



#### CABLENET INTERNATIONAL

A privately funded technology company specializing in the design, deployment, and operation of private, collaborative supply chain management solutions that deliver productivity, visibility, and integration.

**Industry:** High Tech

**Geography:** Europe, North America

#### Deployment Summary

- Initial deployment to first customer took three months.
- 60 business partners in both Europe and North America were integrated into e-hub within six months.
- CableNet plans to integrate 400 business partners within two years.

#### Benefits

- New system provides high levels of scalability – 250,000 transactions per day.
- TIBCO's solution enables fast-track supplier ramping.
- TIBCO-powered system helps reduce risk for suppliers.
- Supply chain costs have decreased – and company is on target to achieve 50 percent reduction in inventory plus a doubling of stock turns.
- CableNet has eliminated high electronic data interchange (EDI) transaction costs.



“We are successfully challenging local practices as part of a drive to improve efficiency in the supply chain, and the TIBCO-powered system is making that a reality.”

**Errol Damelin, CEO, CableNet**

## CableNet Reduces Supply Chain Friction with TIBCO Solution

The cable industry represents the infrastructure supply side of the global telecommunications and energy markets. It is highly fragmented with no single vendor holding more than 10 percent of the total market share. Moreover, the industry's supply chain is highly complex and ruthlessly competitive. These market factors create the perfect conditions for companies such as CableNet to create a new, technology-based offering designed to reduce the inefficiencies that arise. “Our largest customer has more than 300 suppliers – managing these on a global basis is costly. We are helping them to carve out cost in several ways to help them remain competitive,” says Errol Damelin, CableNet's CEO.

CableNet has identified three fundamental industry requirements:

- The ability to manage costs throughout the supply chain
- Process improvement across multiple suppliers
- Higher quality information in planning, forecasting, and scheduling

CableNet believes any combination of these improvements can deliver

extraordinary value. However, successful execution requires deep domain experience and an intimate knowledge of suppliers' business processes – a significant challenge for a number of reasons. For example, the materials that make up different classes of cable come from commodity markets such as metals, plastics, and timber. “Those markets operate very differently than the cable industry. Each market develops its own supply chain solutions, but they don't work for the cable industry,” says Xaver Matt, CableNet's CTO. However, understanding market dynamics is not enough. “Real-time information exchange, integration, and process management lie at the heart of what makes our solution a real value proposition to the market,” emphasizes CEO Damelin.

#### Providing choice to the market

Having identified market requirements, CableNet wanted to offer a simple yet sophisticated set of solutions that would not only provide an attractive value proposition to any supplier but also deliver choice on how it is implemented. One CableNet customer wanted to fundamentally

change the way orders are placed. The objective was to pass responsibility for replenishment of key raw materials to suppliers, allowing suppliers to minimize costly consignment stock while also providing them with improved information to optimize their own production schedules. This can be achieved through a secure, browser-based offering, through dedicated links, or through direct integration between customer and supplier enterprise resource planning (ERP) systems.

"Providing choice makes an enormous difference to supply-side acceptance, and we considered this a 'must have' functionality," says Matt. What's more, from CableNet's perspective, choice means flexibility that impacts service costs while enhancing service. "The integration projects we are undertaking are all designed with a cost reduction objective, but at the same time, we must put information into the hands of all interested parties," continues Matt.

#### Reducing supply chain friction

Because cable-buying requirements change over time, CableNet has to accommodate a variety of buying conditions. TIBCO BusinessConnect™ allows CableNet to extend browser-based order taking to include order acknowledgment, change order request, change order acknowledgment, advance ship notice and goods received acknowledgment.

When these services are tied to inventory planning and forecasting, business partners in the supply chain are able to significantly reduce the transaction costs while allowing finer control over inventories. Using TIBCO's

robust and scalable business process management functionality, documents and information are automatically routed according to the business rules that CableNet and its trading partners agree on. Since this occurs in real time, buying department information is automatically updated alongside the crucially important planning information.

"TIBCO's solution has allowed us to bypass the problem of maintaining synchronicity between both supply and demand sides of the planning cycle," says Matt. In effect, both parties in a business transaction are able to see the same information at the same time, thus avoiding the costly and error-prone practice of manually updating information. When circumstances change, alerts are issued and the new information is automatically incorporated into new forecasts and attendant documents, such as change order requests and acknowledgments.

As a beneficial side effect, CableNet has been able to assist customers in eliminating costly and inflexible EDI processes. While not mandating the wholesale displacement of EDI, CableNet has been able to demonstrate that the advantages of having ready access to up-to-date information in a user-friendly manner acts as a change agent and provides a powerful argument for introducing alternative processes.

#### Scaling up to drive business

To date, CableNet has successfully integrated 35 business partners onto its e-hub and manages more than 250,000 transactions per day, which must be completed to a high degree of accuracy. "We are creating a new way of doing

business, and that requires us to establish credibility. TIBCO's reputation in the highly demanding world of finance and securities convinced us that its solution would help us achieve our service targets," says Matt. Over time, CableNet expects to extend its network of business partners to approximately 400 suppliers and fully anticipates that TIBCO's solution will be up to the challenge. "We are successfully challenging local practices as part of a drive to improve efficiency in the supply chain, and the TIBCO-powered system is making that a reality," says Damelin.

#### Business process management delivers value

CableNet has set ambitious targets for itself. Very high reductions in transaction cost are coupled in one case to a contractual commitment to assist in reducing managed inventory by 10 percent in the first full year of operations. One customer has publicly stated that its aim to reduce inventories by \$60 million over a six-month period is on track.

TIBCO's central role in providing the overall framework to achieve this goal has already proven itself, and CableNet acknowledges that the combination of integration, partner connection, and business process management functionality provide the right functional mix. "TIBCO's understanding of the complexities inherent in our objectives and their ability to deliver mature products makes them the perfect business partner for this kind of project," concludes Matt.



**TIBCO Software Inc.** (NASDAQ: TIBX) is a provider of infrastructure software for companies to use on-premise or as part of cloud computing environments. Whether it's optimizing claims, processing trades, cross-selling products based on real-time customer behavior, or averting a crisis before it happens, TIBCO provides companies the two-second advantage™ – the ability to capture the right information at the right time and act on it preemptively for a competitive advantage. More than 4,000 customers worldwide rely on TIBCO to manage information, decisions, processes and applications in real time. Learn more at [www.tibco.com](http://www.tibco.com)

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