



MTD Products Inc.

CUSTOMER PROFILE

"I've worked with many different technology groups on various levels, and I find Foresight to be one of the most responsive technology companies I've ever worked with. I feel that they know us. I feel that they understand our business."

Christopher "Chip" Moll, Director, Information Technology

Using Foresight Technologies Demand Commander Solution, MTD Products Increases Visibility into Production and Sales, Reduces Inventory Burden

Business

MTD, founded in 1932 and headquartered in Cleveland, Ohio, started as a tool and die supplier to the local manufacturing community. Through hard work, dedication, integrity and an emphasis on customer service, MTD gained a reputation for providing high quality products, which led the company to expand into steel stampings, the process of using high strength steels to control buckling, springback, sidewall curl and other distortions in industries that engage material engineers and product designers. MTD moved into consumer products by supplying stampings to the toy industry and quickly expanded its product line to include complete products requiring manufacturing of metal parts, such as tricycles. Wheelbarrows were added to the consumer product line in the early '50s, and this simple product line had profound effects. Satisfied customers encouraged MTD to expand the product offerings for the yard, and in 1958 the company produced its first lawnmower.

Today, MTD is a leading global manufacturer of outdoor power equipment for both residential and commercial markets. MTD's engineers and state-of-the-art facilities have led to for the company's reputation for innovative, award winning products. MTD has earned its reputation globally and is now know for excellence in quality and service.

The MTD family of brands include Cub Cadet, Troy-Bilt, Yard-Man, Yard Machines, Bolens and White Outdoor. MTD products can be found in all distribution channels such as home improvement stores, mass retailers, hardware, independent dealers and farm supply stores.

Challenges

As an outdoor power equipment manufacturer, MTD is challenged to avoid the trappings of a highly seasonal industry. "For us, really understanding the season and trying to get that picture and translate it back into production is a very challenging thing. Forecasting is extremely critical to us," said Chip Moll, Director of Information Technology at MTD.

MTD hired a consultancy group to help with a two-step process for demand planning. The first step was for the consultants to complete a mapping of the processes already in place and assist MTD with determining how to best improve its demand forecasting process and move away from the decentralized spreadsheet model.

"People within various areas of the organization were inconsistent, and using different forecasting models at different times, but there was no real centralized forecasting demand management tool." said Moll.

AT A GLANCE

Company:

MTD Products Inc.
<http://www.mtdproducts.com>

Location:

Cleveland, Ohio, USA

Industry:

Manufacturing

Key Business Challenges:

- Lack of centralized forecasting system
- Need of quick analysis of forecasting data due to extremely seasonal business and production requirements

Foresight Solution:

- Demand Commander

Benefits:

- Reduces inventory burden for both manufacturers and retailers
- Enables forecasting data from all departments to be gathered quickly for time-sensitive analysis
- Interface is user-friendly and adjustable to the needs of different business departments – sales, production, etc.

Once the process mapping was complete, the consultancy assisted MTD in sending a Request for Information (RFI) to 17 software companies in the forecasting demand management field. After a rigorous search, the list was narrowed down, and MTD selected Foresight Technologies Demand Commander as its forecasting tool. The decision to select Foresight Technologies over all other options was based on the company's experience, its willingness to custom fit its forecasting tool to MTD's needs and a number of added benefits such as reduced forecasting error guaranteed.

Foresight Technologies Solution

Foresight Technologies recommended its Demand Commander solution to address MTD's decentralized, highly seasonal forecasting challenges. Foresight Demand Commander is built on a custom-developed technology that is demonstrably beyond other forecasting and demand planning systems. The one-of-a-kind solution uses proprietary artificial intelligence analysis methods combined with common statistical algorithms, allowing MTD the ability to reference historical sales information for each retail customer with which they do business.

"In order to be successful with demand forecasting, you need to have multiple years of good, consistent, like-kind information for your tools to work with. In addition, the tool has to be able to help you react. It can't be stagnant. This is one of the reasons I like Foresight so much; it quickly filters the information, helps you analyze problem areas and allows you to focus on particular issues and situations. Foresight brings a lot of speed to the table," said Moll.

Foresight Technologies' software originally was designed for a supply chain development expert's personal use, and the company continues to approach its 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.

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Benefits

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

"Foresight has allowed us to aggregate forecast quickly from each of the sales managers or forecasters for those customers and roll them up into a combined set of data that we can analyze," said Moll.

In fact, MTD has been able to reduce the collection and analysis of its forecasting-related data by almost two weeks, allowing the company more time to focus on the production of their equipment and customer service.

About Foresight Technologies

Based in Golden, Colorado, 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.