

Service Parts Execution- Optimizing Both Performance And Visibility

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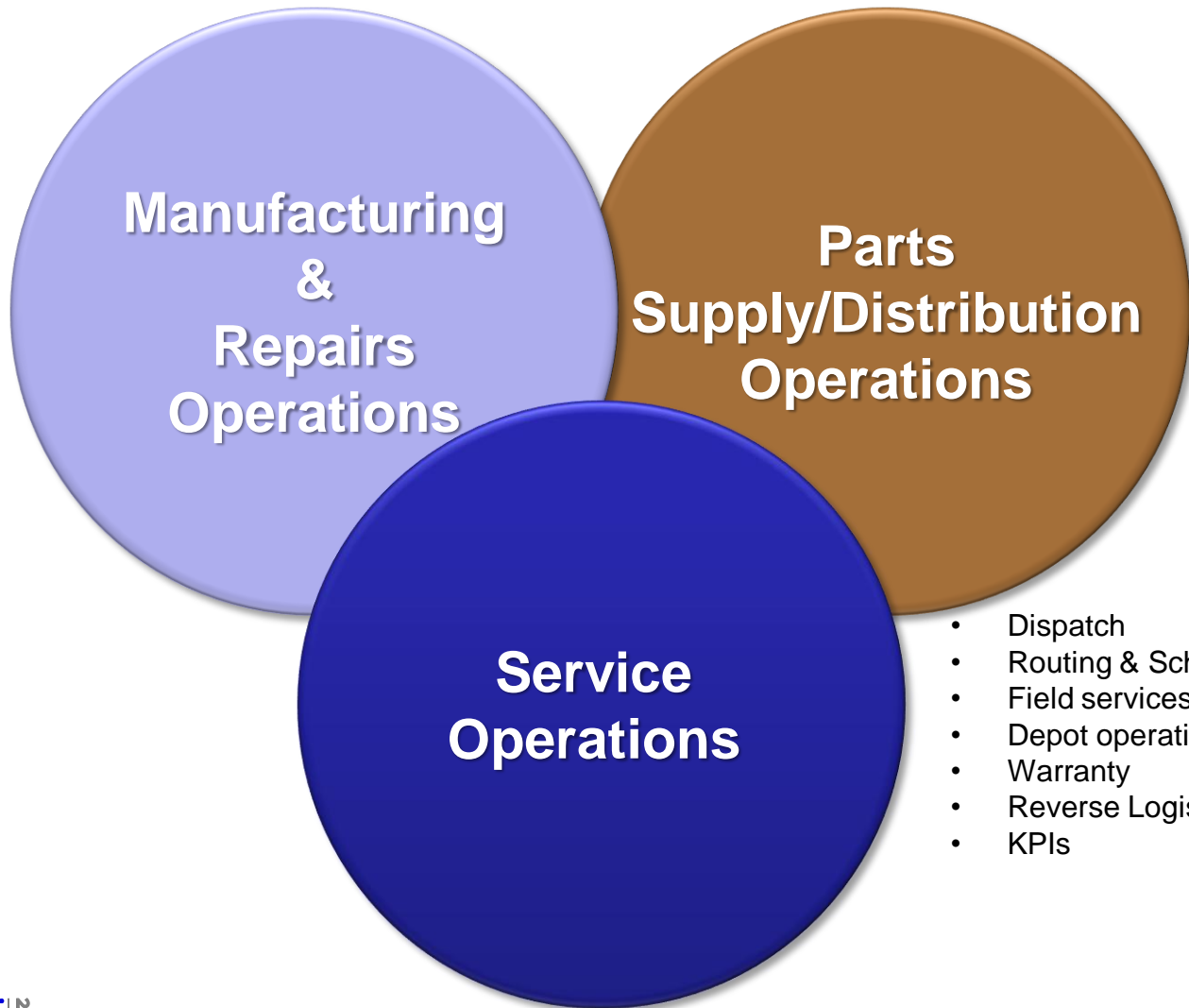
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Service Parts Supply Chain

