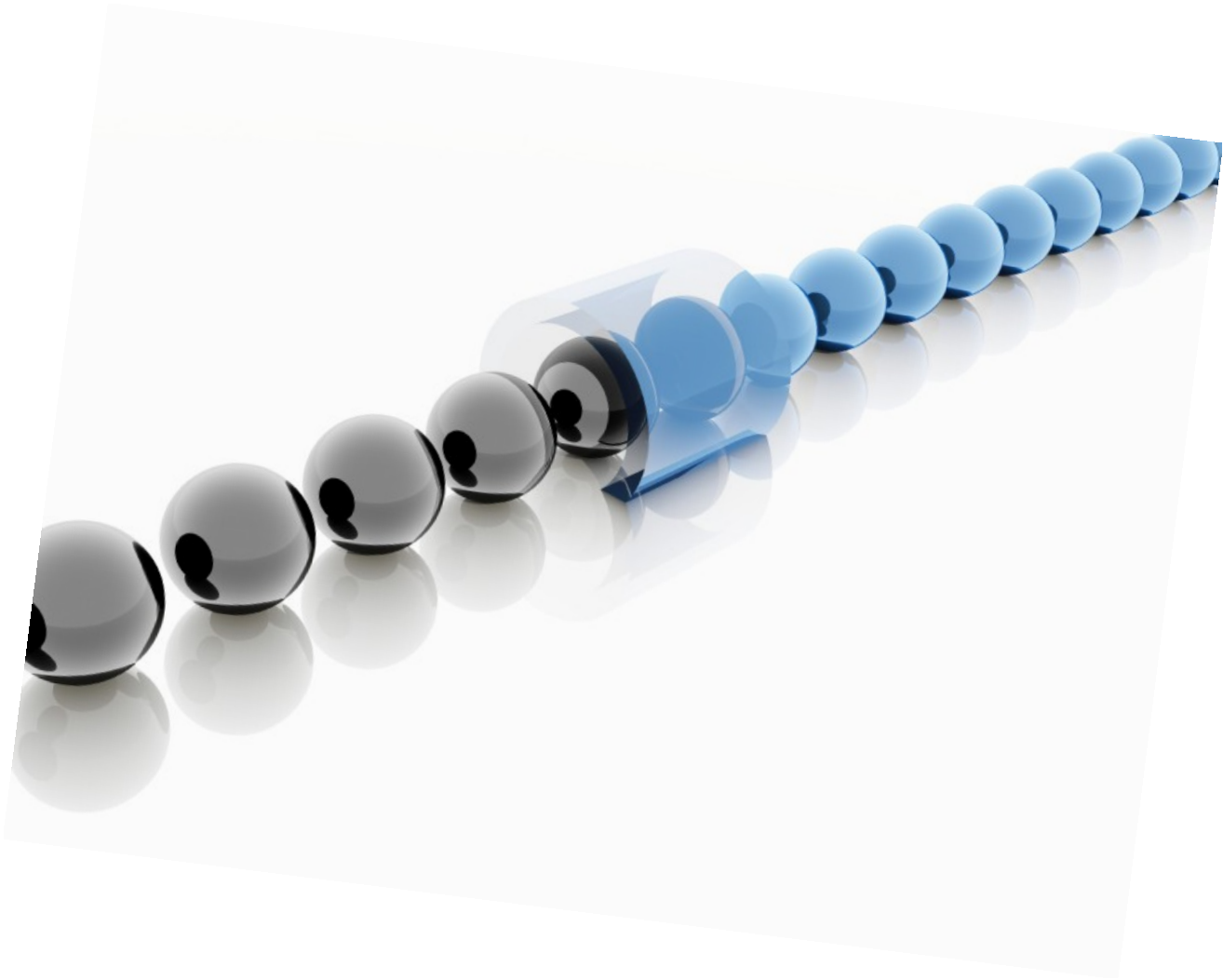


***i*Warranty SW**

Supplier Warranty Module



Collaborate for Quality



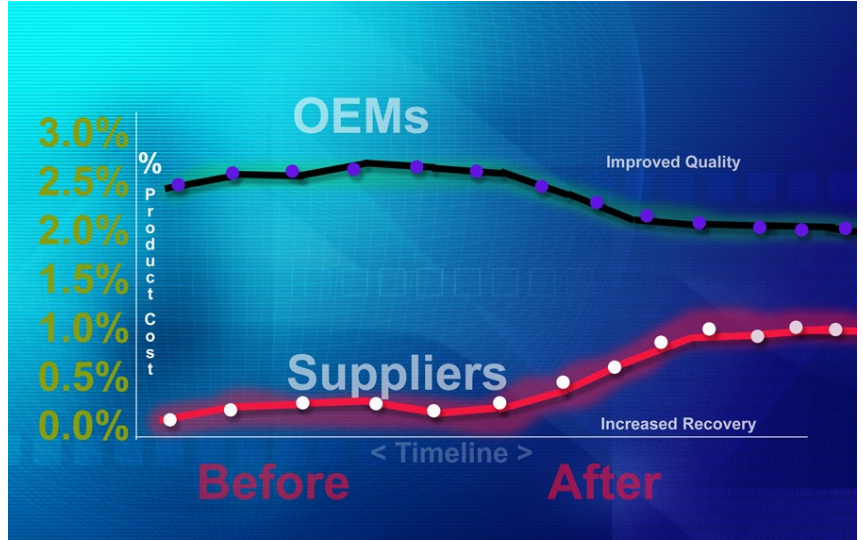


Supplier Warranty - Collaborate for Quality

Although the component and part suppliers represent over 60% of product costs, suppliers typically pay for only 10-15% of product warranty costs. Warranty Week has recently reported that the supplier recovery efforts have done little to close the gap between the claims rates of the OEMs and their suppliers.

In addition to the benefits from the cost recovery, bigger payback will result from sharing timely, accurate and full warranty information and collaborating with suppliers to improve component and product quality.

The existing supplier warranty recovery and management processes are inefficient, causing months of delays from dealer claim to supplier recovery. This results in more distrust and blaming for failures, and prolongs the detection-to-correction cycle time.



Profit Enhancement

