



What a Catch

Raymarine is Hooked on Demand Solutions

Raymarine, Inc. has an eye for success. The company's sophisticated marine electronics net recreational boat owners and nautical high rollers who want the ultimate on-board experience. Its customers live for sea-bound adventures and don't mind spending upwards of \$75,000 on navigation systems, radars, autopilots, fish finding gear and satellite TVs.

Raymarine's largest product category is multifunctional displays. The intuitive displays have a customizable navigation interface that allows users to view four of the following features on a single screen: 3D chartplotting, HD digital radar, HD Digital fishfinder, SIRIUS marine weather, instrumentation and video applications. User-defined "Pages" on the displays give boaters customizable options with up to four window combinations or full screen applications for every navigation scenario. Known for its complete collection of marine electronics and outstanding customer support, Raymarine lures top-of-the-line customers.

"As a matter of fact, we do have equipment on several celebrities' yachts," says Al Klayko, Global Forecasting Manager at Raymarine, Inc.

Klayko is not the kind to name drop or exaggerate. When he became a consultant for Raymarine, he claimed that the Demand Solutions team could implement a forecasting solution in a few days, instead of the months and years other systems require. That's when Klayko contacted Mark Thomas of Demand Solutions, and they embarked on a startup plan. This was their third implementation together – the first two were at Rubbermaid and Vermont American where Klayko previously held positions.

"The process of beginning is always the hardest," says Thomas. "With our industry experience in forecasting and planning, the data layout portion took the most thought – it obviously had to include the forecasting decision process and exception structure."

"I told them we'd have the system up in a matter of a weekend and the IT department said 'no way.' And they couldn't believe it when we had it running in a matter of two days," says Klayko.

A Demand Solutions user since 1993, Klayko has become somewhat of an expert. Raymarine was facing major forecasting problems when he arrived. They were using an outdated forecasting package –

it was so old the vendor had stopped offering support. Klayko gave a recommendation that was three-fold: they could continue trying to use the cumbersome system, upgrade their system or implement a new one all together.

The forecasting team knew they could no longer use the old system, and Raymarine didn't want to upgrade due to cost and the unintuitive nature of the old program.

The answer was clear – they needed a new, nimble forecasting system.

“I recommended Demand Solutions because I knew from past experience that it dramatically increased forecast accuracy.”

Not everyone on the forecasting team was as convinced though. The decision came down to affordability and flexibility. Raymarine had plans to implement a new ERP system and needed a forecasting program that could easily import and export data out of the package. Demand Solutions perfectly matched the company's needs, as it will work with any ERP package.

“You get as much as you need with Demand Solutions and you get a more user-friendly system without the high price,” Klayko recalls telling the team.

Once they organized the data, Demand Solutions was implemented in just two days. No one could believe it, except Klayko. Demand Solutions' capabilities continued to surprise the team. Raymarine's forecast accuracy never exceeded 56 percent while using the old system.

“Within three months of implementing Demand Solutions, our accuracy was within 60 to 70 percent,” says Klayko.

Raymarine experienced higher forecast accuracy on what they call the “top 40” – the 40 items that represent 70 percent of the business. Three months after implementation, those items consistently hit between 77 and 85 percent accuracy.

“The DS implementation was a dramatic success,” says Klayko.

The forecasters at Raymarine face even tougher challenges than forecasting the “top 40.” The company has a goal to earn 25 percent of its revenue

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from new products that have been introduced within the previous 12 months. Although some of the products are replacements when new versions are released, the forecast also includes brand-new technologies. The forecasters must capture demand for the new products in the market. In order to do this they use Demand Solutions' Curves functionality.

A number of Raymarine products are manufactured outside of the U.S. and require a 90-day lead time. Klayko and his team measured Demand Solutions' success by freezing the forecast three months in advance, adding the 90 days together, and comparing it to the actual demands to get absolute variances. They called this their KPI or key performance indicators. Along with increased forecast accuracy, Demand Solutions also helped Raymarine experience an increase in customer satisfaction, decrease in airfreight shipping costs and a decrease in meeting times.

“Our customer service when I came on board in 2006 was mid to upper 80 percent,” says Klayko. “Since we implemented Demand Solutions, we consistently hit 95 to 98 percent service levels.”

Although there has been a downturn in the U.S. market for marine electronics, likely because marine fuel is averaging \$4.20 per gallon, Klayko says Demand Solutions easily saves Raymarine at least \$500,000 a year. Now that's an impressive catch. 🎯