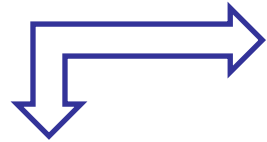


- ERP
- MFG
- Inventory
- Warehousing
- Repairs
- Transportation
- Delivery
- KPIs

- Demand
- Inventory
- Fulfillment
- Warehousing
- Transportation
- Delivery
- KPIs

- Dispatch
- Routing & Scheduling
- Field services
- Depot operations
- Warranty
- Reverse Logistics
- KPIs

Flows in All Directions



Contact Center










Technician



Service Point

Forward Logistics



Supplier



Production



Distribution Center



Parts Distribution



Service Event



Disposal



Repair Depot



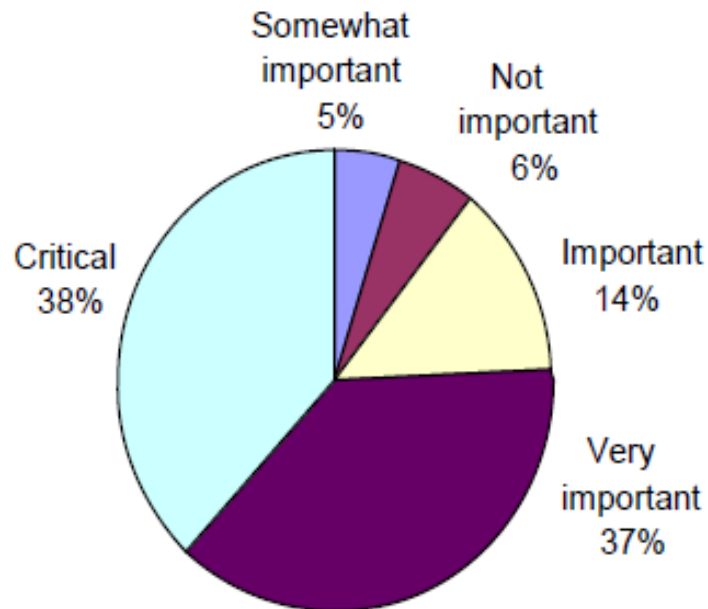
Refurbish, Dispose



Reverse Logistics

Critical to the Business

- 75% of Executives in companies with Service Parts view parts as critical or very important to the business



- ***But few have visibility to current metrics to justify investments***

Source: AberdeenGroup

Service Parts Segmentation

Internal Service Centers

- Little formal shipping
- Rush, hourly and next day orders



Service Parts Segmentation

Local Service Parts Centers

- Local delivery / repair service
- Customer pick-ups
- Order turn-around in minutes / hours



Service Parts Segmentation

Global / Regional B2C Service Parts

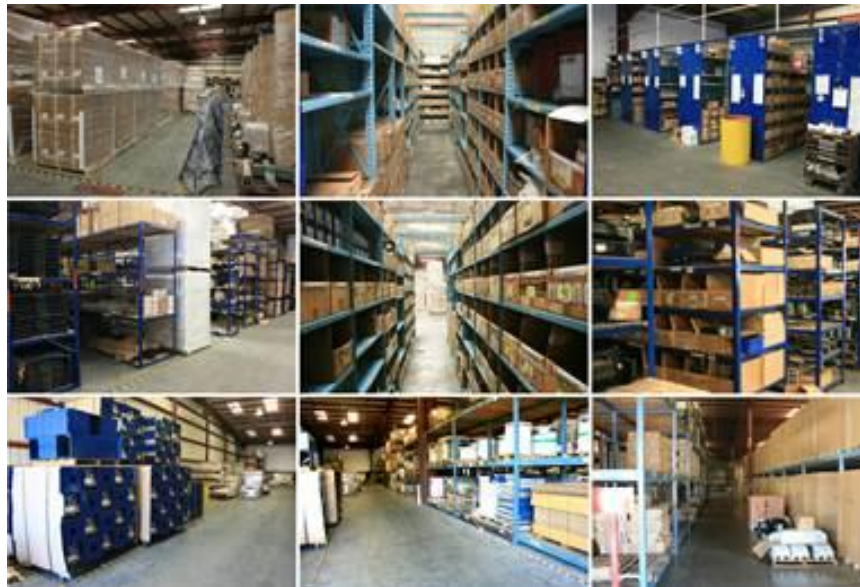
- Single or regional DCs
- Low to high volume fulfillment
- Mission criticality varies by product line



