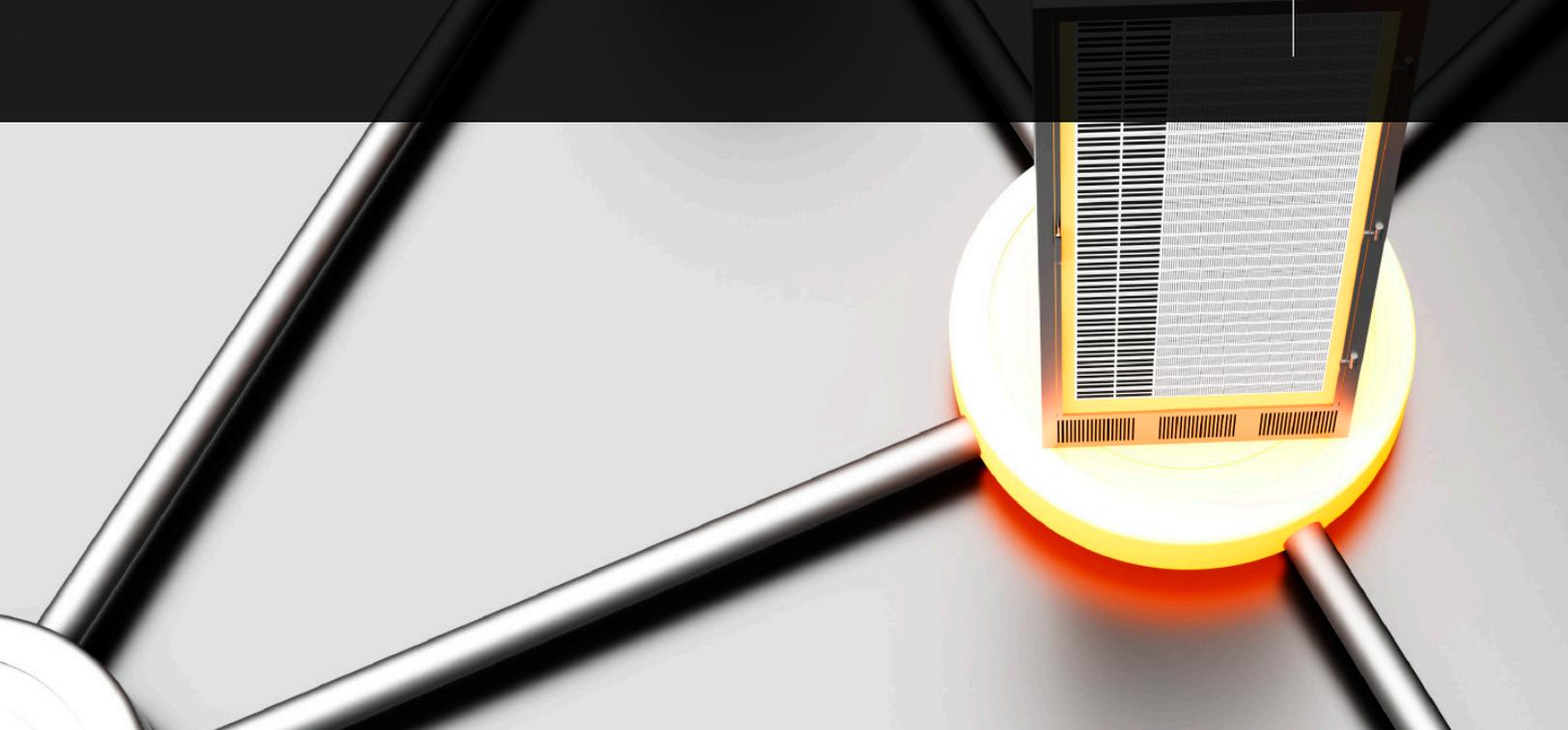


Case Study

# High Tech – Virtualized Computing Platform



# NUTANIX

**Company**

Nutanix

**Location**

San Jose, California

**Industry**

High Tech

**Business Challenges**

- Frustrating version control errors
- Inefficiencies with change orders management
- Expensive scrap and rework problems

**Solutions**

Arena PLM BOMControl

**Business Benefits**

- Streamlined design processes
- Reduced scrap and product errors
- Accelerated time to market

**ROI Results**

- Reduced ECOs from days to hours
- Resulted in "zero wrong BOMs"
- Shortened product concept to cash cycle by 50%

## How Nutanix Reduced BOM Errors to Absolute Zero

### BUSINESS CHALLENGES

The San Jose-based Nutanix creates a virtualized platform for public and private cloud infrastructure. The four year old company is poised for explosive growth with \$170M raised from Tier 1 VCs, several Fortune 500 clients and a 30% quarter over quarter growth rate. Nutanix is the fastest growing infrastructure company of the past decade.



