

Westernacher Consulting – We optimise your Service Parts Logistic and Supply Chain with SAP Solutions



Service Parts Management

Service Parts Planning with SAP SPP

Compliance with demanded service levels with minimum cost

No part, no service! An efficient and reliable service parts logistic significantly decides the success of your after-sales service business.

Thereby a **decisive role** is played by the **service parts**:

- Continuously complying with demanded service levels
- Keeping inventory and logistic costs as low as possible
- Maximising efficiency level of fulfillment

To achieve this, **„best-in-class“ processes are required. These are supported by suitable IT systems and excellent experts.**

As a manager responsible for the service parts business you will find yourself faced with **numerous challenges every day which have to be mastered successfully:**

Challenges for Service Parts Manager

- Limited transparency in the whole supply chain
- Complying to service levels only under high costs
- Excess stock and no automated stock balance
- No optimal globally coordinated warehousing strategy
- Only partial consideration of returns with supply planning
- Inefficient supply management
- Frequently self-developed, individual tools for demand prognoses
- Uncoordinated planning with local companies
- No continuous supersession chains for service parts
- High expenditure on master data maintenance

As an **expertise partner of SAP** we take on these challenges together with you.

By using SAP SPP we can quickly and efficiently reach the **following quintessential goals of service parts planning:**

Key Targets

- High transparency in the whole supply chain
- Improvement of the service levels
- Minimising inventory costs
- Reducing operative logistic costs
- Increased planning efficiency and precision

We support companies in coming up with **concepts in the area of Service Parts Logistic and carry out SAP implementations.** In the area of Service Parts Planning we primarily work with the **SAP developed solution Service Parts Planning (SPP).**

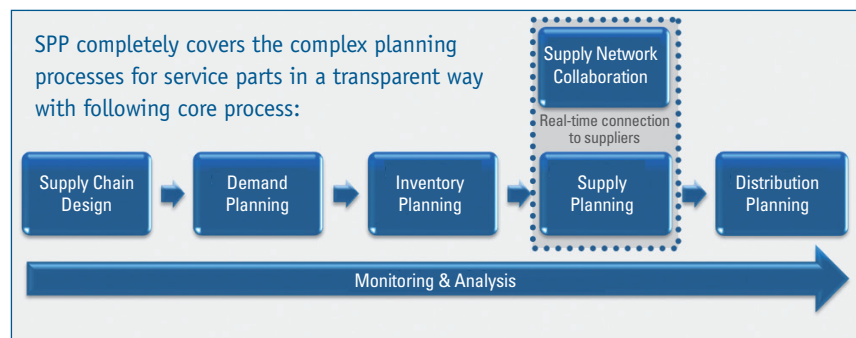
Our Service Portfolio Excellence in Business & IT since 1969.

- Strategy, process and IT consulting
- SAP feasibility studies
- SAP implementation and add-on programming
- Inventory optimisation strategies for service parts
- Development and implementation of KPI and BI solutions
- Change management

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Service Parts Planning with SAP SPP

SPP is the part of Service Parts Management Solution SPM, which is fully integrated in SAP Supply Chain Management (SCM). As SAP partner we were involved from the beginning with an expert team in development of the SAP SPP solution.



Supply Chain Design: The complete supply chain of a service parts organisation is modelled and mapped. The Service Parts Planning process proceeds along this supply chain structure including all distribution locations.

Demand Planning: The future service part demand for each phase of the product life cycle is determined by suitable forecasting methods. The optimal forecasting method is automatically selected.

Inventory Planning deals with the determination of economic order quantities (EOQ) in combination with safety stock. It also makes decisions about stocking or de-stocking of products and about scrapping of surplus quantities.

Supply Planning: The results from the demand and inventory planning processes serve as input into supply. It determines the distribution requirements as procurement proposals. Procurement approval and release are part of the execution process.

Distribution Planning: The distribution of goods within the supply chain structure takes place with the help of push or pull Strategy. Impeding service parts shortages can be avoided by a short term stock balance between individual warehouse locations.

Supply Network Collaboration enables real-time connection of suppliers to the SPP system. Thus these are integrated in logistic process and have access to important planning information. The suppliers can take active part in the problem solution in case of shortages.

Across the process efficient **Tools for Monitoring and Analysis** are available which provide transparency along the entire supply chain from supplier to the customer.

According to the requirements of the service part planner a configurable graphical user interface enables the complete control of the further planning operation automated with SPP and supports **Management by Exception**.

SPP was specially developed for special requirements of the service parts business:

Complex Supply Chains

- Multilevel distribution structures
- Vertical and horizontal material flow
- Forward and reverse logistic

Complexity of Service Parts

- High quantity of active service parts
- Complex supersession chains
- High quantity of orders

Sporadic Demand

- Hardly predictable demands
- Expecting high availability
- Quick und complete deliveries

Multi Sourcing

- Quoting the purchasing volume
- Repair-or-buy
- Exchange parts

Our Offer for You:

Call us to set up a free of charge consultation where we will discuss your specific requirements, and demonstrate how SAP SPP can optimise your Service Parts Planning.

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