

Strategic Improvement Planning

Creating Single Parts Distribution Channel



Good thinking. Globally.

Business Context



In 2011, a Fortune 100 manufacturer acquired a mining equipment company. An enterprise-wide post M&A integration initiative was launched to integrate an expanded mining product line into an integrated product support model. It aimed to lay out service strategy with appropriate repair options, develop correct tooling and service literature, with multiple disconnected segments of the company. CGN was approached in 2014 to develop and implement a streamlined integration process to convert aftermarket parts supporting over 6,000 “in-field operational” machines.

Our Approach



- Designed, developed and deployed the overall parts integration processes across the end to end value chain
- Established & consolidated data from multiple sources (material master, parts books, sales history and forecast)
- Documented service strategy and conducted bill of materials analysis to determine the parts in integration scope
- Grouped parts into waves and generated a timeline for integration (part type, model and supplier)
- Established tracking milestones to increase integration visibility for process partners and stakeholders
- Managed end-to-end integration progress, from engineering release to supersession and availability
- Developed weekly progress dashboard reports & control meetings
- Led monthly executive leadership & stakeholder meeting
- Automated various steps to reduce workload on planning and engineering team
- Supported various dealer requests on part integration status
- Continuously improved the processes to meet and exceed key project metrics

Project Objectives



- Integrate two independent aftermarket parts networks into one with consistent customer experience
- Minimize customer life cycle cost by implementing service strategies and increased repair options
- Improve the overall profitability and service level of the consolidated service parts network

The Transformation



In a 2 year period:

- Increased available service parts by 8X
- Conversion accuracy and quality improved from 88% to 99%
- Decreased conversion cycle time from a year to 4 months
- Reduced conversion cost per part number by 50%
- Increased aftermarket integration percentage from 20% to 90%
- Increased repair option to deliver low cost of ownership

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