Warranty costs is one of the major expenses for every manufacturing business and has always been regarded as the cost of doing business. On an average, $50 billion is the estimated spend on warranty claims globally. There is an increase in warranty costs despite a reduction in the claims.

**Major Challenges**

- Mismatch between SLA and Actual Resolution times, Insufficient Diagnostics, Lack of Qualified Technicians at Dealerships.
- Increased connected cars, conventional part review processes at OEMs, missing warranty data insights and limited automations of warranty operations.
- Limited access to diagnostic data, lack of integrated testing capabilities, limited automation in analytical capabilities.
Tech Mahindra’s Approach:

Process areas that OEMs can address to reduce Warranty Costs

<table>
<thead>
<tr>
<th>Claim processing &amp; Payments</th>
<th>Point of service</th>
<th>Administrative overhead costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reverse logistics</td>
<td>Supplier recovery</td>
<td>Actionable intelligence w.r.t performance etc.</td>
</tr>
<tr>
<td>Early warning system</td>
<td>Claim processing/authenticity /fraud management</td>
<td></td>
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</tbody>
</table>

Our focus area

Tech Mahindra’s Warranty Cost Recovery framework

For better OEM – Supplier Collaboration

Part Review
- Parts review framework with best-in-class automation catering to customer automation needs
  - Part Return
  - Root Cause Analysis
  - Part Disposition

Warranty Cost Recovery
- Technical Factor Metrics
- Agree share% with Suppliers for each technical factor
- Analytics based identification of recovery opportunities
- Rules based recovery with special focus on reducing OEMs warranty cost
- Map claims to supplier
- Collaborate with Supplier to help reduce warranty incidents

FOCUS AREAS
- NTF
- Continuous Improvement
- Historical Data Analytics
- Text Analytics
- Supplier Collaboration
- Collaborate with Supplier to help reduce warranty incidents

Benefits of our Supplier recovery framework
- Opportunity for Cost Saving – Up to 20% of Total Warranty spend
- Scope for Design Improvement
- Additional Revenue Generation from supplier recovery
- Increases Communication & Collaboration between the OEM and its suppliers
- Provides Timely Diagnostic Data to suppliers for Root Cause Analysis
- Increased collaboration & Innovation among product design teams
- Accelerate development of Early Warning Systems
- Provided key data insights for part reviews thus continually improving the part quality

Why Tech Mahindra

Extensive experience in consulting-led transformational engagements
Strong channel of alliance partners enabling us to deliver enriching performance
Vast pool of domain experts and consultant with proven global capabilities in consulting and implementation exercise

Contact Us: connect@techMahindra.com