

Case Study: Parts Conversion

Implemented new parts conversion process during a company merger.

Business Context

- Client acquired a mining equipment manufacturer in 2012, merging the aftermarket distribution systems leading:
 - Cost reduction eliminating the legacy aftermarket service network
 - Efficient aftermarket service parts planning through the client's distribution cycle
 - Increased service part availability
 - Improved customer satisfaction with lower machine downtime
- CGN was tasked with creating the execution platform, including development of tools for tracking the overall progress of the operation for this merger

Objectives & Scope

- CGN worked with the client to establish the following:
 - Accumulate key supplier information
 - Create the part drawing
 - Replace the current part system with the newly created client part

Approach

- CGN conducted a supplier summit, providing detailed information on client benefits
- Increased low revenue parts conversion through a FAST track conversion process, while tracking the performance of the team on a weekly basis
- Found greater returns on execution, by holding weekly execution meetings
- Established downstream weekly meetings expediting the production process
- Implemented an effective change management process for client SAP linkages, serviceability, make

Results

- Created a \$186 million revenue mark by successfully maneuvering parts into client's network
- Increased response time from downstream process partners resulting in Supersession ramp up
- Improved velocity resulted in exceeding monthly targets (additional 200+ SAP parts superseded per month)
- Improved team efficiency, while increasing conversion of parts leading to a cost savings of...
- Improved turnaround times and introduced higher quality data

