

Enterprise Warranty Solution:

The Definitive Functional Requirements Checklist

Enterprise Warranty Chain Management (WCM) Solution Definitive Functional Requirements Checklist

This functional requirements document is for executives and managers responsible for warranty chain management (WCM) and analysis. The content is instrumental in making intelligent decisions regarding an organization's enterprise warranty solution. As such, it becomes a guideline or checklist to evaluate warranty chain management and analysis solutions against business objectives.

Competitive Advantage of Warranty Chain Management

Innovative manufacturers have increased their focus on post-sale service for a very basic reason—better customer service drives repeat business and profitability.

After-market used to be an after-thought, but in today's competitive market, companies that lead the market in product quality, and customer service and retention, are proactively reviewing post-sale services starting with the warranty claims system. Considering the exorbitant far-reaching costs and implications of failing to address this core business process, warranty chain management requires specific attention.

By enabling customer service representatives (CSRs), as well as suppliers, and channel partners, to collect, manage, and analyze reliable and valuable claims data, spending can be controlled and product quality improved. Quick identification of product problems translates into fewer claims paid and a lower warranty reserve, resulting in increased profit.

Leading manufacturers will take advantage of the opportunity to create a state-of-the-art warranty system. By doing so, a competitive business advantage can be leveraged to not only reduce costs, but also increase service.

Comprehensive Solutions to a Mission-Critical Business Problem

Numerous benefits are obtained from implementing a state-of-the-art enterprise warranty solution. Key business areas that profit from a technological advanced solution include:

Customer Service

- Improve customer and partner satisfaction by streamlining the approval process and accelerating payment of valid claims.

Engineering and Quality

- Proactively and quickly uncover the root cause of product failures, and share real-time information with the entire enterprise or supply chain.

Procurement

- Recover lost monies from suppliers due to faulty parts, and enable the entire supply chain to quickly resolve problems, improving product quality and reliability.

