



NXP Semiconductors Controls Margins with Spotfire Analytics

Better manages distributor incentives and increases analyst productivity

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— Liesbet Wouters,
Sr. Business Process Expert,
NXP Semiconductors

CHALLENGE

In the semiconductor industry, constant margin improvement is a common challenge, and no different for NXP Semiconductors. “We have a complex sales model in which we sell our products directly to customers and also through distributor channels,” explains Liesbet Wouters, senior business process expert. “We have distributor incentive programs, and we have to be constantly aware of different regional incentives, whether they are on track or not, the margin we are allowing, and whether there is any margin leakage in a region. We needed to really analyze all the data from all the channels and all the regions all the time.”

A traditional, static BI environment was getting in the way. “It would easily take three to six weeks just to add a column or graph to a report,” says Wouters. “And we were highly dependent on IT.”

NXP’s sales and marketing departments had several applications with BI embedded, which provided fast analyses, but these discrete systems made data mashups more difficult and too time consuming. “Our pricing is not just sitting in one application,” says Wouters. “Our analysts weren’t able to spend much time analyzing data because they were pulling it from all kinds of sources. So, even if we could find an outlier, we were too late to act on it,” says Wouters.

DETAIL

**20% TO
100%**

Change in time analysts spend on high value work

NXP SEMICONDUCTORS

NXP Semiconductors N.V. (NASDAQ: NXPI) creates solutions that enable secure connections for a smarter world. Building on its expertise in high performance mixed signal electronics, NXP is driving innovation in the automotive, identification, and mobile industries, and in application areas including wireless infrastructure, lighting, healthcare, industrial, consumer tech, and computing. NXP has operations in more than 25 countries and posted revenue of \$4.82 billion in 2013. Find out more at www.nxp.com.

FAST FACTS

www.nxp.com

Headquarters: Eindhoven, Netherlands

Experience: 55 years

SOLUTION

NXP was a long-time TIBCO customer, so the decision to implement TIBCO Spotfire® was an easy one. “Business leaders wanted to see results in real time, and our global sales and marketing department was the internal driver for changing our BI environment and being able to improve our margins,” says Wouters. “What we strive to achieve with Spotfire BI self-service is to put the business in the driver’s seat and in control of our own complex sales model data. We are now partnering with our IT department rather than fully relying on them.”

BENEFITS

BETTER MARGIN AND INCENTIVE MANAGEMENT

With its new BI self-service model, NXP can more easily mashup all sales data. “Now when a customer asks for a price, we can very easily see if their affiliate in another country has also asked for that price and be sure there is no margin leakage. We can control all of that much better now,” says Wouters.

Fast identification of sales data outliers applies to distributor incentives as well. “We analyze a lot of customer invoice price data coming from distributors, and we are able to really analyze it quickly, so we can see if there is a margin or incentive leakage,” says Wouters.

“Early in the implementation phase when we were still creating reports, we quickly found outliers, and by acting on them saved \$2 million, just like that. It was really amazing for everyone that it could be that obvious, that fast,” says Wouters.

MUCH GREATER ANALYST PRODUCTIVITY

Wouters estimates that before Spotfire, an analyst would spend about 80 percent of their time on low or no value-added work such as collecting data from all the various sources, generating and distributing reports, and making PowerPoint presentations. “With BI self-service, it has really flipped the coin,” says Wouters. “Now they spend 80 percent of their time doing real data analysis, finding outliers, and acting on it. The remaining 20 percent is spent sharing the data and reporting on minor sales players.”

IMPROVED APPLICATION PERFORMANCE

An unexpected benefit that NXP received was better application performance. “Before Spotfire, we pulled data directly from applications, which slowed their performance. We now actually see a performance improvement in our transactional data systems because we no longer pull data, it’s all readily available,” says Wouters.

FUTURE

NXP Semiconductors has set up a very ambitious plan to optimize its margins and grow 50 percent faster than peers. To accomplish its goal, Spotfire will be helping other departments understand their data. “We see that good news travels fast,” says Wouters. “Soon after global sales and marketing implemented Spotfire, our supply chain management group started working with it. We actually have other departments standing in line because everyone wants to use it.”



Global Headquarters
3307 Hillview Avenue
Palo Alto, CA 94304
+1 650-846-1000 TEL
+1 800-420-8450
+1 650-846-1005 FAX
www.tibco.com

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