Supplier recovery transformation for a top 10, multinational automotive manufacturer using Pega Warranty

Key Highlights

• 180% improvement in supplier recovery, resulting in a massive ROI
• 10% improvement in part analysis processing time
• Real time insight into supplier quality issues which drove meaningful outcomes

Business Problem

In order to drive improved and reduced(quantity) quality for parts supplied during manufacturing, the client needs a more accurate tool for executing analysis and cost recovery. Warranty covered repairs carry a certain cost which needs to be divvied up appropriately amongst the three responsible parties (the client, Suppliers, and Dealers) based on key data points capture through analyzing failed parts. A key restraint is an annual capacity for processing 200,000 parts through their warehouse and reviewed by quality engineers each year. The client needs a tool which can be used to manage the processes of dealers returning parts to centralized warehouse locations, involving engineers in analyzing returned parts, and then using that information to generate accurate recovery of ordinary warranty cost from responsible suppliers.

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**Coforge Solution**

Using the Pega Warranty framework, the solution replaced multiple legacy systems to orchestrate part returns, analysis, and cost recovery. With Pega, these three functions now work in harmony to ensure accurate quality data collection and recovery of quality cost from suppliers. The part return and analysis functions allow the client to exercise full control over the selection and flow of parts in and out of live inventory through configurable return conditions and automated monitoring of inventory. Automation drives the analysis process by creating cases for review as soon as a part is catalogued within the warehouse inventory.

The cost recovery features allow the client to use the data driven analysis in combination with configurable business rules (i.e., cost formulas and contractual parameters) to generate accurate quality recovery debit records. Through Pega, the client has designed a review process within the automation to ensure accuracy of the debit, and to selectively inform the supplier with data to prevent inaccuracies and disputes over debit amounts while maintaining confidentiality with each vendor.