SERVICE PARTS MANAGEMENT

From Depot to Technician's Trunk: Part Visibility on all Levels

CHALLENGE:
In recent years, balancing the high level of service that customers demand with the operational efficiencies shareholders require proved to be quite a challenge for this mailstream solution provider. While the company could achieve the goal of one or the other, it could not sustain both because a largely manual process lacked visibility into the inventory at repair depots as well as the 1,750 technician trunk locations. The board continued to press the management team for additional reductions in inventory and overall cost. Understanding that the current process could not reach those aggressive goals, the company turned to Servigistics.

RESULTS:
Servigistics Service Parts Management Solution created visibility down to the trunk level.

Within six months following implementation, the company realized:

- 70% decline in return rates
- 7% reduction in inventory
- 22% improvement in inventory turns
- 11% total monthly cost savings

"Six months after going live with Servigistics, the application has been extremely helpful to our service operations."

DIRECTOR
Service Supply Chain

While using advanced technology to optimize mail processes in companies ranging from global enterprises to the smallest home office, the world's leading provider of mailstream solutions realized it wasn't using advanced technology to optimize its parts.

Instead, it manually planned $50 million in service parts inventory in North America at 150 field locations and over 1,750 technician vans. This led the company to overstock inventory, expedite parts that were literally on a van near-by, and miss customer service level agreements. The lack of visibility into parts was driving poor decision-making. Understanding that the process needed to be automated for optimal results, the company turned to Servigistics - which required little IT input and easily integrated into SAP.

DAY OR NIGHT, PLANNING NEEDED TO HAPPEN

With the implementation of Servigistics, manually managing trunk stock levels was replaced with a customizable and intelligent process that utilized relevant service data from the host systems to optimize spending on service parts inventory and logistics. The integration built with Servigistics offered inventory managers the flexibility to control the key drivers of their processes without requiring an ongoing engagement of IT resources.

The initiative at the mail processing company unified key information from core systems to enable critical thinking and decision-making. So instead of decisions made at the

SERVIGISTICS™

"On a go-forward basis, our integration points are poised for worldwide roll-out upon executive approval and funding."

DIRECTOR
Service Supply Chain

"Our company selected Servigistics because the solution is flexible enough to manage the global service parts inventory required to support the company's diverse line of technology products."

field level, which had financial consequences, decisions were made and pushed to the field. These decisions were then turned into actions and shared with the core systems for execution. In this manner, the decision support environment and transactional platforms were tightly linked, which created planning efficiencies never before experienced.

SCOPE

This company's business consisted of:

- $50 Million in inventory
- 150 field locations
- 1,750 technician trunk inventories
- Integration into SAP

KEEPING SHAREHOLDERS SMILING

Both the shareholders and the customers are pleased with the results from Servigistics:

- 70% decline in return rates
- 7% percent reduction in inventory
- 22% improvement in inventory turns
- 11% total monthly cost savings

Improved visibility and decision-making helped this company deliver world-class service, day and night.

SERVIGISTICS™

www.servigistics.com
+1 888.942.8623

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