In November 2013, Sony Computer Entertainment America (SCEA) launched the much anticipated fourth edition of its videogame console, the PlayStation. There was high complexity inherent to readying the system in time for the make-or-break holiday season; allocating to the right reseller channels; assembling the right combination of accessories and game bundles; and ensuring the product launches at right price point.

SCEA used Steelwedge integrated business planning software to connect all the crucial people, processes and data to help it navigate their biggest launch ever—delivering an anticipated approximately 5 million units in the coming months—without cannibalizing the ongoing PS3 business.

**Connecting SCEA’s Business Plans for Better Visibility**

Coinciding with the integrated business planning initiative was an IT change management transformation at SCEA. The organization was re-implementing its Oracle ERP solution and moving all other non-financial applications to the cloud, for better scale and leverage. The first cloud-based application was also the company’s choice for powering its planning: Steelwedge.

Central to the Steelwedge selection was not only proven best-of-breed planning functionality, but also powerful performance, tested security and ease of use. Sree Vaidyanathan, SCEA’s Senior Director of Business Applications, noted:

“...Our goal with all applications: make it easy on the business users. We couldn’t deliver effective change management without very usable, seamless applications. Steelwedge provides the visibility we require to run our business, and delivers it in a way that is intuitive for business users to consume.

Steelwedge has the secret sauce of a high performance system that is easy to understand. Steelwedge is planning on steroids. It’s a truly unique offering.”

**Crawl-Walk-Run-Sprint: Methodology and Fast Returns**

The Steelwedge services team helped fast-track SCEA’s internal planning process with the implementation of the Steelwedge solution, in a phased approach.

**Phase One:**

Phase one started with demand planning and an executive engagement phase of the total sales and operations planning (S&OP) life cycle. Over the course of four months, Steelwedge worked with SCEA to:

- Create a demand planning process, bringing together the right internal players from demand planners to field sales managers and determining a method and cadence for reporting, meeting and reviewing a single consensus view of the monthly forecast.
- Automate the data integration process to sync plans into a single view and minimize risk of errors from multiple sources. This involved connecting fragmented demand planning components from disparate sources including Access databases and Excel spreadsheets with back-end ERP data from Oracle. With Steelwedge, the company improved its forecast accuracy to high ~90%.
- Provide executive-level visibility to the demand forecasts to show the financial impact of changes in forecasts to inform business priority decision-making. As a result, the SCEA executive team can now see more tightly aligned demand forecasts on a monthly basis.
Phase Two:

As a result of the successful phase one process design and product implementation, SCEA moved into phase two to synchronize its new forecasting strength via supply planning and collaboration with SCEA corporate suppliers and telescopic planning.

Telescopic planning is a Steelwedge feature that enables easy movement between weekly and monthly planning periods, allowing SCEA a much closer, more frequent look at impacts to its supply and demand.

After the completion of phase two, SCEA can capture store-level data in a demand signal repository (DSR) system, which is pushed to Steelwedge for store-level planning. That DSR is coupled with telescopic planning to get a weekly review of data, which provides even better visibility to the sales team.

"Now we are able to look at more data, more often, to work at the speed of demand," said Vaidyanathan. "With Steelwedge we can now collect and analyze data at the point of sale. That data, at a store level, helps us keep a much more accurate pulse on appetite and what is moving in the market and helps us better predict future demand. This, in turn, gives us better balanced scorecard transparency with our retail channels."

Steelwedge is helping provide the visibility and “shock absorbers” for SCEA’s supply-demand process and planning, for a single line of sight from plan to performance to profit. With Steelwedge, SCEA is becoming more agile in its ability to accelerate its business around the sharp corners and hidden potholes of the gaming console market.

"Our integrated business planning, powered with Steelwedge, helps us minimize exposure to the market, and ensure we can deliver on consumer demand without having too much inventory in the channels," said Vaidyanathan.

"Without the insights we gained from Steelwedge on channel and bundling optimization and well as potential PS3 cannibalization, we wouldn’t have as powerful a launch plan as we do. Months ahead of the launch, we’ve sold out 1.7 million units in pre-orders. We are planning to sell approximately 5M units of the new PlayStation 4 console by April and we are more confident in that forecast due to Steelwedge."

Steelwedge Benefits Summary

Increased visibility from consensus planning at SCEA returns better:

**Profitability.** SCEA forecast accuracy improvement from 60% to high ~90% immediately drives better profitability—ensuring the right goods at right time and right place. Now, SCEA has enough data insight to push platform and SKUs to channels, more intelligently.

**Market Share.** Better consensus planning, powered by Steelwedge, helps SCEA make better supply/demand tradeoff decisions, due to more reliable data. The faster to market, the better the market share potential.

**Scalability.** The cloud-based solution from Steelwedge allows SCEA to power its process in scope with its evolving market.

**Risk Mitigation.** The proven, secure Steelwedge platform limits SCEA’s IT exposure to risks around data, business continuity and security.