Service Parts Segmentation

Global / Regional B2B Service Parts

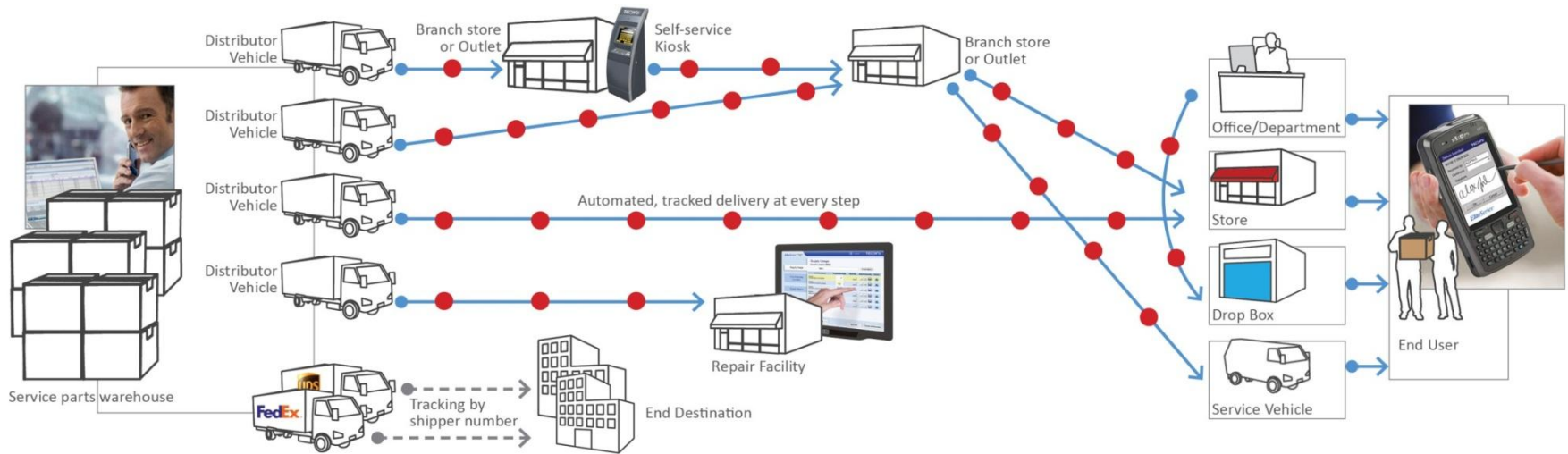
- Single or regional DCs, 3PL network
- Global shipping requirements
- Order turn-around next day, same day, next flight out



Service Parts Segmentation

Hybrid – All of the Above

– All complexities plus extended network



Similar Order Impacts

| | Late | Wrong Part | No Inventory |
|------------------|-----------------|--|--------------------------------------|
| Internal Service | Downtime | Delays | Downtime |
| Local Service | Customer Delays | Tech 2 nd Visit | Downtime / Retail Purchase |
| Regional B2C | Downtime | Downtime / Replacement Order | Expedite Transfer |
| Global B2B | Downtime | Downtime / Replacement Order | Expedite Alternate Source |
| Hybrid | Downtime | Downtime / Replacement Order | All of Above |

Late Order Impact



Wrong Part Impact



Poorly Stocked Van Impact



Areas for Improvement

- Point-of-Use inventory availability
- Rapid response to emergency orders
- Accuracy of deliveries
- Efficiency for technicians
- And ...Distribution Center labor efficiency

