



Imagine. Innovate. Integrate.

Customer Analysis Overview

Bedding
Manufacturer

SERIGRAPH
3801 E. Decorah Road
West Bend, WI 53095

www.serigraph.com
Telephone: (262)335-7200

Business Impact

- ✓ Revenue
- ✓ Cost Savings

Business Description

This premium mattress manufacturer is a technology leader in the marketplace. A prominent bedding retailer in the United States, the company operates more than 425 company-owned stores. This retail strategy ensures that customers are properly educated on the technology that goes into its sleep systems. It's in their DNA!

We have a mission to improve lives by individualizing sleep experiences. We do so by leading the way as a sleep innovator – for customers, our employees and our shareholders.

Delivering on the mission requires supply chain precision. The stores receive product on a just-in-time basis from multiple manufacturing facilities. While this just-in-time approach does create a very lean operating model and cuts a lot of cost and waste, it also increases the risk of supply chain disruptions.

Becoming a supplier for the company is difficult. The manufacturer measures suppliers against an exacting defective-parts-per-million standard as well as on their ability to meet its weekly release schedules. Because it uses a just-in-time manufacturing model and prides itself on superior customer service, the company can't afford any supply chain disruptions. The average ticket per sleep system sold is between \$3000 and \$6000, and the company is selling over 700,000 sleep systems annually.

Critical Business Issues

- ✓ Intermittent quality issues within supply chain
- ✓ Just-in-time supply chain strategy amplifies supply chain disruptions
- ✓ Complex supply chain, large number of vendors
- ✓ Numerous SKUs and configurations create complexity

Results

Prior to working with Serigraph, the company was experiencing intermittent quality issues within its supply chain. Because it had multiple vendors creating parts for small units, it became difficult to identify the origin of quality problems. At this time, Serigraph had been a tier two supplier, i.e., it provided product to a tier 1 supplier who provided product to the manufacturing production floor.

When the company embarked on a major new product launch, it turned to Serigraph for innovation. The result was a direct relationship with Serigraph as a new tier 1 supplier, a refresh of its product line and all new sleep systems.

For the new sleep systems, a remote needed to be created that could control a sleep pump and multiple motors which control many functions delivered in the mattress. Specifically, the company needed to solidify a marketing conceptual design and translate that design into an actual manufacturable product. Serigraph was there to help. Serigraph leveraged deep expertise in IML engineering, tool design support, color and surface coating, screen printing, forming, die cutting, molding, hand application adhesives, packaging and product testing to deliver a remote that ultimately removed complexity from the company's supply chain, reduced cost and positioned this mattress system manufacturer as THE LEADER in its space.



[Finger pointing stopped] We no longer needed to ask if the applique or the molding was the problem.

- Director Product Management



In-line mold is tough to get right...Serigraph is the only supplier we have ever done IML work with.

- Director Product Management

The design discussions for the remote began in October 2012, and prototypes were launched in April 2013. The remote was ready for mass production in July 2013 as the new sleep systems were released to market. The new remote delivered considerable technology enhancements over the previous unit and became core to the company's sleep system sales. Many iterations of the device were required to "get it right."



Serigraph has done work with Ford, Honda, Chrysler and Chevy, they have the technical resources to figure out a complex design and get it right. They got ours right. They have been a great partner.

- Director Product Management

The two companies worked together to ensure the finished product was a high-quality, showcase piece of technology that would help increase sales. After the new sleep systems were released, the product “took off faster than anticipated” and company’s sales were 30-40% over forecast. The handheld device had a greater impact on sales than anticipated.

The company’s average sale improved because of the new sleep foundation, sleep pump, and remote combination. Sale price increased from \$700-3,000 to \$3000-\$6000 per unit. More customers were attracted to the higher-ticket sleep systems because of the design refresh and new technology.

No one in the industry can compete with dual adjustable mattress settings and head and foot adjustments all controlled through a sophisticated remote. But, this is a highly competitive market where all players are in hot pursuit of a limited number of high-end buyers. This makes Serigraph’s contribution especially valuable - keeping this customer ahead of the competition for years to come.



We use a PPM approach to measure quality on incoming product. Serigraph is so good on quality they are not even on my radar.

- Director Product Management

Metrics

- ✓ Raised average ticket price 428% and high end by 200%
- ✓ Increased new product sales by 30-40% over forecast
- ✓ Tooling turns are fast during new product development shortening time-line from concept to development
- ✓ Reduced number of quality issues within supply chain
- ✓ Removed steps from supply chain
- ✓ Simplified supply chain by eliminating several vendors required to create remote control lowering costs, eliminating finger pointing
- ✓ Industry leading technology that contributes to new product launch success and revenue growth
- ✓ Designs products that are manufacturable in a low tolerance for defects environment