

Success Profile – OEM B

Emergency Backorder Fill Rate Increases 50%

THE CHALLENGE A Fortune 100 manufacturer – also within the automotive industry - operated at peak efficiency with a 98% off-the-shelf service parts fill rate, yielding an “acceptable” 2% backorder rate.

This backorder rate created a monthly average of over 100,000 requested parts-in-need.

Backorder fill rates peaked in the low 20% - 30% range with less than 2% of in-channel retailers participating in backorder fulfillment programs.

While average cycle time was already an impressive 24 hour turnaround for those backorders that were filled, 70% - 80% of backorder requests well exceeded this timeframe.

BACKORDER APPROACH Backordered parts-in-need were advertised daily using a phone-in switchboard. While clever in concept, participating dealers had to interrupt normal workflow to proactively dial in - using antiquated and expensive dialers - to learn which parts were in demand.

The system was also continuously updated throughout the day as new backorder requests were received. This practice, again while clever in practice, required retail-oriented parts personnel to dial back in frequently on the “gamble” they may have a requested part.

Given the cumbersome nature of the system and its “hit-or-miss” sales opportunities, only 100 dealers nationwide participated. Consequently, backorder parts requests remain unfilled and customer vehicles, awaiting part(s), languished

RE-ENGINEERED RESULTS

- ✓ By implementing Responsive Backorder Management etechnolgy:
- ✓ Over 3000 dealers are now participating filling, on average, 37,000 backordered parts per month while enhancing the service experience – and likelihood for repeat service - of 37,000 in-store customers.
- ✓ Reasons cited for increased participation is system ease, workflow integration, and valid pre-qualified sales opportunities based on available dealer stock.
- ✓ As a result, backorder fill rate increased 50% within a month of system implementation.
- ✓ Average cycle time for backorder fulfillment also improved 12 to 24 hours with 100% of “fillable” orders filled next day, and better than 10% filled same-day.