Service Parts Solutions Areas

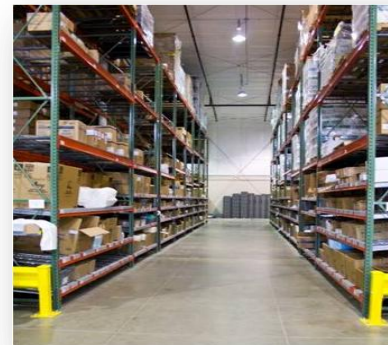
Point of Use



Point of Delivery



Point of Distribution

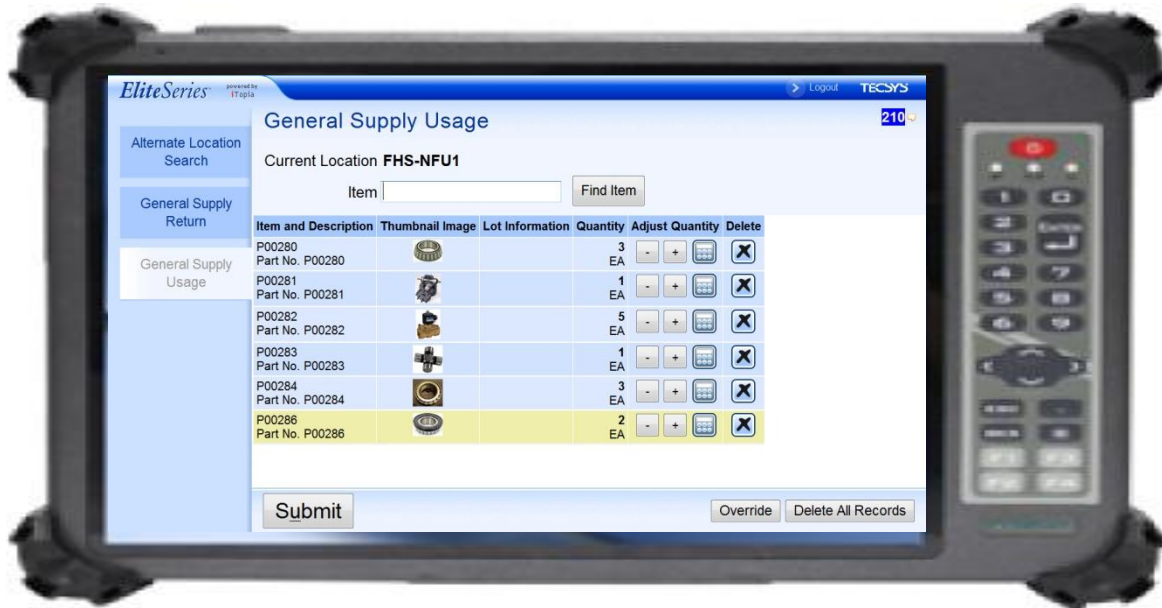


Point of Use Solutions

- Step 1 – Real-Time Inventory Management
- Step 2 – Automated Restocking
- Step 3 – Global Visibility
- Step 4 – Initiate Rapid Response
- Step 5 – Speed for Part Pickup
- Step 6 – User Interface Designed for Purpose

Point of Use Solutions

- Step 1 – Real-Time Inventory Management
 - Perpetual inventory tracking
 - Reporting / charging to customer or contract



