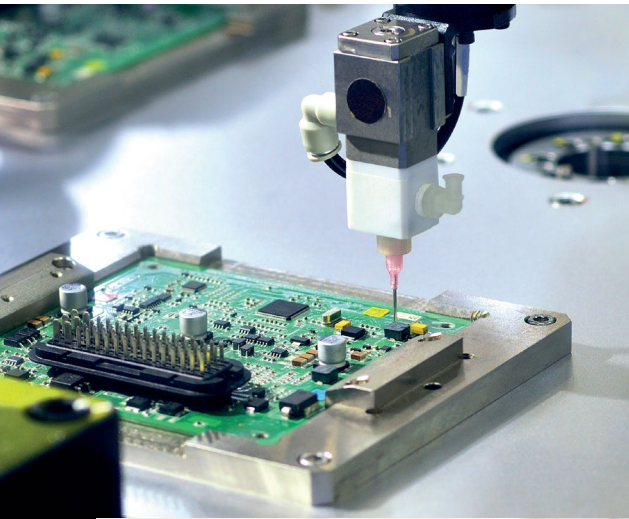
Production processes can include as many as 287 steps and involve up to 178 tools, each of which can become a constraint. onsemi's customers also often have stringent design specifications and quality requirements, forcing onsemi's business development team to provide solid commitments, sometimes up to two or more years in advance.

Planning is everything in an ecosystem of such complexity, but the events of the past two years have thrown fresh light on the need for speed and agility when it comes to making informed decisions within existing plans.

BUILDING THE RIGHT MODEL

Prior to the Coupa implementation, if a business unit wanted an answer, it had to talk to the supply chain team which had to talk to factory planning who would then instruct industrial engineering to build and run the model. The engineers had to spend more time running models, leaving them with little time to make the factory run more efficiently or fix problems.

The team at onsemi needed a solution that would allow them to make decisions faster and in a far more scalable fashion. They needed the ability to make optimal decisions when current capacity was not available to fulfill potential orders. Sales management needed to make more informed decisions about which orders to accept, decline, or subcontract as well as when to invest in additional capacity.



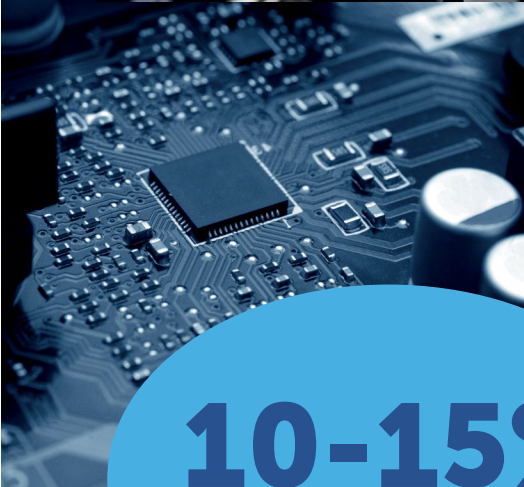
One of the primary reasons onsemi chose Coupa was because of its ability to handle machine/tool-level constraints and standardize the S&OP process across multiple factories. This standardization improved corporate visibility and allowed for coordination across factories for improved capacity management, decreasing the need for site-level engineers to get involved in the modeling process.

Like a lot of organizations today, onsemi uses third party reporting tools, and using APIs within the Coupa solution means data can be automatically pulled through and added to a reporting repository. This API functionality was introduced to the solution after the initial implementation, however, because Coupa is a cloud-based service, it could be easily incorporated into the business process at no extra cost.

FASTER TO REACT, FASTER TO MARKET

The value Coupa delivers for onsemi is clear and measurable. Production decisions that once took 2-3 weeks now can be made in 1-3 days, translating to between 10-15% improvements in capital efficiency. These savings are passed onto customers, furthermore the improvements in efficiency also mean onsemi is far more responsive to customer needs.

Faster decision making combined with better coordination across the supply chain gives onsemi the flexibility and agility it needs to continue to be a leader in its market. Knowing they have the right tools in place, the team at onsemi can move forward with confidence, exploring new ways to build their business and make further improvements in their supply chain performance.



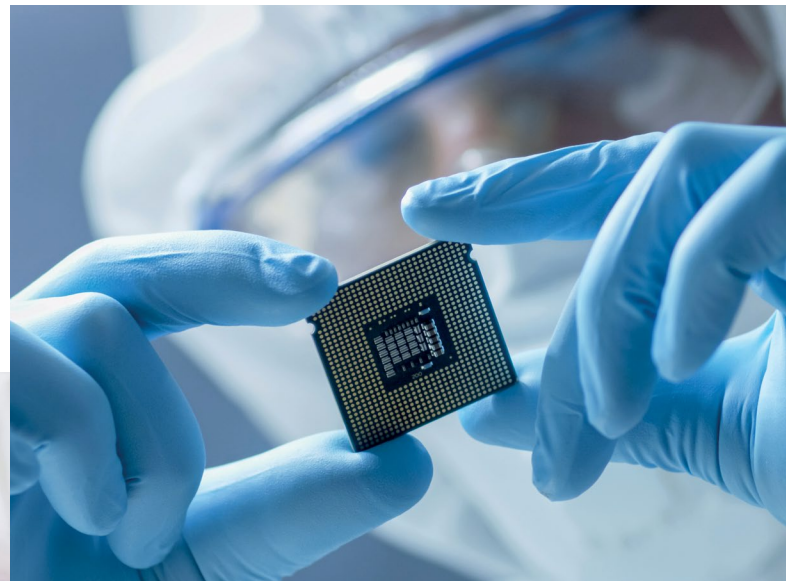
10-15%

improvement in
capital efficiency

“Coupa has allowed us to achieve the business model we were looking for where the industrial engineers don’t have to be involved in every scenario that the business units or the supply chain professionals come up with,” reveals Paul Stickel, former Global Supply Chain Industrial Engineer at onsemi. *“This has drastically improved the speed of our decision making.”*

No one could have accurately predicted the events and volatility of the past two years. But having a solution in place that enables onsemi to respond quickly in an ever-changing landscape means it can better serve its customers, help its people perform to their best ability and continue to grow.

A shortage of games consoles might well grab the headlines. Nevertheless, semiconductors are keeping economies afloat, hospitals open, and putting food on the table. We don’t know what lies ahead. But we do know that the innovations onsemi and its customers are helping to enable will be an essential part of our future. ■



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Paul Stickel, former Global Supply Chain Industrial Engineer at onsemi

About Coupa

Coupa is the cloud-based Business Spend Management (BSM) platform that unifies processes across supply chain, procurement, and finance functions. Coupa empowers organizations around the world to maximize value and operationalize purpose through their business spend.

Coupa's community of 2,500+ customers use the platform to maximize the value of nearly \$4 trillion of direct and indirect spend to date.

For more information, visit coupa.com.



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Business Spend Management