



Advantest America

CUSTOMER PROFILE

"Unlike any other software I've ever heard of, Foresight actually guarantees that we'll be happy, or they'll refund our money."

Ralph Northrup, Director of Sales Administration

With both online and offline capabilities, Foresight Technologies' Demand Commander solution enables Advantest America to increase data security and forecast visibility for management

Business

Advantest America Inc. is the North American subsidiary of Advantest Corp., the world's largest provider of automatic test equipment (ATE) to the semiconductor industry. ATE's test systems are used during semiconductor manufacturing to verify that a chip will perform correctly in the end-use application – be it consumer electronics, telecommunications, medical instrumentation, computers or digital TVs. For more than five decades, Advantest has led the way in developing new and innovative testing and handling solutions for the global electronics industry. In fiscal 2006, Advantest Corporation reported year-end revenue of over \$2 billion.

Advantest's aggressive investment in research and development – more than \$200 million per year – has been integral to helping it maintain its competitive advantage in the ATE sector. Advantest operates four R&D facilities in Japan, one in the United States and one in France.

With approximately 70 percent of Advantest's sales now originating outside Japan, Advantest America has become an essential component of the company's business. Advantest America is headquartered in Santa Clara, Calif., and supports customers from 13 offices throughout the country. U.S. R&D efforts, concentrated in Santa Clara, are directed at next-generation software applications.

Challenges

Having to share forecasts with executives from Advantest America and its parent company on a weekly basis had become time-consuming for Ralph Northrup, director of sales administration at Advantest, and his team. "When we previously used spreadsheets, it used to take us a day or two each week just to put the forecast together," Northrup said.

The company chose to replace cumbersome spreadsheets with a state-of-the-art demand forecasting software solution that could provide more visibility into forecasts and allow the entire company to use one system to streamline operations.

Advantest invited a hand-picked group of companies, in addition to their internal IT department, to present their technologies for potential implementation. Advantest and its parent company had the following requirements for the selected solution:

- **Security** – All data must be stored on an internal server, controlled only by Advantest management. In addition, the solution must ensure that if a laptop is lost or stolen, the entire company's materials can't be accessed.

AT A GLANCE

Company:

Advantest America
<http://www.advantest.com>

Location:

Santa Clara, Calif., USA

Industry:

Manufacturing

Key Business Challenges:

- Spreadsheets are not conducive to precision in forecasting activities
- Management in the U.S. and Japan need visibility into forecasts

Foresight Solution:

- Demand Commander

Benefits:

- Provides consistent forecast information across departments
- Enables visibility into forecasting and inventory details for company management
- Decreases risk of data loss through online and offline solution capabilities

- **Mobility** – Staff from all departments and locations must have access to their individual data, whether they are working in the factory producing the equipment or in the field selling it.
- **Visibility** – Executives in both the United States and Japan need to be able to view all aspects of the forecast in real time.

Foresight Technologies Solution

Foresight Technologies recommended its Demand Commander forecasting and planning solution to address the needs of Advantest America and its Japanese parent company. Foresight's Demand Commander is built on a custom-developed technology that is demonstrably more advanced than other forecasting and demand planning systems. The one-of-a-kind solution uses proprietary artificial intelligence analysis methods combined with common statistical algorithms.

Foresight Technologies originally designed its software for a supply chain development expert's personal use, and the company continues to approach software development with the day-to-day user in mind. This in-depth understanding of demand forecasting and planning is what makes the Foresight solution best in class.

Rather than creating rigid statistical models that must be forced to fit different situations, Foresight creates unique demand models for every item that needs them, as appropriate. Demand Commander finds relevance and relationships in product data and then defines them by creating descriptions of those relationships for purposes of creating a forecast. This is done autonomously.

Foresight can be configured to allow any company department — such as marketing, sales, finance or supply chain groups — to contribute to or own the forecast. Foresight can work as a stand-alone solution, as it is implemented by Advantest, or it can be integrated smoothly with a company's existing enterprise resource planning (ERP) and supply chain systems to improve performance.

Benefits

Foresight Technologies' Demand Commander met Advantest's requirements for data security, employee mobility and management visibility.

"We were looking for a system that would allow visibility into our forecast by management both here in the United States and in Japan. We couldn't do that with a spreadsheet program because someone had to manually combine everyone's spreadsheets, and none of them were ever exactly alike," Northrup said. "Our previous process was far too complex and increased the margin for error. The Foresight system allows everyone to work on their individual laptops and then sync up with a server on-site in Santa Clara that then maintains the complete forecast for the company."

One of the most powerful tools in the Demand Commander arsenal is its ability to take in massive amounts of low, execution-level (product at customer at location) data for analysis while presenting that data at any level of aggregation and maintaining its accuracy and relevancy.

Another key differentiator is that Demand Commander can be used by employees while they are online or offline. This lessens the risk of data loss, whether from a lost or stolen laptop or a power outage.

"There are times when I travel that I don't have Internet access. With many other Web-based solutions, I would not be able to work on a forecast," Northrup said. "We decided to go with Foresight because it was a solution that had that offline capability."

About Foresight Technologies

Based in Golden, Colo., Foresight Technologies is an innovative provider of demand planning and forecasting software that guarantees a minimum 25 percent reduction in forecast error, which customer experience and financial analysis demonstrates can generate a minimum 3-8 percent improvement to an organization's bottom line. Foresight's technology has been proven in the areas of demand management, inventory management and production planning by a cross-section of industries and business models. For more information, visit www.demandforesight.com.

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