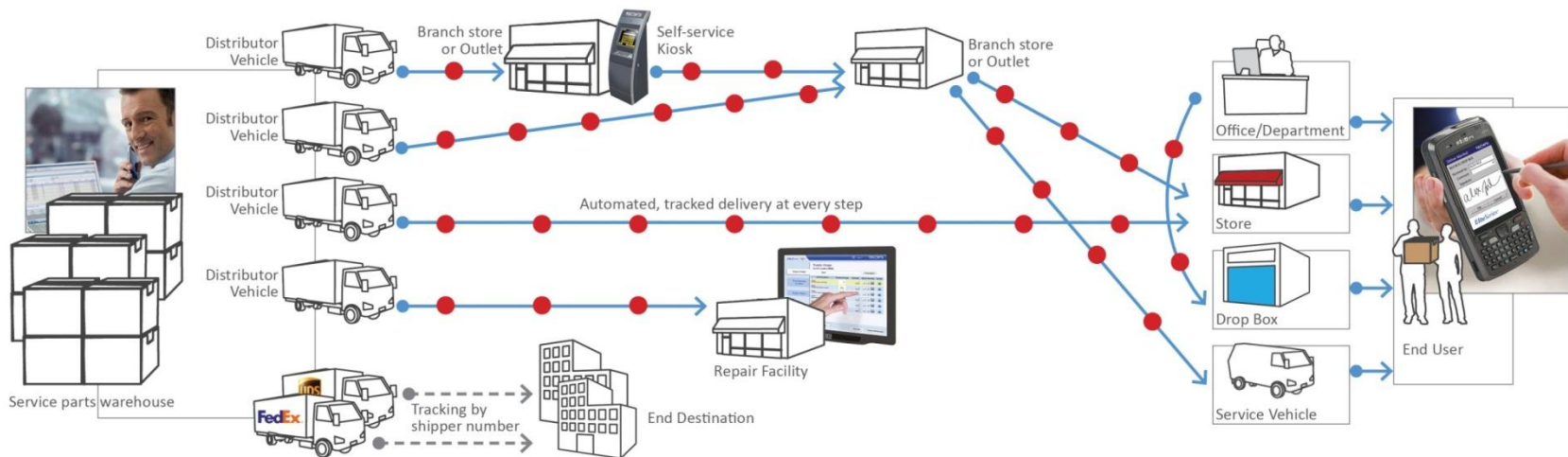
Point of Use Solutions

- Step 2 – Automated Restocking
 - Pro-active, system directed replenishment from DC/Depot
 - Demand sensing for improved forecasting / planning



Point of Use Solutions

- Step 3 – Global Visibility
 - Complete view of inventory across the supply chain
 - Search inventory availability while on site



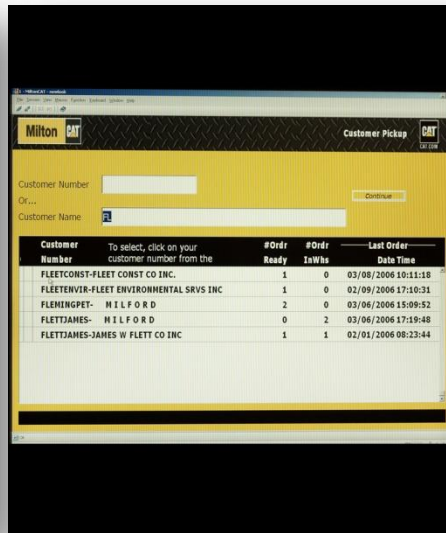
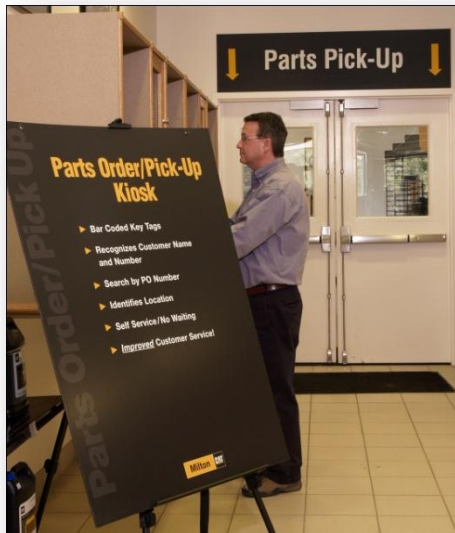
Point of Use Solutions

- Step 4 – Initiate Rapid Response
 - On-line request for rush orders
 - Emergency requests from alternate service vehicles/locations



Point of Use Solutions

- Step 5 – Speed for Part Pickup
 - Self-directed pickups
 - Unattended deliveries



Point of Use Solutions

- Step 6 – User Interface Designed for Purpose
 - Easy, intuitive, fast, no training required



Point of Delivery Solutions

- Step 1 – Real-Time Tracking
- Step 2 – Capability to Pickup / Dropoff Anything
- Step 3 – Emergency Response Capable
- Step 4 – Multi-Route / Multi-Stop / Multi-Stage

Delivery Solutions

- Step 1 – Real-Time Tracking
 - On-line access to any delivery status and location



Delivery Solutions

- Step 2 – Capability to Pickup / Dropoff Anything
 - External/internal initiated
 - Unknown delivery support
 - Interrupt capable