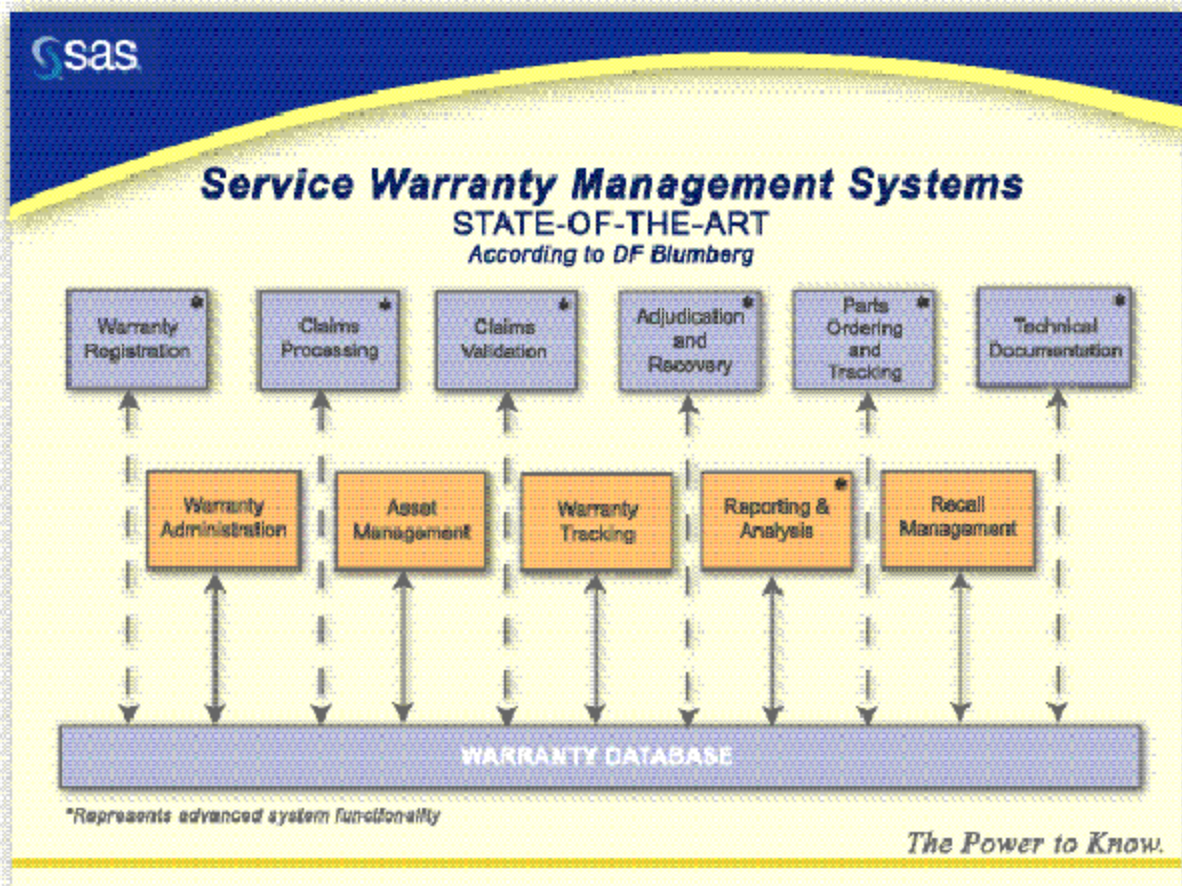
Sales and Marketing

- Create a stronger bond with key suppliers and channel service providers while enhancing the organization's brand and image.

IT Management

- Reduce the expense of supporting a critical business system, by migrating from outdated, legacy systems that are costly to operate and maintain.

Warranty Chain Management Components



Challenges With Existing Warranty Operations

Expensive, Labor-Based Claims Processing

Processing claims manually is time-consuming, prone to errors, and expensive. Product registrations are collected inconsistently, and claims may need to be manually entered into several systems. Claims administrators sort through files of product and component warranties, and it may take a month to approve a claim. Web based warranty systems that accept data directly from dealers streamline, standardize, and automate the process, which results in timely and accurate claim entry.

Lack of Warranty Policy Enforcement

In addition to inefficient manual processing, many enterprises lack a clearly defined policy on warranty enforcement. Without the ability to match claims against policies and drive the processing, adjudication, and payment of warranty claims, manufacturers pay fraudulent or invalid claims. By implementing a warranty chain management system that incorporates basic business rules, manufacturers reduce human error and enforce best practices, and save money.

Limited Ability to Recover Supplier Warranty Costs

Manufacturers find it difficult to track recoverable claims costs and then recoup money from the suppliers. This adds up to a significant amount, since supplier-based components make up the majority of the finished good in many industries. For instance, in Aerospace, supplier components average 60 percent of the finished good. It's challenging and cumbersome for manufacturers to monitor and track that many supplier component warranties. An automated warranty chain management system that includes intelligent claims processing and comprehensive reporting allows manufacturers to track and report on supplier recovery costs. With this information, suppliers have the required documentation to reimburse manufacturers for faulty product components.

Lengthy Reimbursement Cycles

It can take several months to process and pay a standard claim. Lengthy reimbursement cycles lead to channel dissatisfaction and may drive channel partners to align with competitive manufacturers who provide better service. Technology-based claim processing allows manufacturers to increase efficiencies and therefore, accelerate claim resolution by automatically and intelligently processing claims according to pre-defined rules.

Difficulty Identifying Trends in Quality

Although warranty data is rich with customer, product, and cost information, it's collected slowly, inconsistently, and in different formats, making it difficult to identify and analyze trends in product defects and quality. Improved data collection processes and standards, along with more effective and efficient analysis tools, reduce the time necessary for manufacturers to collect, process, and analyze warranty data. This data provides the depth and breadth of detail to quickly and easily identify and resolve product defects.

By analyzing the data, manufacturers protect the organization's brand image, and improve customer loyalty and profitability. Most importantly, by utilizing analytics software to automatically surface emerging issues information is turned into valuable knowledge in minutes versus months or years.

Cutting Warranty Costs Leads to High Rewards

Nearly half of all warranty claim costs would be saved by: recovering costs from suppliers, correctly paying claims, rejecting faulty or fraudulent claims, reducing time to identify the root-cause of problems, and accurately forecasting warranty costs. Companies gain a competitive advantage by reducing warranty management risk, reducing unbudgeted payments, and by improving product quality and problem identification timeliness.