4CS iWarranty is the solution to close this gap through automated recovery processes, better supplier collaboration, and quality analysis. You can now significantly increase supplier participation and improve the timeliness of shared warranty data, while decreasing your manual administration efforts.

Then, your profit equation becomes easy.

Claims eliminated through quality improvement \$ xxxxx.xx
(includes labor, dealer margin, administration, lost customers and freight)

Plus: cost recovered from supplier + xxxxx.xx

Minus: freight cost for returned parts - xxxxx.xx

Minus: low administrative costs - xxxxx.xx

Equals: Improved product, profits, and performance = \$ xxxxx.xx

Claims eliminated through quality improvement \$xxxxx.xx

(includes labor, dealer margin, administration, lost customers and freight)

Plus: cost recovered from supplier + \$xxxxx.xx

Less: freight cost for returned parts - \$xxxxx.xx

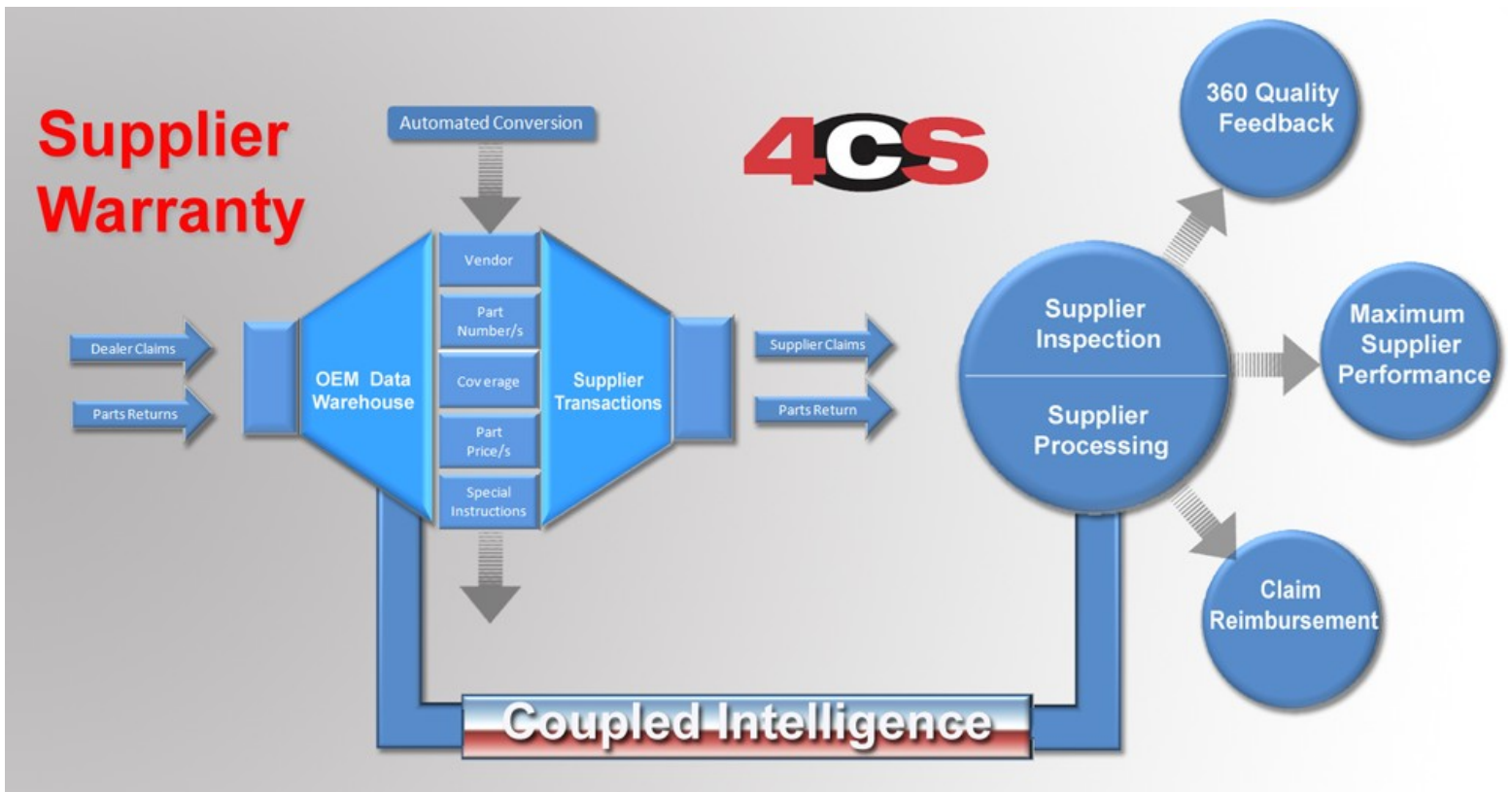
Less: low administrative costs - \$xxxxx.xx

