Since it was founded in 1979, TaylorMade-adidas Golf has led the golf industry’s technical revolution. In 1998, the company merged operations with adidas Golf, a manufacturer of performance golf footwear, apparel, and accessories. The combined global company posted $409 million in revenues for 2000. TaylorMade-adidas Golf is a wholly owned subsidiary of adidas-Salomon AG, a $6 billion global company.

With its cutting-edge golf equipment popular with PGA professionals Ernie Els, Tom Lehman and avid golfers alike, TaylorMade-adidas Golf is truly at the top of its game. Sales are outstanding and demand is strong for its metalwoods, irons, golf apparel, and footwear.

But while demand is strong, it is also unpredictable. In the past, using Microsoft Excel spreadsheets, the company’s planners tried in vain to determine how many of which clubs it needed to supply its retail customers.

“We never really knew how much of what we were going to sell in a given period of time,” said Rob McClellan, Global eMarketing Manager for TaylorMade-adidas Golf. “Because we didn’t have an accurate picture of demand, we would build up our inventory to guard against placing customer orders on backorder.”
The problem with unpredictable demand was exemplified by the company’s popular SuperSteel line of metalwoods and irons. When TaylorMade-adidas Golf reduced the price of its popular SuperSteel clubs, demand spiked well beyond TaylorMade-adidas Golf’s expectations – as well as its ability to deliver. So the company was in the frustrating situation of shipping SuperSteel to a limited number of customers, upsetting other customers and missing lost opportunities for sales.

But there was a way out of the rough. A change in management brought with it executives experienced in increasing demand forecast accuracy by optimizing the entire dynamic value chain. The company’s leadership realized it could use the value chain as a competitive weapon to further distance itself from its competition and add even more value to its customer relationships.

TaylorMade-adidas Golf wanted to first focus on more accurately gauging customer demand, then managing to that forecast in a more efficient manner. For example, because many golf club components come from the Far East, shipping can be a major cost. Transporting those parts over the ocean is much more cost-effective than flying them to the factories. But without an accurate demand picture, TaylorMade-adidas Golf was often forced to expedite part shipments, causing operating expenses to climb.

The company’s management also sought to increase inventory turns and improve customer service through higher fill rates and improved on-time deliveries, so that retailers would, in turn, stock their shelves with even more TaylorMade-adidas Golf products.

why i2?
After thoroughly surveying the market, TaylorMade-adidas Golf chose i2 and its suites of i2 Supply Chain Management™ (SCM), i2 Supplier Relationship Management™ (SRM), and i2 Customer Relationship Management™ (CRM) solutions to run on a Hewlett-Packard hardware infrastructure. Executives came to this decision based on i2’s leadership in the market, as well as its extensive customer base. i2 has more than 1,100 customers and more than 9,000 implementations to date.

TaylorMade-adidas Golf wanted an end-to-end solution that would be fully integrated as soon as it was implemented.

“We wanted a partner that could handle all aspects of our requirements,” McClellan said. “We didn’t want to have to find multiple vendors and integrate not only to our own legacy systems but also to other supply chain, supplier collaboration, and customer relationship management applications. One of the most important value-adds from i2 is that it handles all the integration. i2’s systems already talk to each other, so we don’t have to integrate supply chain applications with the i2 SRM and CRM solutions. With i2, the integration is already proven. We’re on the cutting edge and not the bleeding edge.”

i2 SCM integrates forecasting, planning, and execution capabilities with complete visibility across the entire supply chain. i2 SRM defines the optimal sourcing strategy to reduce supply risks and costs, negotiate the best terms, and streamline the requisitioning and buying of both direct and indirect materials.

i2 offers a new breed of Customer Relationship Management solution that couples the company’s strengths in planning and optimization with transaction and fulfillment management to deliver significant value to customers.

why HP?
Tom Collard, Director of IT for TaylorMade-adidas Golf explained, “We had a relationship with Hewlett-Packard long before we started the i2 project. We had HP 9000 servers, HP e3000 servers and many HP Netservers already in place. Coming into the i2 project, HP was already the hardware platform of choice for us and in working with i2 we discovered HP was one of their installedbase’s major hardware vendors too.”

For the i2 implementation TaylorMade-adidas Golf selected a two-tier infrastructure with three HP 9000 N4000 servers supporting the majority of the application layer, two N4000 servers hosting the demand fulfillment

**benefits**
- fully integrate front-end operations with back-end processes
- create an online shopping experience for retail customers
- enable wireless customer inventory management

**results**
- $50 million in value generated over three years
- doubled inventory turns
- increased customer satisfaction through higher fill rates and on-time delivery

**industry consumer packaged goods**
- i2 Solutions:
  - i2 Supplier Relationship Management™
  - i2 Supply Chain Management™
  - i2 Customer Relationship Management™
database and a further two HP 9000 L2000 servers hosting supporting software. Four LPr and three LC2000r HP NetServers handle customer management and web server functions. Finally, an HP NetServer LT6000r hosts i2 Demand Planner™ and i2 Collaboration Planner™.

Both N-Class and separate L-Class HP 9000 server clusters have been implemented in high availability configurations, with HP MC/Serviceguard for fail-over capability between them. In recognition of the mission-critical nature of the i2 solutions, the company has HP Critical Systems Support for these systems, providing pro-active support and four hour call-to-repair maintenance. A dedicated HP 9000 L2000 is used for back-up, with the HP OpenView Omniback II software driving a DLT 8000-based HP SureStore E Tape Library 4/48.

i2’s contribution
TaylorMade-adidas Golf began its implementation of i2’s end-to-end solutions with demand planning. Using that solution, the company will reduce inventories, markdowns, and write-offs, establishing the industry’s best-in-class standards for customer service.

i2 solutions also determine safety stock targets for the company, then identify what TaylorMade-adidas Golf needs to produce to meet projected demand. i2 SCM measures those additional production requirements against the company’s capacity and then determines the most efficient way to utilize that capacity.

i2 SRM provides procurement collaboration among TaylorMade-adidas Golf and its key suppliers. By sharing its demand forecast and capacity constraints with its suppliers through i2 SRM, TaylorMade-adidas Golf can determine its component requirements and confirm its suppliers’ ability to fulfill those requirements. Once a vendor agrees to supply the components, i2 solutions will automatically generate a purchase order.