The Definitive Checklist for Warranty Management

When considering a warranty chain management and analysis solution use the following checklist to evaluate the solution against key business objectives.

Policy Management

- Provide manufacturer ability to create, delete, and update warranty programs
- Define rules for each policy
- Define rules to validate a claim against a policy
- Provide warranty part administration
- Provide warranty dealer administration
- Allow consumers and dealers to view, print or e-mail warranty policies and their public attributes
- Specify period, period type, and value for a specific policy
- Specify separate period, period type, and value criteria for labor versus part
- Price and view extended warranty policies
- Allow channel partners to view extended warranty policies available to their customers
- Integrate extended warranty policies with product catalogs
- Support product recalls by allowing warranty policies to cover a range of serial numbers
- Create additional fields for data capture on warranty policies
- Create additional fields that require additional databases for validation on warranty policies
- Automatically apply warranty policies to work item level based on precedence rules

Product Registration

- Import product registration data from existing customer data source
- Manually add product information from purchases made outside of systems
- Register both products and product components
- Register products and components by serial number, batch number, or lot number
- View all registered products
- View list of claims associated with specific product registration
- Provide audit file with log of updates to product registrations
- Provide channel the ability to look up product registration by registration number or user
- Maintain "favorite" dealers list associated with product purchase
- Update product registration with extended policy information
- Create additional fields for data capture on registration
- Create additional fields that require additional databases for validation on registration
- Populate product purchase information from a list of pre-defined dealers

Claim Processing

- View details and current status for all claims
- Add remarks to claims or to specific claim activity
- Assign end-user to specific service center
- Choose transport method for returned good
- Allow channel to view all claims for specific user groups
- Allow channel to classify claims according to manufacturers' existing warranty programs
- Allow channel to view and update details in repair records, including logging repair time and technician name
- Allow manufacturer to approve or deny claims online
- Register new users, update profiles, and update list of preferred dealers
- Update list of preferred service centers
- Allow manufacturers to perform recall on product
- Capture causal part information at work record level
- Capture actual costs and reason for cost variance

- Capture remarks and responses to remarks at the claim level
- Capture remarks and responses to remarks at the word record detail level
- Process inbound claims according to workflow rules
- Evaluate claims against policies based on workflow rules
- Identify recoverable vs. non-recoverable claims
- Maintain standard labor rate by dealer
- Maintain multiple standard labor rates by dealer
- Maintain standard list of repair codes
- Maintain repair codes by product
- Import claims from external source
- Allow manufacturers or partners to open up claims that were rejected during import, make necessary corrections, and resubmit each claim
- Support file attachments for claims
- Create additional fields on claim header to capture additional information
- Produce Quality Report - summarizes root cause data from inbound claims

Return Material Authorization (RMA)

- Generate and manage RMA tracking numbers
- Track returns through authorization, shipping, receiving, repair, and fulfillment
- Search claims by RMA number
- Print shipping labels and packing slip for returns
- Update status of claim when goods are received
- Manage workflow of claim based on claim status
- Allow user to force change in status of a particular claim (example: RMA Required to RMA goods received)
- Produce campaign analysis and reporting
- Process returns and order adjustments via "simple claim"
- Return new and unused items
- Process claim to adjust pricing errors on fulfilled orders
- Integrate with Order Management systems to speed filing of returns/adjustments

Reporting and Analysis

- Routines that automatically detect emerging issues
- Set thresholds for specific failure types
- Communicate key metrics through a scorecard/dashboard
- Integrate warranty-related data from other parts of the organization (e.g. engineering data, quality data, call center data) and the supply chain (e.g. corrective actions, returned parts) to gain a more comprehensive view of the warranty situation
- Select reporting criteria on any/multiple product variables (not limited to predefined dimensions)
- Produce pareto, trend, and control charts
- Drill down to detail data from pareto and trend charts
- Produce Weibull and geographic charts
- Produce cost and frequency forecasts
- Produce trend by exposure charts
- Run comparison reports utilizing statistical significance levels to determine areas of concern
- Allow "power users" to customize their own reports and analyses
- Allow "power users" to dynamically access data from multiple data sources
- Allow "power users" to perform sophisticated statistics and build their own statistical models (regression, ANOVA, multivariate analysis, etc.)
- Publish reports to a common reporting and analysis portal (where others can view)
- Subscribe to reports and analyses produced by others and receive automatic updates

