

Increased accountability helped Vitamix protect \$50M in revenue



It was quickly apparent that Elementum saved us time in unnecessary meetings, and helped us address root causes. The platform also allowed us to resolve incidents faster, and protect \$50M of revenue in under 4 months.



CAIT RISACHER

Manager of Planning & Logistics, Vitamix

RESULTS AT A GLANCE

\$50M

of revenue
protected

10+ HOURS

meetings
eliminated
per month

20%

increase in
demand over
forecast managed

SUMMARY

Vitamix began when founder William Grover Barnard connected his work as a traveling kitchen appliances salesman to the health benefits of whole-food nutrition. Nearly 100 years later, Vitamix has grown into a leader in health and wellness by providing reliable, top-performing blending solutions. In recent years especially, rapid growth periods have required Vitamix to update its supply chain model to one that keeps pace with the industry. Now robustly composed of eight teams and a vice president, Vitamix was poised for better decision making and overall business strategy.

However, an overall lack of visibility between teams and across the company stalled production and rollout efforts. Limited transparency between the sales team and supply chain contributed to backlogged orders, while chronic component shortages lacked clear accountability and ate up employee time to resolve. Outdated methods for tracking and reporting incidents further confused communication and delayed resolution. Vitamix onboarded Elementum to remedy these issues, as well as address the increased demand and reduced capacity caused by COVID-19. Users of Elementum spanned many functions that included Demand Planning, Supply Planning, Buyers (Direct & Indirect), Logistics & Distribution, Sales, Product Management, Production Support and Lean. Vitamix now had a single source of truth that allowed them to report and track incidents when they occurred, so issues moved from a “whodunnit” hunch to actionable data. This increased peer-to-peer accountability and reduced the amount of time spent problem-solving incidents, while freeing up team members to work on other critical issues, such as determining root causes. Ultimately, Vitamix was able to protect \$50M of revenue on high-impact incidents, redirect company resources towards creating more efficient workflows, reduce time spent solving part shortage issues, and stay abreast of a 20% increase in demand over forecast.

BENEFITS WITH ELEMENTUM

- » Increased peer-to-peer accountability that leads to quicker resolution of issues
- » Empowered a Lean process team with actionable data and a clear course of action
- » Centralized data on component shortages helped determine root causes needing strategic corrections
- » Provided a cross-enterprise platform to stay ahead of demand spikes and supply shocks

OVERVIEW

- Privately held, consumer goods manufacturer
- Family owned & operated, with 700+ employees
- Owns 3PLs in US, Australia, Mexico, Canada & has distributors around the globe
- Founded in 1921, currently headquartered near Cleveland, Ohio

CHALLENGES

- Limited visibility across teams inhibited communication and workflow
- Multiple people working on the same issue ate up company resources
- No clear data for assessing the impact of component shortages
- COVID-19 increased demand while reducing capacity

SOLUTION

- Create a single source of truth to manage all supply chain incidents, plus improve collaboration across teams and the extended partner network
- Break down silos with live updates that align employees, prioritize urgency, and trace impact
- Quantify and track component shortages with data that grants actionable insights
- Address demand spikes by creating incidents and assigning individual tasks

HIGHER PEER-TO-PEER ACCOUNTABILITY, FASTER RESOLUTION RATES

One of Vitamix's ongoing miscommunications entailed the sales department extending promotional offers without informing the supply chain teams. On Mother's Day, for example, an impromptu week-long promotion extension increased backlogged orders, when 60% of clients were already waiting in line due to COVID-19. The supply chain organization used Elementum to manage the ripple effect of resulting incidents. By establishing a clear communication pathway between departments, Elementum enabled Vitamix to instate company-wide accountability, including a task management training initiative that aims to reduce the number of similar issues in the future. These efforts have protected \$50M of revenue for high-impact incidents in just under four months.

By driving peer-to-peer accountability, Elementum makes it very clear what action needs to be taken and who owns that action. With that increased accountability comes an increased resolution rate: a critical change in our company.”
-Cait Risacher, Manager of Planning & Logistics, Vitamix

A LEAN PROCESS TEAM IMPROVING WORKFLOW THROUGH TRANSPARENCY

Before Elementum, no single source of truth existed at Vitamix. Incidents and their details were scattered throughout email chains, spreadsheets, dry erase boards, and status update meetings. The integration of Elementum collated all information into one place, converting an ad-hoc process for identifying critical component shortages into a streamlined operations cadence. The Planning & Logistics team partnered closely with the Lean process team to integrate Elementum's Dashboard and Incident List into their daily standup meetings, replacing the dry erase board previously used to record incidents. This virtual representation not only upgraded a dated practice, it proved itself an invaluable resource at a time when most employees had to work remotely. Vitamix started saving 10+ hours per month by eliminating emails and meetings, while allowing time spent in meetings to be dedicated to more strategic planning.

A lot of our planning wasn't going as planned. We were spending too much time in our S&OP meetings talking about issues within the next one to two months. One of the things that drew us to Elementum was that it offered an outlet for resolution of issues in the short term, so we could have more strategic conversations in our planning meetings.”
-Yvonne Pozderac, Demand Analyst, Vitamix

ROOT CAUSE ANALYSIS POWERED BY A SINGLE SOURCE OF TRUTH

Before COVID-19 hit, Vitamix wanted to integrate Elementum to address delays caused by part shortages. When a raw material came up short, no one across the eight supply chain functions had visibility for determining why the incident had occurred. This misalignment led to lengthy email chains that wrapped multiple people into working on the same issue, detracting from their ability to determine the root cause. With Elementum's incident management features, employees could track any issue the moment it occurred, assign the job of managing it to the responsible team, and work together towards a resolution. What's more, the actionable data provided by Elementum allowed team members to redirect that energy towards determining a root cause. These changes have allowed Vitamix to decrease its close time on component shortage issues to seven days on average, despite disruptions caused by the pandemic.

Elementum has allowed us to end the “reply all” emails, to collaborate across teams within supply chain and the business overall, although everyone is working remotely. Collaborating across Elementum has also been the foundation to help us facilitate our weekly S&OE meetings. It very clearly identifies the most critical issues and lets us all rally around them to quickly and effectively solve them.”
-Yvonne Pozderac, Demand Analyst, Vitamix

STAYING ON TOP OF DEMAND SPIKES AND SUPPLY SHOCKS

COVID-19 created massive demand spikes for Vitamix from large e-tail customers, while also constraining production efforts due to delivery delays and socially distanced work environments. Elementum's platform enabled clear communication that promptly alerted team members of the incidents, assigned tasks to the proper personnel, prioritized the order in which they were addressed, and ultimately allowed Vitamix to successfully meet the increased demand. When one vendor unexpectedly ordered 38,000 units over plan, for example, Vitamix fulfilled the request within one month: an occurrence that previously would have resulted in losing the sale completely, with no ability to recapture them. When another vendor placed a \$4M order—more than twice the anticipated amount—Vitamix addressed and resolved the order shortage within one week. By relying upon Elementum's ability to promptly highlight incidents and address them, Vitamix has successfully handled a 20% increase in demand over forecast caused by COVID-19 for four months and counting.