

WARRANTY COST REDUCTION

CGN helped our client gain visibility to high frequency, high cost warranty items through: mining of key customer warranty data, prioritizing of problems and defining critical implementation projects.

Business Problem

The client was experiencing high warranty as a percent of sales and was unable to understand fluctuations and increases. The client was uncertain as to how to address improvement.

CGN Solution

CGN provided a structured approach to analyze customer warranty information to determine high frequency, high dollar warranty items. CGN also developed a prediction tool to help in anticipating reductions and warranty accruals.

Customer Benefit

This solution provided the client with the visibility and insight to manage warranty improvement efforts that was previously impossible. Improvements were identified that were between \$7-10 MM, a 20-25% reduction of yearly warranty.

SCOPE

Provided a structured framework to diagnose warranty problems and assist in the prioritization and implementation of warranty cost reduction ideas.

BUSINESS DRIVERS

Warranty costs, engineering productivity and utilization and customer satisfaction.



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