



Aftermarkets Parts Integration

Project Overview

A leading heavy equipment manufacturer acquired another manufacturer in 2011, expanding its product portfolio. An enterprise-wide aftermarket integration project was launched to enable aftermarket support through one integrated distribution network, rather than its separate individual networks. One of the company's product group had challenges with integration, due to fragmented conversion teams in Dortmund (Germany), Milwaukee, Joliet, Aurora, and Peoria (USA). Upon execution of the program, the client can potentially generate over \$400M NPV based on cost reduction and avoidance. CGN was tasked with helping the product group accelerate the entire integration process right from gathering engineering data requirements to tracking progress of when parts would be available to the dealer.

Business Objectives

CGN's objectives included delivering significant benefits across the end-to-end value chain including, integrated processes and systems, improved order to delivery, and increased dealer satisfaction. Furthermore, CGN understood the necessity to increase integration process velocity, establish standard processes and systems for conversion, along with parts prioritization based on revenue, M/C model. The task also saw fit that CGN manage parts conversion data and develop weekly reports for tracking purposes.

Business Challenges

In some business ventures, integration initiatives can often be overlooked as part-time projects that makes coordination and communication difficult. In addition, CGN found the lack of accuracy in conversion data was at times misleading and had the potential to lead to huge problems in supply chain and machine outages.

CGN's Approach

- **Coordination & Communication:** Enable integration by connecting and channeling efforts within and across the multiple teams involved in integration.
- **Prioritization, grouping and BOM analysis:** Establish and consolidate data from multiple sources and determine weightage criteria to prioritize high revenue parts.
- **Data Management and Tracking:** Manage integration data and create dynamic visual tracking dashboards to trace the progress of parts going through each phase of the conversion process.
- **Workflow:** Established process flow of required actions in engineering Integration to drive accountability and seek continuous improvement opportunities.

Results & Conclusions

- 3000+ parts available to dealer and \$62.9 Million worth of dealer orders for converted parts.
- 4500+ service parts released in the Engineering Data System.
- Engineering groups better aligned with overall program goals and objectives.
- Product group on track in terms of process and systems to convert entire scope of parts.

Our Expertise

The Problem Solving methodology we use at CGN is a proven approach toward improving operational performance regardless of the issue causing the problem or the solution needed to fix it. Most organizational problems have an unnoticed ripple effect across the company – effecting operations, the end product and eventually customer satisfaction. Our 20+ years of Problem Solving experience enables us to quickly and accurately identify key problems, detect the causes at the most foundational level, and provide/implement the solution to improve overall organizational effectiveness.

CGN Global's Problem Solving Service is based upon 4 fundamental constructs that must fit within any problem solving process. These constructs have been defined and forged through years of practical experience and thought leadership:

- Problem Definition
- Fault Isolation
- Root Cause Analysis
- Corrective Action and Error Proofing

Aswathram Viswanathan
Consultant

Tel: 408.707.8452

aswathram.viswanathan@cgnglobal.com

www.cgnglobal.com