Equals: Improved product, profits, and performance = \$xxxxx.xx

iWarranty SW



Overview



The 4CS iWarranty Supplier Warranty module enables you to transform your recovery process to drive better quality and faster recovery:

	CURRENT	With 4CS iWarranty SW
Time to submit Supplier Claims	Weeks to months	Immediately after dealer claim is processed
Process to generate Supplier Claims	Many extract programs, manual updates of claims	Automated generation of claims, based on supplier agreements
Ability to change Supplier Terms	Many time-consuming program and	Quick and easy updates to the sup-
Information Visibility	Few high-level claim and financial fields	Ability to share complete failure information, parts cross-references and file attachments
Parts Return	Disconnected process, requiring manual follow-up, resulting in lost time and recovery	Fully integrated returns process with auto-notification, direct-to-vendor shipment and returns tracking
Quality & Performance Analysis	Quarterly or annual intervals, with limited information	Real-time analysis based on robust service intelligence platform, providing quality and supplier performance metrics.

Quality and Performance Improvement

The math seems simple enough. Your costs are lower for every dollar you recover from the supplier. But this often represents only a fraction of the savings. The **big payback** comes from **eliminating the defect** in the first place. This can only be achieved by transmitting the right information to the right person, and then measuring the progress to correction.

Work More Closely with the Suppliers

For any supplier recovery effort to be successful, it is important for OEMs to work closely with their suppliers. 4CS iWarranty offers the following features to improve collaboration between OEM and supplier:

Accurate claim data: By implementing iWarranty, only valid claims fitting supplier agreements will be sent to the supplier. Consistent failure codes and parts data will also be sent to the supplier as part of the claim.

Timeliness of data: If suppliers are unaware of a problem, they cannot be expected to fix it. 4CS' Supplier Warranty module will allow suppliers to more quickly identify and rectify product issues, which ultimately will result in fewer claims.

Online or electronic transfer/adjudication of claims: Suppliers can choose to either access and adjudicate claims through the 4CS Service Suite online portal, or receive and send claims via electronic batch file transfer.



Standard Exchange of Data with Suppliers

Because 4CS iWarranty Supplier Recovery is used by major OEMs in the target industries, many suppliers will be common across the companies. This will result in supplier familiarity with the data and application, as well as easier integration with suppliers. Suppliers can receive and review claims through the 4CS portal, or they can choose to receive claims via EDI, XML or CSV/Excel. 4CS also supports standard failure coding, making the process standard within the company and among the suppliers in the industry.

Integrated Reporting and Analysis

Understanding supplier part failures, emerging trends and outstanding claims is critical in identifying problem suppliers. The 4CS Suite provides a comprehensive set of Business Intelligence tools to create new reports, identify emerging issues and measure supplier performance. All warranty and recovery information is continuously stored in your data warehouse, allowing detailed analysis at any point. The more aware your suppliers are of their defects, the easier it is for them to correct them. Trends can be noticed immediately, trimming days, months, or even years from your detection-to-correction cycle.

Automate and Streamline Recovery Processes

Manage Supplier Agreements Better

Supplier agreements can be complex and difficult to manage, particularly in large global organizations with many divisions. iWarranty's supplier agreement and policy management are very flexible; they handle any type of contract currently established, as well as new contracts that may be negotiated in the future.

