

# › Klipsch Audio Technologies

## Creating Harmony Between Systems & Growth

### › Introduction

From state-of-the-art home theater systems to audiophile-quality architectural speakers and from compact iPod® and computer speakers to massive professional cinema systems, Klipsch has a premium sound solution for every lifestyle, application, and budget. As the audio world continues to evolve to meet the listening preferences of consumers, Klipsch's innovative passion has driven the company's performance and growth over the last 20 years. As the company grew, however, it also outgrew its business systems. Timely information became hard to come by and only manual effort kept customer service from going off track.

### › Business Challenges

Klipsch needed its business systems to keep pace with the company's growth. In addition to growing organically, Klipsch made a series of strategic acquisitions that had left the company maintaining five instances of an obsolete ERP system in the US and one instance of a legacy system in Europe. These disjointed systems routinely required heroic efforts at month-end and often produced multiple versions of the truth. Consolidated financials across the fragmented systems were being produced in spreadsheets with extensive manual effort; customer orders across product lines or geographic regions had to be entered into multiple systems and invoiced separately; and difficulty in compiling supply chain planning information limited responsiveness to changing customer demand, thereby slowing changes to overseas suppliers. The end result was very limited visibility to customer, product, and financial data, and a grueling process to compile and analyze what data they could.

### › The Solution

Zanett's Strategic Business Transformation (SBT) practice was engaged to help Klipsch create alignment between IT and the business. Klipsch needed a fresh perspective, experience, and a sound game plan to help resolve the challenges they were facing. They liked that Zanett had the capability to not only recommend solutions, but was capable of assisting with the implementation if needed.

Zanett led Klipsch through a Strategic Planning & Alignment process to fully understand Klipsch's business strategy and develop a go-forward plan. A portfolio of twelve projects, including six existing projects, was developed to provide a roadmap that met Klipsch's long term needs for growth while addressing the immediate needs for improvement.

"Central to the solution was the creation of a system architecture that created an integrated set of progressive business systems that addressed Klipsch's business requirements," said Craig Hill, Zanett Senior SBT Consultant.

## The Client

Since 1946, Klipsch has been building no-compromise, premium-quality audio products. One of the first U.S. loudspeaker companies, Klipsch is now a leading global manufacturer of high-performance speakers and other entertainment products for homes, professional cinemas and commercial venues. For over six decades, Klipsch has been the high-performance brand of choice for audiophiles and home theater aficionados around the world.

Klipsch is headquartered in Indianapolis, Indiana.

The architecture included components of a Customer Relationship Management (CRM) system; an ERP system for financials, distribution, and manufacturing; a Product Lifecycle Management (PLM) system for product development; Business Intelligence (BI) system; and a Demand Management system – all with compatible, integrated, and progressive capabilities.

*“We knew we had problems with our systems and needed a road map to move forward. Zanett helped move us forward at least a year in the process. Although we needed clarity on how to best deal with our current systems, we also needed to stop investing in technologies that were not going to enable our growth.”*

*- Fred Klipsch, Chairman & CEO*

Full project charters for the key ERP and Demand Management projects were developed as well as high level project plans including budgets, time lines, and staffing needs for the others. An analysis of the leading products in each product category was provided with recommendations of the products that best met Klipsch’s budget, industry, and corporate culture.

## ▶ The Benefits

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By having access to all sides of the Klipsch operations and leadership team, Zanett was able to quickly map out how Klipsch should accomplish their objectives and gain enthusiastic acceptance throughout the company. This unity of vision created momentum to proceed directly into the project road map, validating the recommended products and implementing them.

“Zanett’s project recommendations were the right ones. They also had a good plan and approach to socialize the solutions with our staff, so we could move forward quickly with a common vision of what to do to improve our systems”, said Georgia Shaffalo, VP of Global IT/GPMO.

The music never sounded so good.

## ▶ About Zanett

Zanett helps organizations align business objectives with technology to create Real Enterprise Value™. We help plan, build, and manage the business applications that you rely on to run your business. Our unique combination of technology depth and breadth combined with our industry expertise creates tremendous value for our clients.

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