- Develop warranty strategy maps and visually associate key metrics to objectives
- Visually manage the data extraction, transformation, and loading process
- Manage system metadata
- Categorize data into user-defined groupings
- Personalize views by user
- Automatically receive updates on reports and analyses that have been updated (via email and/or your personalized portal)
- Export data directly to HTML format and into comma delimited format
- Export data and graphs into Microsoft Word, Excel, or PowerPoint
- Publish reports in Adobe PDF format

Supplier Recovery

- Track product failures and defects in order to recover warranted repair/part/labor costs from suppliers
- Generate recovery statements to supplier
- Reconcile recovery statements with payments
- Maintain recovery statement history
- Search historical recovery statements
- Evaluate inbound claims for potential recovery
- Provide hooks to export/deliver recovery statement to supplier using industry standard format
- Produce Recovery Track Record Report - Tracks submitted recovery statements vs. actual dollars received
- Produce Supplier Recovery Report - Lists suppliers according to the frequency of their causal parts in your approved claims

Bulletins and Online Community

- Support targeted promotions based on user profile
- Create, revise, and delete bulletins
- Search or sort bulletins by category, description, and date range
- Support rebate announcements
- Support literature request and fulfillment
- Create online surveys (based on user profiles)
- Provide online help
- Produce newsletters and e-mail updates
- Provide bulletin board, message center, contact search, and chat integration

Dealer and Service Directories

- Directory of service centers
- Support integration with third party locators (MapQuest)
- Display service bulletins
- Support service and dealer locators

Platform and Technology

- Support BEA WebLogic 6.1
- Support WebSphere 4.0
- Support for latest J2EE standards
- Support for EAR file format for deployment instead of multiple JAR files
- Support JMS for messaging
- Support JDK 1.3
- Support for clustering of application servers
- Screen-based installation program for the entire product suite
- Support for Netscape 4.7 and higher

- Support for IE 5.0 and higher
- Support for Web Services - all applications can accept inbound information from any application that is web services enabled
- Integrate with Customer Database to load dealers
- Integrate with Product Source - simple pricing/costing
- Integrate with Payables System
- Integrate with ERP System for Registration "stub" file
- Integrate with Logistics system for RMA status tracking
- Integrate with LDAP or other User Information Source
- Provide security neutral environment
- Support LDAP authentication
- Provide user login and password
- DASCOS security
- Support SSL and digital certificate

User and Site Administration

- Supports multiple "look and feel" templates that affect all pages of applications
- Support for branding site with logo
- Provide ability to show/hide attributes on pages based on selection criteria
- Provide ability to control internally and externally (your customers)
- Define user profiles and access rights (includes "My Catalog", accounts, related fields, active status, catalog assignment, logon permission, password, and access to apps)
- Support creating, reading, updating and inactivating of users and orgs
- Support hierarchical relationships of orgs (org to sub-org)
- Support business relationships of orgs (org to org)
- Provide ability to maintain org attributes
- Provide ability to associate persons with orgs
- Provide search on users and orgs
- Support assignment of billing accounts and ship-to accounts to orgs
- Provide ability for sub-orgs to select from list of available accounts or add new ones
- Support "guest" login with limited privileges
- Support maintenance of personal attributes and the mapping of persons to profiles and orgs
- Support for user-defined attributes
- Provide ability to toggle automated e-mail notifications on/off
- Support multi-language and internationalization based on user profile
- Interface with local e-mail
- Interface for e-mail notification customization - Create, revise message and turn it on or off.
- Control main pages by user (like promotions)
- Edit text of automated e-mail notifications

About Entigo

Entigo is the world's leading provider of warranty chain management solutions. With Entigo Warranty businesses save millions by efficiently and accurately processing claims, increasing supplier cost recovery, and accelerating problem identification and resolution. Entigo is headquartered in Malvern, PA and can be contacted on the web at www.entigo.com or via phone at (610) 232-2900.

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