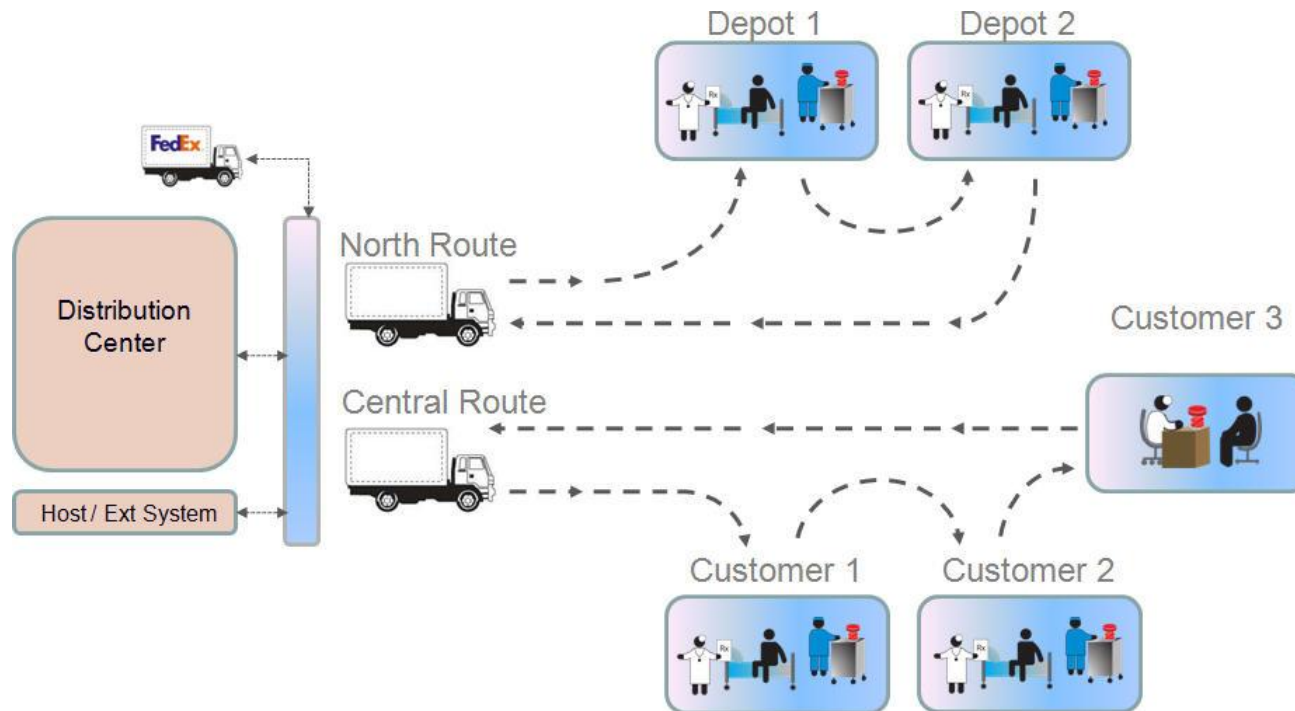
Delivery Solutions

- Step 3 – Emergency Response Capable
 - Locate and intercept
 - Redirect



Delivery Solutions

- Step 4 – Multi-Route / Multi-Stop / Multi-Stage
 - Flexible to routing realities



Point of Distribution Solutions

- Step 1 – Balance Response versus Efficiency
- Step 2 – Truly Scalable
- Step 3 – Designed for Part Complexity
- Step 4 – Exception Oriented
- Step 5 – Optimized for Point of Use Efficiency