Using the 4CS supplier warranty module,

All supplier contracts are entered, maintained and applied to claims in a single application that can be accessed by all stakeholders world-wide.

The warranty coverages, duration, reimbursement terms are all tracked by supplier, parts and region.

This robust contract entry and tracking provides more consistent and traceable agreements across a much larger percentage of the suppliers.

Automate Supplier Claim Processing

Many large global companies are still using spreadsheets and manual efforts to review claims for recovery, and then associating those claims with the correct supplier and agreement. This time-consuming manual process directs a relatively small number of claims to a supplier for payment.

Automation is the key to tracking the claims accurately, while lowering the administrative load. 4CS iWarranty automates supplier claim processing by correctly identifying the supplier for any given part, using sophisticated business logic based on bill of materials (BOM), parts sourcing data, and configurable rules.

Without any user action, the supplier claim is then generated based on supplier contract terms and presented to the supplier electronically. The timely flow of claims from dealer to supplier will drastically increase the volume and accuracy of claims to suppliers. Any disputed or underpaid claims are directed to the appropriate work queues to be resolved and closed.

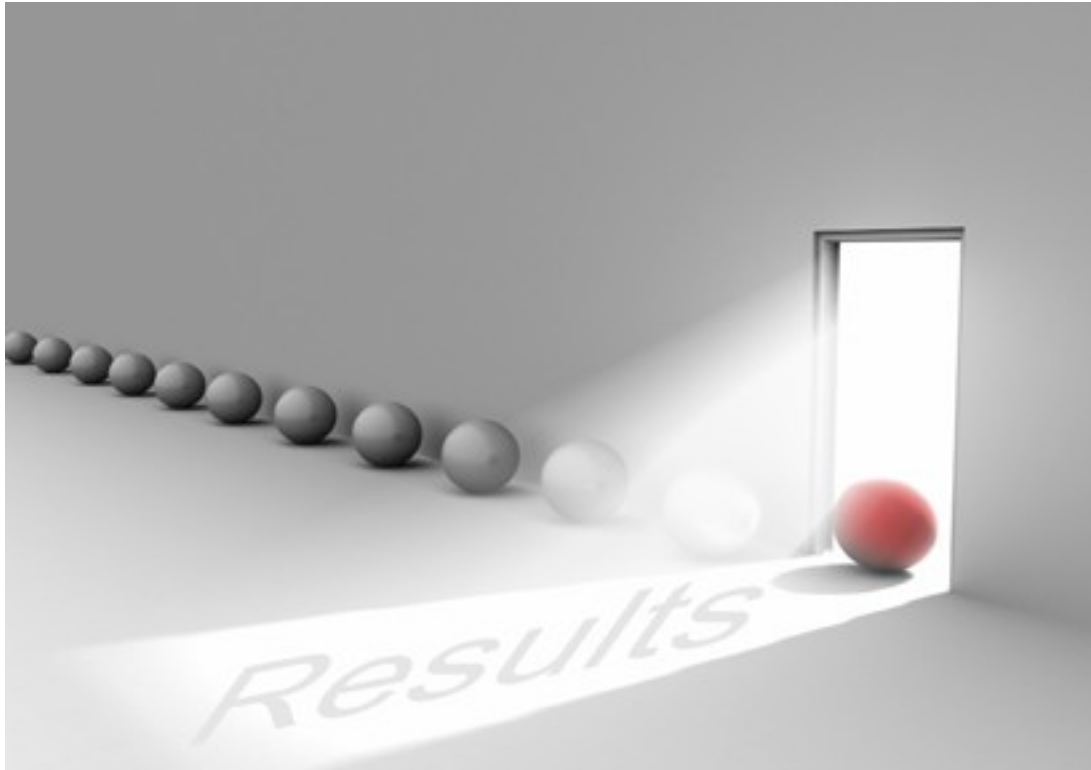
Manage and Track Parts Returns to Suppliers

Suppliers normally require some or all of their parts be returned before they reimburse the OEM for the claim. The logistics of getting the correct parts and returning them to the proper supplier location can often be unmanageable.



4CS iWarranty has integrated parts return with the supplier recovery process. Using 4CS iWarranty, The OEM or the supplier can now target parts for return using our return request module. The OEM can easily specify which parts the suppliers are to receive, identify the return location, and generate the shipping documentation to the parts dealer with the ship-to-address. All parts, their current location and status are tracked in the system. Multi-point logistics allow parts tracking through multiple transit points, with inspection data entered at any of the locations.

You can increase
Supplier
Recovery up to
40 % within Six
Months



ROI NOW!

Please contact us for a free ROI and diagnostic study of your supplier warranty process, and learn how your company can start benefitting immediately!

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