

Service Parts Management

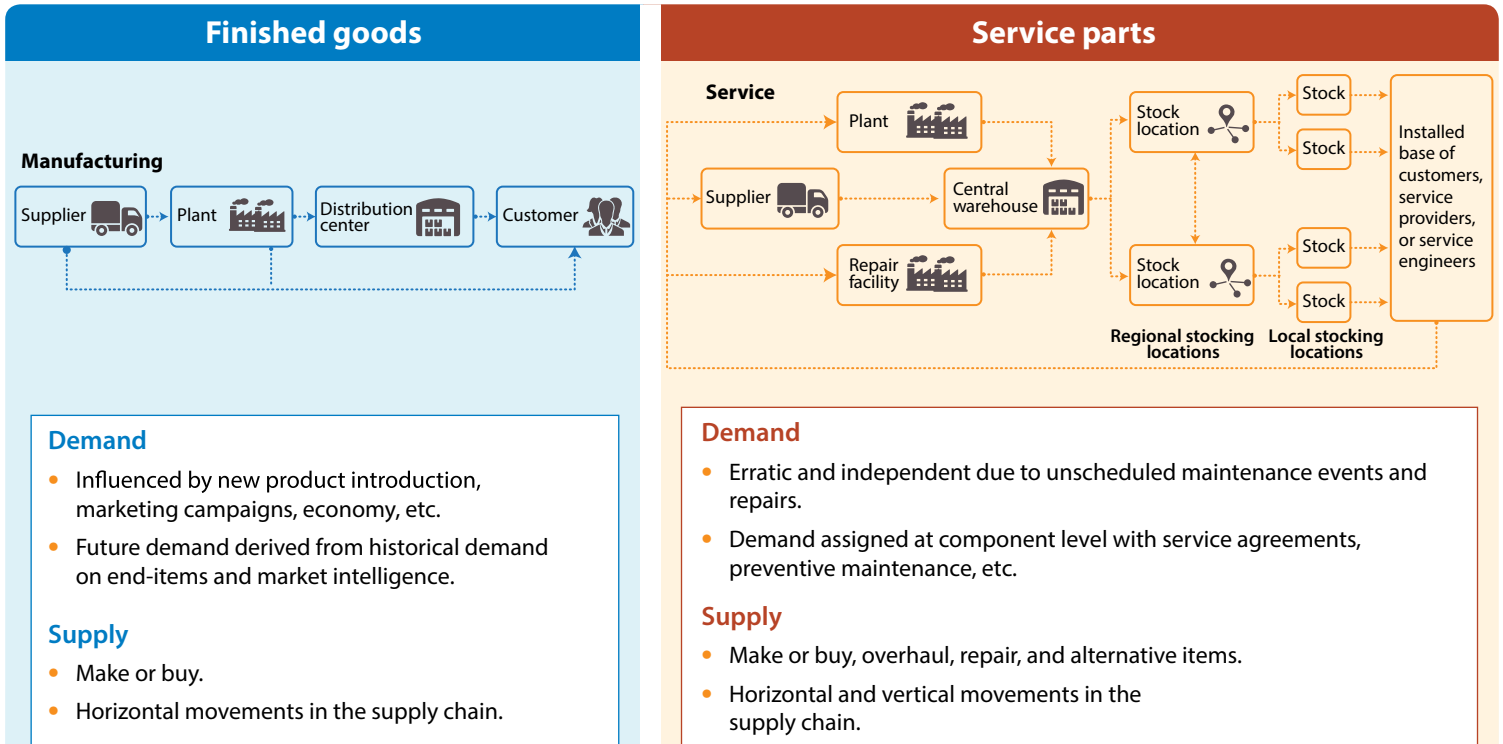


Challenge

For large original equipment manufacturers, asset operators, and resellers of capital goods equipment, service parts inventory typically represents significant financial investments. In addition, the time and location availability of that inventory is the primary driver of customer service. Unfortunately, many service businesses have not rigorously or formally managed

these inventories – the specific supply chain for service parts has been known as ‘The Forgotten Supply Chain.’ Service parts supply chain is unique. There is a higher number of parts, locations, and order lines. There is also a higher demand volatility and a wider range of parts segments. As a result, both the financial and service performance of these businesses have suffered.

