

OEM's Key to Aftermarket Parts Growth

Sustain High Order Fulfillment Across
Cycles with World-Class Demand &
Supply Collaboration

Tada Cognitive Solutions, along with partner services company CGN Global, is helping a Fortune 50 industrial OEM enable world-class demand and supply collaboration to build an effective, aligned, and integrated end-to-end value chain that creates aftermarket parts growth at a lower total supply chain cost.

WHAT IS THE BIG DEAL?

In today's global economy, it is crucial for OEMs in automobile, heavy machinery, and consumer electronics businesses to be responsive to customer demands for aftermarket parts. Top automobile, heavy machinery, and consumer electronics customers are demanding 100% DIFOT (Delivery In Full On-Time fulfillment) from OEMs. As a result, organizations must be able to adapt to an ever-changing forecast in order to meet this expectation.

OEMs seem uncomfortable releasing schedules to suppliers for an extended outlook of time (beyond six to twelve months). Further, demand coming from dealers typically isn't aligned and aggregated with customers' demand at a high confidence level. This initial uncertainty creates ripple effects that hamper order fulfillment for long lead time and high demand parts, causing increased backorders, obsolete inventory across the network, and higher costs to serve. To improve supply performance OEMs implement supply chain initiatives like supplier recovery, supplier collaboration, and strategic sourcing.

OEMs invest huge sums fixing the irregularities on one side of the supply chain with Tier 1, 2, 3 suppliers, but not necessarily on the other side of the chain to improve the COLLABORATION for demand & supply planning WITH DEALERS AND CUSTOMERS.

Who is in the End-to-End Value Chain?

Four entities comprise most automobile, heavy machinery, and consumer electronics businesses.



What are the Big Questions to Ask?

Sales and Operations Planning (S&OP) can promote visibility within the enterprise and foster collaboration among business functions. However, the functions involved in S&OP vary from organization to organization and rarely extend to the value chain partners. The following are three critical questions for OEMs related to their ability to sustain high delivery performance across business cycles.

- 1 Is the incoming forecast from dealers aligned with customer demand?
- 2 Do the orders submitted by dealers match a forecast that extends well in advance of normal lead times?
- 3 Are exception-based decisions being made to address demand fluctuations and ensure inventory is not excess or obsolete?

TADA'S SOLUTION



Tada is working with a Fortune 50 client to integrate their end-to-end value chain across the entire operation. These opportunities and solutions can be applied to any automobile, heavy machinery, or consumer electronics OEM. A robust process and digital collaboration capability will align and integrate information and material flow between all entities, which will maximize planning effectiveness and parts fulfillment effectiveness across business cycles.

EXECUTION APPROACH:

3 PILLARS FOR SUCCESS

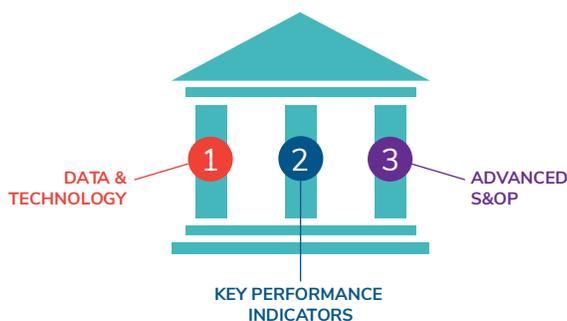
1. Data & Technology

A common platform is required to gather forecast and order information from all entities and subsequently create unique-identifier data. From here, the platform should be able to conduct demand and supply planning to review variability in forecast-forecast, forecast-orders, and supply availability.

Tada creates a Digital Duplicate® of the business ecosystem by collecting and cleaning disparate data from customers, dealers, and suppliers. This digital replica of the business exists throughout the value chain and across entities. It is essential to optimizing business operations.

2. Key Performance indicators (KPIs)

Metrics Management refers to a common, agreed upon set of KPIs that are key to sustaining collaboration and accountability for efficient demand and supply planning. The resulting outcomes must represent a win/win for all parties. Tada's partner services company, CGN Global, provides an independent, dedicated team which ensures ongoing alignment and efficient end-to-end process execution.



3. Advanced Sales & Operations Planning (S&OP)

An advanced S&OP process leverages and integrates existing individual S&OP processes across all entities and stakeholders of the business. The resulting collaboration addresses demand and supply issues, manages KPIs and root cause analysis, and monitors workplans to fix process gaps. Digital solutions enable KPI visualization and monitoring to automate the data capture and analysis.

OEMs implementing advanced S&OP can see and mitigate risks associated with the resulting demand and supply plan. They are able to gain a more holistic opportunity to improve parts delivery performance, optimize inventory across the ecosystem, and reduce overall supply chain costs. Tada's technology, paired with their execution partner company, CGN Global, can provide OEMs with an intuitive tool to implement advanced S&OP with your suppliers, dealers, and customers. As a result, OEMs can substantially grow their aftermarket parts business.

Authored by:

John J. Ziemianski, Principal
john.ziemianski@cgnglobal.com

Jay Dawson, Principal
jay.dawson@cgnglobal.com

Victor Gabriel, Manager
victor.gabriel@cgnglobal.com

Mark Hanback, Vice President
mhanback@tada.today

Shaun Vadaketh, Solution Architect
svadaketh@tada.today



Tada Cognitive Solutions is more than just a Business Intelligence tool. We are dedicated to finding new ways our clients can intuitively leverage data. At Tada, we are breaking the old model of data warehouses and operational silos and organizing data in a relational, semantic model. It's a new way of thinking about data and it is changing the way our customers do business.

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Good thinking. Globally.

CGN Global, partner services company to Tada Cognitive Solutions, transformation organizations worldwide to improve performance, profitability, and global competitiveness. We use our niche experience and broad knowledge to become part of our clients' teams – supplying strategy, expertise, and resources to implement breakthrough solutions.

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