



Case example

***Automotive
manufacturer***

<p>Client Situation</p>	<ul style="list-style-type: none"> • Engineering division of OEM responsible for vehicle platform design and development • Existing development process resulted in high warranty problems • Time to resolve warranty problems excessive • Resistance to divert new development engineering resources to solve current model problems • Suppliers resistant to assume additional warranty responsibility
<p>Important Issues</p>	<ul style="list-style-type: none"> • Warranty issues creating negative quality image with end users (this platform represented large portion of OEM revenue) • Root cause of majority of warranty issues related to poor design practices and lack of systems integration during development • Time to resolve warranty issues not improving • Reluctance to add engineers resulting in additional cost to product • Future vehicle sales at risk
<p>Activities</p>	<ul style="list-style-type: none"> • Diagnosed existing development process for inefficiencies • Diagnosed existing warranty resolution process for flaws • Identified supplier contributions to warranty • Reengineered product development process and warranty resolution process including consideration for suppliers' capabilities • Develop warranty sharing plan with suppliers
<p>Benefits Delivered</p>	<ul style="list-style-type: none"> • Introduced new processes within eight months of initiating the reengineering activities • Within two years, reduced the warranty costs an incremental \$200 million • Reduced the time to resolution for new warranty problems from 14 months to three months • All improvements made with no increase in engineering headcount