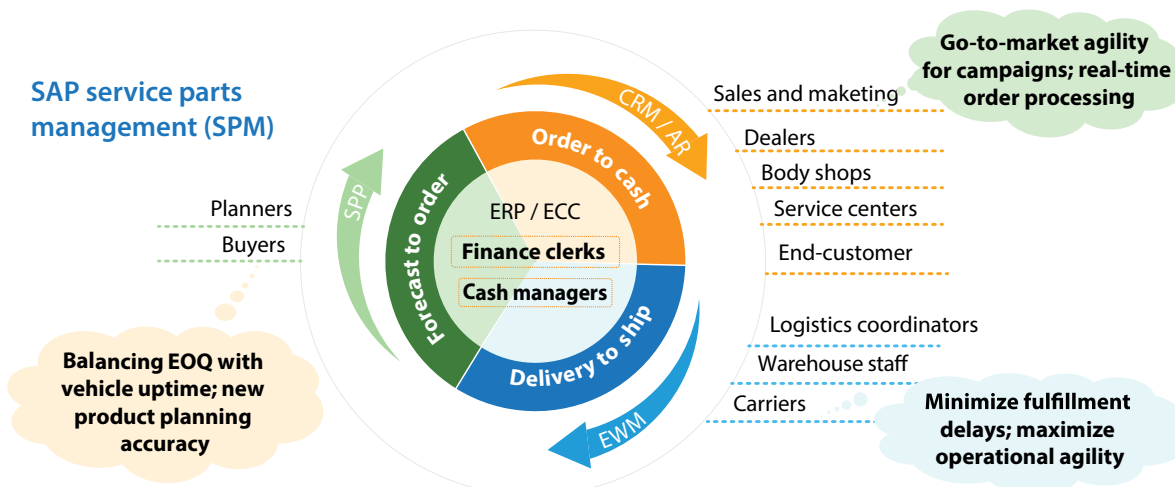
In our experience, a pure technology solution is not the answer to optimizing these inventories – the right mix of skills, processes, and technology is needed to transform the parts business. Therefore, the intent is to position the right methodology together with the right tool. We believe that the right tool is Service Parts Management.





Solution

SAP service parts management (SPM)



Value

Service parts planning					
SUPPLY CHAIN (ECC+Legacy)	PURCHASING (GPS)	SUPPLY CHAIN (SPP+ECC)	SUPPLY CHAIN (EWM+ECC)	WAREHOUSING (EWM+ECC)	FINANCE (ECC)
Master data management	Sourcing execution	Align supply and demand / generate schedules	Supplier ships part, receipt of ASN	Receipt processing / Manage parts inventory	Invoice processing and settlement
	>1.5% reduction in supply chain costs from gain efficiencies (x-dock, referrals, direct ship, etc.)	>1% freight cost savings from forecast error reduction			

Service parts fulfillment				
SALES AND MARKETING (ECC+CRM)	SALES AND MARKETING (ECC+CRM)	SALES AND MARKETING (CRM+APO)	WAREHOUSING (EWM+ECC)	FINANCE (ECC+CRM)
Establish / Manage customer and distribution partner relationships	Develop market offer and distribution strategy	Process order	Pick, pack, and ship	Invoice processing and settlement
	>5% improvement on marketing ROI (% of customer pay revenue)		>1.5% improvement in order fill rate and back-order recovery	

Service parts warehousing		
WAREHOUSING (EWM+ECC)	WAREHOUSING (EWM+ECC)	WAREHOUSING (EWM+ECC)
Receipt processing / manage parts inventory	Inventory control	Pick, pack, and ship
>2 LPH improvement in warehouse productivity	>10% improvement on inventory obsolescence	

Infosys Consulting can be the TIP OF THE SPEAR for you

<p>Strategic alliance with SAP building up world-class SPM delivery – a unique skill set in the current services market.</p>	<p>Modern SPM training academy powered by a collaborative online portal, reaching internal and client resources across borders.</p>	<p>Successful experience in high-velocity template SAP deployments for parallel EWM rollouts – increasing time-to-value for global supply chain planning.</p>	<p>An SAP talent pool that can scale to whatever size is needed</p>	<p>Preconfigured platforms and strategic partnerships, increasing the number of deployment options tailored for each unique client experience.</p>
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For more information, contact askus@infosys.com

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