



Why Kinaxis Inc. Is Soaring Over 9%

Description

What?

Cloud-based supply chain [management solutions provider](#) **Kinaxis Inc.** ([TSX:KXS](#)) is watching its stock soar over 9% at the midpoint of Tuesday's trading session following its announcement that **Toyota Motor Corp.** ([NYSE:TM](#)) has selected its RapidResponse system "to unify the company's global demand and supply planning between its sales and production divisions, and to help better manage vehicle and unit volume."

So what?

Toyota's general manager of its Corporate IT Division, Iwoa Nakano, stated the following regarding the decision on selecting RapidResponse: "We are looking forward to working with Kinaxis to optimize inventory and enable more flexible responses to customer demand. RapidResponse will help us unify sales and production and will become the foundation upon which we can continue to realize improvement in demand and supply planning."

Celebrating a huge win for Kinaxis, John Sicard, the company's chief executive officer, stated: "We are excited to help drive breakthrough results for one of the world's most prestigious brands ... With a proven track record of increasing supply chain efficiencies for automotive manufacturers, we're looking forward to deploying our revolutionary cloud-based concurrent planning platform to help Toyota instantly create what-if scenarios and better understand the impact of various supply change management strategies to create positive outcomes."

Now what?

This is undoubtedly a major win for Kinaxis, so I think the market has responded correctly by sending its stock soaring. I also think the stock could continue higher from here, because this deal has the potential to significantly accelerate Kinaxis's already very [high growth rate](#) in the years ahead, and successful implementation could lead other automakers to adopt the RapidResponse system.

With all of the information provided above in mind, I think Foolish investors searching for a high-growth, software-as-a-service (SAAS) provider should take a closer look and consider beginning to scale in to

long-term positions in Kinaxis over the next couple of trading sessions.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:TM (Toyota Motor Corporation)
2. TSX:KXS (Kinaxis Inc.)

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jsolitro

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