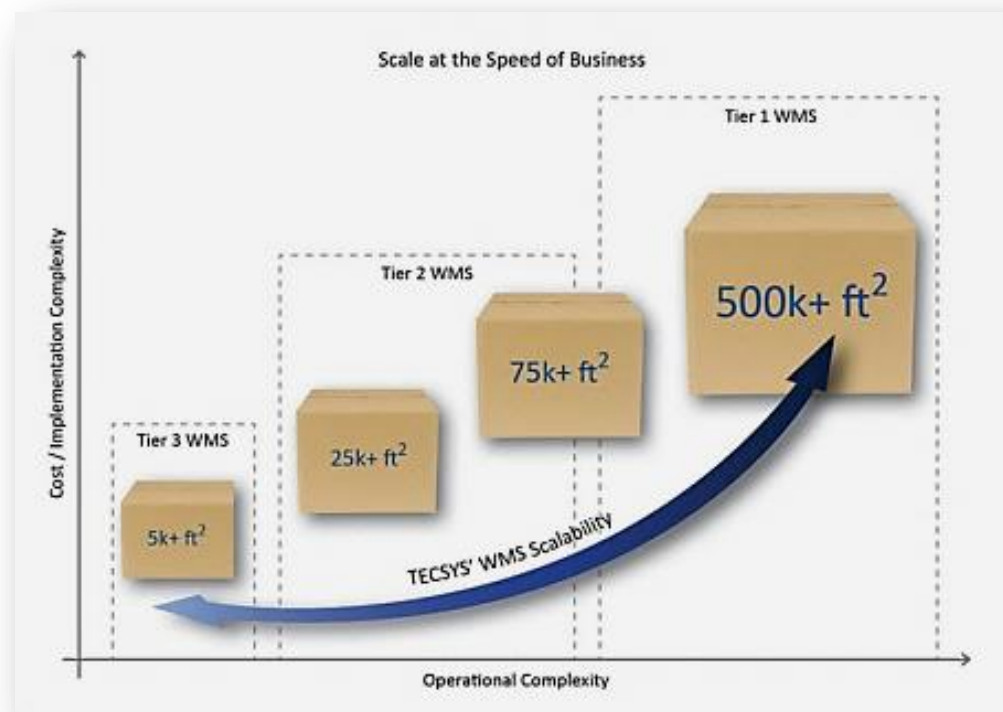
DC / Depot Solutions

- Step 1 – Balance Response versus Efficiency
 - Optimized for normal distribution operations
 - Automated interrupts for emergency orders



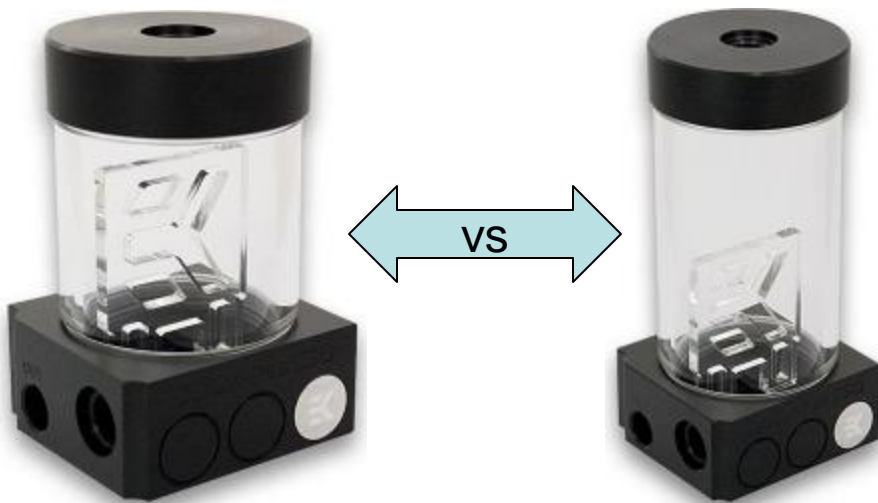
DC / Depot Solutions

- Step 2 – Truly Scalable
 - Small to Large, Large to Small



DC / Depot Solutions

- Step 3 – Designed for Part Complexity
 - UOM's, similarities, proliferation



DC / Depot Solutions

- Step 4 – Exception Oriented
 - Rush Orders, etc



Seconds
→
Not next day

Status
←
Visibility



DC / Depot Solutions

- Step 5 – Optimize for Point of Use Efficiency
 - Kit, assemble, package for ease of end use

DC / Depot



Technician



Summary Takeaways

- Understand the customer / technician first
- Ensure Supply Chain Management solutions provide:
 - Real-time visibility across applications and partners
 - Relevant images and screens that simplify complexities
 - Exception automation while optimizing normal operations
 - Pro-active restocking final Points-of-Use
 - Real-time tracking and metrics across the full supply chain

For More Information:

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