On the CRM side, once TaylorMade-adidas Golf’s products are produced or sourced, i2 solutions allocate that constrained supply across different customers under pre-defined business rules. i2 CRM also creates online shopping carts through an Internet site that TaylorMade-adidas Golf’s customers and sales representatives can use to order product anytime.

“That will not only enable our customers to order through a B2B site, but they can also track their orders in real-time, check their accounts and make payments against their payables, and we can provide them with best-in-class product marketing information to help them sell more of TaylorMade-adidas Golf products,” McClellan said.

Going wireless
A special feature of TaylorMade-adidas Golf’s i2 implementation is a wireless customer management system that is fully integrated with the i2 SRM, SCM, and CRM solutions.

As a value-added service, TaylorMade-adidas Golf sales representatives go into their customers’ stores every 30 days to inventory clubs and recommend fill-in orders based on budget constraints, sell-through sales history, seasonality, and other factors. The order is typically faxed into TaylorMade-adidas Golf, where an inside sales representative re-keys it. In addition to being time-consuming, the process can be fraught with human errors.

To alleviate this problem – and to independently gather customer intelligence that was impossible to capture before – TaylorMade-adidas Golf will soon use Symbol Technologies’ wireless personal digital assistants (PDAs) with built-in barcode scanners. Once the sales representative scans the inventory on hand, i2 solutions automatically calculate a recommended replenishment order based on retail inventory levels and sell-through velocity.

That order is wirelessly sent to TaylorMade-adidas Golf, where i2 solutions check inventory availability, and give the customer a promised delivery date.

“It gives full visibility to our sales reps and customers up front about our order-fulfillment capabilities, rather than just blindly submitting an order and hoping that product will show up when it’s needed,” McClellan said.

production environment IT infrastructure:
- 8 HP Netservers: 3 LC2000, 1 LT6000 and 4 model LPr
- 3 HP 9000 L2000 Enterprise Servers
- 5 HP 9000 N4000 Enterprise Servers
- HP SureStore E Tape Library 4/48
- HP OpenView Omniback II software
- HP MC/Serviceguard
- HP Critical Systems Support

“We wanted a partner that could handle all aspects of our requirements. We didn’t want to have to find multiple vendors and integrate not only to our own legacy systems but also to other supply chain, supplier collaboration, and customer relationship management applications. One of the most important value-adds from i2 is that it handles all the integration. i2’s systems already talk to each other, so we don’t have to integrate supply chain applications with the i2 SRM and CRM solutions. With i2, the integration is already proven. We’re on the cutting edge and not the bleeding edge.”

Rob McClellan
Global eMarketing Manager
TaylorMade-adidas Golf
The wireless solution will enable TaylorMade-adidas Golf to capture sell-through information, then use that data to make more informed business decisions in the future.

"With access to that information, we can develop targeted marketing practices to help retailers understand what’s happening in their stores compared to the industry at large in their geography,” McClellan said. “We can also try different point-of-sale displays for our products and determine which is the most effective for each trade channel. We then have hard, quantifiable information that we can use to better market our products across the country. It all comes back to increasing revenue for our customers, which adds value for everyone participating in the TaylorMade-adidas Golf value chain.”

**TaylorMade-adidas Golf’s results**

All told, by using i2 solutions to optimize all aspects of its dynamic value chain – supply chain management, supplier relationship management, and customer relationship management – TaylorMade-adidas Golf is targeting $50 million in cost savings and incremental sales over the next three years.

That savings will come from a variety of sources, including doubling inventory turns, reducing freight, slashing inventory, and adding considerable velocity throughout the enterprise.

Production cycle time is down significantly, and TaylorMade-adidas Golf now offers next-day custom club service – the fastest service offering in the industry. The custom club business has more than doubled in the past year.

“This partnership will help us keep our promise to meet the needs of our worldwide family of retailers and serious golfers. With i2, we’ll not only continue to deliver the most innovative products in golf – we’ll also get it in their hands and onto the tee even faster,” said Jim Stutts, TaylorMade-adidas Golf’s Chief Executive Officer.

With respect to the IT infrastructure McClellan added, “Our ongoing relationship with HP has been excellent. They’ve been very proactive about supporting us through the i2 implementation and have helped us to be successful.”

In addition to hard-number benefits, TaylorMade-adidas and its suppliers are also realizing some intangible results.

“The buyers are already saving time using i2 SRM,” McClellan said. “They’re spending a lot less time trading e-mails, voicemails and faxes around the world with our supplier partners that are already using the solution. Our suppliers like it because they have a much better idea of what’s coming their way.”

i2’s broad set of solutions enables TaylorMade-adidas Golf to better understand its own business – allowing it to thrive in a marketplace in which speed and intelligent decision-marking are critical for survival.

“Everything is high velocity. Information is coming from all different angles,” McClellan said. “We have all kinds of new things to talk about with customers and new ways to manage our business with them. We need to have tools that will enable us to work faster and work harder. That’s why we needed i2 – to make sure that we’re focused on the right things.”

For more information on how working with Hewlett-Packard can benefit you, contact your local HP service representative, or visit us through the Internet at our World Wide Web address: http://www.hp.com

For more information on i2 solutions for managing the dynamic value chain, visit www.i2.com