According to David Sangster, Senior Vice President of Operations at Nutanix, his team is responsible for fulfillment, logistics, quality, reliability, new product introduction and launching product into volume production. The company also outsources all of its manufacturing needs. "We use over 50 active suppliers including contract manufacturers, distributors and key technology partners," said Sangster. "We also use a platform approach to product design and a "Configure To Order (CTO)" process to reduce SKU (stock keeping unit) proliferation and the need for additional engineering."

Sangster stated that the number and frequency of changes inherent in the product development activity as well as data sharing among partners had become problematic. Unfortunately, his team was stuck relying on Excel spreadsheets and email to address these manufacturing challenges. "It's embarrassing to admit, but we had a number of instances where the suppliers built the wrong version of the product," said Sangster. It was 'rev A' all right, but the 'wrong' rev A."

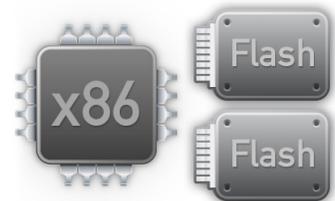
Issues with rework, which included extra procurement, build, and test cycles, also increased delays and was becoming a significant impediment to the company's total time to market (TTM) objective, which he found "totally unacceptable."

"Change management was a nightmare," said Sangster. "With several people making changes and suggestions to uncontrolled documents there were multiple revisions of the same BOM flying around the ether. No one had any trust in the data, so many local copies abounded based on the 'mine is right' premise."

Sangster admitted change control was his "number one problem". His priority was finding a solution to manage BOM integrity in order to reduce shipping delays and product errors. "A wrong product number in your BOM can completely blow your quarter and make for a very unpleasant conversation with your CEO and the Board," he confessed.

### SOLUTIONS

Sangster needed a PLM solution to address his BOM management problems and allow Nutanix to scale with a positive ROI and improved customer experiences. The solution also had to be a "financially responsible investment." "At the end of the day, we were looking for a solution that maximizes the benefit to the organization with a relatively modest investment," he said.



“We get terrific feedback from the give and take of the review process. Indeed partners have provided feedback that helped us avoid making unnecessary, confusing or costly changes.”

— David Sangster, Senior Vice President of Operations, Nutanix

Arena PLM BOMControl, Arena’s flagship product, met all of Sangster’s business requirements. Said the savvy VP, “We chose Arena for the following reasons:

- The pay-per-use model is affordable with no large initial cash outlays.
- Easy to use with no need for costly IT or software administration overhead to manage or proctor the tool.
- A cloud-based always-on solution that eliminated any need for on premise client/server solution.
- Integrates easily with our existing enterprise resource planning (ERP) system NetSuite, eliminating hours of tedious, error prone clerical work.
- Provides cost visibility to engineering to allow them to consider design/cost tradeoffs.
- Controlled environment for effective collaboration with suppliers.
- Scale with the global business. We don’t want to revisit this decision every year.”

Another reason Sangster went with Arena PLM BOMControl was because he had been “favorably impressed by the continued evolution and improvement of each [Arena PLM BOMControl] release.” He added, “Arena really listens to customers...don’t underestimate this trait in a partner.”

### BUSINESS RESULTS

With BOMControl, Sangster realized a number of key benefits, including shortening the product concept to cash cycle on second-generation product by almost 50%. “This has had a positive, material impact to the business by reducing our burn rate and reliance on external cash,” he said.

BOMControl reduced engineering change order cycle (ECO) approvals from days to hours. “ECO reviews are now done by teams of impacted stakeholders using the same data,” said Sangster. “We get terrific feedback from the give and take of the review process. Partners have provided feedback that helped us avoid making unnecessary, confusing or costly changes.”

BOMControl has improved cost visibility, allowing Nutanix’s engineering team to take a critical look at BOM cost tradeoffs. “This has almost by itself promoted part re-use and standardization in our platforms – a key to shorting time to market,” said Sangster, who lists the following BOMControl benefits:

- “Our suppliers now access the same BOM and revision, and we have had zero wrong BOMs built since the system was implemented. Configuration integrity is assured.
- Interface is intuitive, understandable and readily customizable. Common tasks like ECO creation and routing are quickly done.
- Our supply chain partners were up and using BOMControl in under five days.
- Finally, the benefit of increased visibility and trust that accrues from a single, correct, centralized, real time database cannot be over emphasized.”



As advice to others, Sangster recommends a cloud-based PLM solution that can be up and running quickly. “You have a business to run and don’t need the distraction of a lengthy implementation cycle,” he advises. In addition, he suggests choosing a PLM tool that can easily interface with existing or planned ERP systems to eliminate wasteful processes and improve employee morale and productivity.

“In today’s product development environment, the one thing you can be sure of is that, sooner or later, you will be partnering with folks well outside your time zone,” said Sangster. “Make sure your tool supports this global reality.”

Find out how Arena can help you achieve success and take your company from chaos to calm. Sign up for a demo at [www.arenasolutions.com/plm-demo](http://www.arenasolutions.com/plm-demo)