



Viking Yachts and SourceDay

Learn how the premier luxury yacht builder enhanced supplier engagement and PO visibility with SourceDay – **increasing the supplier acknowledgment rate to 96% and response rate to 88%.**

Increased to

96%

supplier acknowledgment.

Increased to

88%

supplier engagement.

THE CUSTOMER

Viking Yachts is a world leader in semi-custom yacht production. The family-owned company prides itself on building 90 percent of every boat in-house, resulting in luxury performance yachts that address every detail imaginable – from initial design to finished product. Offering 38-foot to 90-foot yachts, Viking Yachts has been delivering premier boats for cruising and sportfishing for more than 60 years.

LEAD

Bob Pharo, Materials Manager, Viking Yachts

THE SITUATION

Founded in the mid-1960s, Viking Yachts is relentless in its commitment to “build a better boat every day.” Critical to the company’s success and its reputation is its renowned in-house manufacturing capabilities. Maintaining ten production lines across two manufacturing plants just miles apart in New Jersey has given the purchasing team first-hand visibility into each boat’s development timeline and allows them to oversee and optimize a complex supply chain process.



Since nearly every yacht built contains some level of customization, buyers must not only manage an ever-evolving inventory of necessary stock materials; they must also order specialty parts unique to each boat as new sales come in. Even just one late or missing part stalls production, creating a delay for that specific yacht and also preventing all boats in that specific line from moving to the next stage of manufacturing.

Even with some of the company's larger yachts containing up to 5,000 components, the six-person purchasing team did not use an MRP system because of the high rate of change in parts needed for each boat. Instead, all supply ordering was manual. This meant each buyer was spending extensive amounts of time following up with hundreds of suppliers to confirm receipt of purchase orders and checking that all items from an order would be shipped and delivered on time. This purchasing team found it increasingly difficult to maintain visibility into the status of POs, as well as accurately monitor if supplies were tracking toward an on-time delivery or running the risk of becoming past due.

Bob Pharo, Materials Manager at Viking Yachts, knew a PO management tool could help enhance supplier communications, automate workflows, and generate reports with improved data on shipping and delivery dates.

“SourceDay eliminated essential tasks for the team, including having to send out a purchase order, wait for the confirmation to come back in, and then individually email each supplier to check in when it didn't get acknowledged,” said Bob Pharo, Materials Manager at Viking Yachts. “When you have to do that manually and manage a stack of papers on your desk, it's easy for things to fall through the cracks. Now, we can go into the portal and quickly, at a glance, see what's late and what 's coming in, and send out a bulk message to all vendors to request an update at one time.”



THE CHANGE

Bob and his team of buyers adopted the SourceDay platform and were impressed with how quickly it streamlined the PO management process. It was also important that the tool removed the manual workload of pulling reports on late and on-time deliveries, and the team was pleased with how easy it was to get visibility into key metrics that impacted their business the most.

THE RESULTS

Upon implementing SourceDay, Viking Yachts saw a dramatic improvement in their interaction with suppliers, which had a direct impact on supplier reliability. The supplier acknowledgment rate soared to 96% as a result of automated workflows, and the supplier response rate increased to 88%, allowing for more efficient communication around PO changes.

The purchasing team has also been able to mitigate its risk around storage concerns and complex inventory management. Viking Yachts has the need for a lot of different parts, but they don't have a lot of room to store them, so buyers must meticulously order parts and schedule their delivery a week ahead of each boat's installation date. Using SourceDay has given the team a new level of visibility into the status of each PO line item – from quantities shipped to arrival dates – and allowed for enhanced predictability and planning to prevent any production delays. As a result, the on-time, in-full delivery rate has more than doubled. This precision makes it possible to avoid keeping large amounts of safety stock on hand.

“The most vital tasks in our purchasing department are to, first, make sure everything is included in an order (standard and custom parts), and second, make sure everything gets delivered on time before the boat moves out of the development stage where those parts are needed,” said Bob Pharo, Materials Manager at Viking Yachts. “The SourceDay platform is a tool, as a manager, where I can go in and see what the buyers and suppliers are doing in real-time and quickly get the information I need to know we’re on track. Having all of this information readily accessible in SourceDay means that I can see everything. Getting this kind of insight from another tool would be difficult and time-consuming.”