

CORIAN T POWERS CONNECTED ENTERPRISES WITH GAME-CHANGING TELECOM TECHNOLOGY AND JABIL'S END-TO-END MANUFACTURING AND SUPPLY CHAIN SERVICES



Case Study



Company	Coriant
Industry	Telecommunications
Country	Germany
Employees	1001 - 5000
Websites	www.coriant.com



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- Ed Tymick,

Vice President of Global Operations, Coriant

CHALLENGES:

- Seamless integration of multiple manufacturing models and global supply chain with end-to-end visibility
- Ongoing demand to reduce costs without compromising product quality or on-time delivery

SOLUTION:

- Jabil built upon successful manufacturing track record to accommodate broad product portfolio
- Jabil expanded capabilities, encompassing manufacturing, supply chain, test engineering and New Product Introductions (NPI), enabling Coriant to focus on core competencies

BENEFITS:

- Coriant meets exacting quality standards while boosting operational efficiencies and lowering costs
- Coriant achieves greater visibility across global supply chain and ensures no disruptions or delays while shaving a week off product lead times
- Coriant is well positioned to expand and address new customer demands by taking advantage of Jabil's end-to-end manufacturing services

Coriant delivers innovative, dynamic networking solutions to address the evolving requirements of fast-growth companies around the world. As a global leader in the telecom equipment industry, Coriant provides SDN-enabled optical packet transport technology that helps customers optimize network infrastructures as demand for bandwidth explodes to meet the rising tide of video, cloud and mobility applications.

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**- Jeff Weingarz,
Director of Inventory and
Demand Planning,
Coriant**

The company's distinguished heritage of technology innovation and service excellence has been forged by more than 35 years of experience and expertise with tier-one carrier networks. Today, Coriant serves leading network operators, including mobile and fixed-line service providers, cloud and data center operators, content providers, cable MSOs, large enterprises, government agencies, financial institutions and utilities. The common thread uniting this diverse customer portfolio: An overarching need for best-of-class transport technology spanning from metro access to long-haul optical core.

According to Ed Tymick, vice president of global operations at Coriant, the company was founded in 2013 by building upon the technology, innovation and engineering excellence of Siemens Optical Networks, Tellabs and Sycamore Networks. “We serve more than 500 customers globally, including 90 percent of the world’s top 50 service providers,” he explains. “To support the most demanding networks, we need to continually deliver the highest levels of carrier-grade solutions with unsurpassed product quality coupled with superlative service and

support. There simply is no room for compromise.”

Delivering Value with Each Step

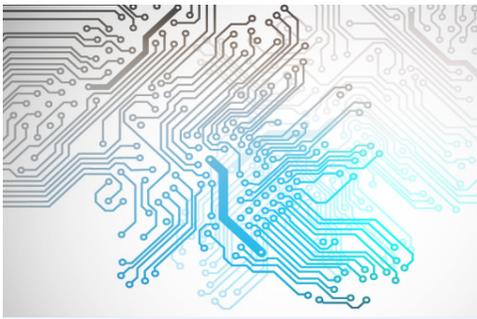
Coriant has a proven track record of enabling network operators to reduce operational complexity and improve network utilization while creating new revenue opportunities. Throughout its history, Coriant continually has sought ways to drive value through each customer interaction and every step across its end-to-end supply chain.

After joining the organization as a Tellabs employee, Tymick spearheaded a move to outsource manufacturing by partnering with Jabil. As Coriant was formed, Tymick saw an opportunity to outsource other elements of the manufacturing and supply chain operations to Jabil as part of an overarching goal to boost efficiencies and reduce costs while maintaining stringent quality standards.

“At Tellabs, Jabil replicated our internal quality levels on the manufacturing side,” recalls Tymick. “We had faith we could

proceed beyond that as Jabil had other services to offer in terms of supporting materials management, inventory control and direct order fulfillment." The company began by transitioning the manufacturing of products from Finland to Jabil's facility in Penang, Malaysia, where a dedicated team of manufacturing and supply chain experts assured on-time product deliveries while adhering to Coriant's exacting quality standards.

"The difference between Jabil and other manufacturers is flexibility," says Jeff Weingarz, director of inventory and demand planning at Coriant. "This has allowed us



to do more things together and truly leverage Jabil's expertise in inventory and demand management." For example, the organizations worked together to ensure Coriant had broader visibility and seamless access to inventory data. "With thousands of SKUs, it's imperative that we have the right data at the right time," he adds. "Jabil helped us develop the necessary tools and integrate their electronic data interfaces into our ERP system."

The EDI/ERP alignment not only improved effectiveness of Coriant's distribution network,

the seamless connectivity and data sharing accelerated time-to-market. "In the telecom industry, speed is everything," says Weingarz. "Our customers are demanding shorter and shorter lead times. Using Jabil's global supply chain, we shaved a week off product delivery timelines."

Strategic Investments, New Services

As Coriant brought more products previously built in other parts of the world to Jabil's Penang facility, additional cost savings and opportunities to elevate customer service were realized. In addition to scaling operations as needed, Jabil leverages its status as a tier-one manufacturer to apply its mass buying power with specialized materials and commodity management capabilities. "Jabil provides an upfront, end-to-end supply chain analysis that enables us to achieve the total lowest landed product cost," Tymick says. "The analysis drives decisions about where to build and distribute the product, along with other localization factors regarding procurement and sub-material and component manufacturing. This drives down costs and lead times."

Over the years, the Coriant-Jabil partnership has steadily expanded to include various services beyond manufacturing. Wide use of advanced planning tools and processes have enabled the collective team to collaborate and synchronize data input/review to ensure that Coriant meets customer commitments and on-time product delivery timetables. For example, statistical and seasonality analyses

provide valuable insight into product demand variability and corresponding safety stock. Lead-time stack analysis also is used to identify opportunities for lead-time reductions based on material costs.

Additionally, Jabil plays a role in commodity management and handles direct order fulfillment, preparing orders for shipment and delivering them to Coriant's freight carriers. A dedicated global commodity management and components team in Penang permits Coriant to respond rapidly to any issues as they have immediate reach to escalate and resolve any component or part shortage problems. Meanwhile, Jabil's environmental team is on hand to assist with full material declaration, ROHS and REACH compliance requirements. "The speed with which Jabil brings additional resources to the process while also providing other value-added services has been rewarding," adds Tymick. "Jabil works with us to develop new programs that increase our flexibility to service our customers and continually reduce product lead times."

Jabil supports other initiatives to help Coriant reduce overall costs by transforming fixed costs into variable ones by moving services traditionally handled internally to Jabil. A prime example is the partnership approach taken to transition test engineering, which typically was associated with high fixed costs. "Jabil stepped up to take on test engineering, which added a lot of value while furthering lowering fixed costs," says Tymick.

As Jabil took over Coriant's test engineering in Shanghai, legacy Coriant employees became Jabil employees capable of supporting Coriant as well as other customers. The transition proved a win-win as Jabil quickly benefited from the skills and expertise of experienced test engineers to grow its services while Coriant removed a fixed-cost burden without losing access to engineers. "There's an easy collaboration between our companies," Tymick adds. "Ideas and suggestions continually flow that allow us to be much more efficient."

Strong cultural alignment has ensured a frictionless transition for Jabil's new engineers and spurs teamwork. "There's a tight synergy between Coriant and Jabil with respect to our business and supply chain strategy," comments Tymick. "Ensuring the success of the test engineering transition is one example, but there are countless others."

'Going Deep' to Drive Better Product & Business Outcomes

In embracing a broader role within Coriant's operation, Jabil engages much sooner in the New Product Introduction (NPI) process. This has proven invaluable in supporting Coriant's purpose-built Groove DCI platform, which offers traditional and emerging providers significant capacity in a modular, compact design with up to 70-percent less power consumption and a 60-percent improvement in density.

About Jabil

Jabil is a digital product solutions company providing comprehensive electronics design, production and product management services to global electronics and technology companies. Offering complete product supply chain management from facilities in 27 countries, Jabil provides comprehensive, custom solutions to customers in a broad range of industries. Nypro, a Jabil company, specializes in medical devices, with a global footprint of ISO 13485 and FDA registered facilities, manufacturing many of the most recognized medical brands for major healthcare and wellness companies. Jabil common stock is traded on the NYSE under the symbol, "JBL". Further information is available on Jabil's website: jabil.com.

"The decision to 'go deep' with Jabil on the Groove product line was a key consideration as we knew that moving into the data center side of the telecom business was a radical change," adds Tymick. "Transport networks are being redefined by the need for flexible and reliable data center interconnect to and between data centers. We have the technology and end-to-end supply chain strategy to meet the new demands."

Using Jabil's InControl supply chain solution gives Coriant visibility into changing trends and constraints in the commodity marketplace as well as immediate alerts to geo-political events or natural disasters that could impact product deliveries. For example, in 2011, the most powerful earthquake ever to have hit Japan triggered tsunami waves that caused major devastation and significant disruption to global businesses.

In the aftermath, Jabil quickly used InControl to check the welfare of Coriant suppliers and partners in the region. A geographical alert with the list of manufacturer part numbers (MPNs) and supplier information enabled the team to quickly identify potential problems and respond swiftly. Jabil also determined if impacted components were sole-source or available from multiple sources. For parts available from multiple sources, the team secured the parts pipeline with Coriant's alternate approved vendors' list (AVL).

"Jabil's fast response and InControl supply chain solution gave us the advanced visibility to come up with alternative suppliers," recalls Tymick. "We didn't experience any supply chain downtime or manufacturing delays."

Coriant also credits the long tenure of Jabil's team as a major success factor. "The part of the relationship I enjoy the most is knowing that we have people across different parts of our supply chain who are always looking out for our best interests," says Tymick. "We have confidence they can deliver and we trust they'll help us make key decisions quickly and effectively."

As evidence, Coriant is poised to further embed Jabil into its supply chain and manufacturing processes to take advantage of Jabil's March 2015 acquisition of AOC Technologies, which makes optical networking technology. Jabil's photonics team is working closely with Coriant to accelerate a new product introduction. To boost collaboration, Jabil AOC optical assembly and test engineers joined Coriant experts in Berlin to observe the assembly and testing process so Jabil can augment the company's internal efforts as needed. "Jabil's ability to support us in other areas while helping Coriant refine product design iterations faster will add yet another dimension to our supply chain strengths," concludes Tymick."