Vehicle Profitability

Improve vehicle profitability by 1-3% with advanced insights on margin drivers

Industry opportunity
With changing consumer mobility behavior and the increased demand for electric vehicles, the disruption of the auto industry is forcing the overhaul of everything from technology to manufacturing systems, ownership models to aftermarket support. Much more than mere transportation, cars now house myriad high-tech features offered by non-traditional suppliers, which adds links to the automotive supply chain.

Overview
Shift from hindsight to insight by understanding vehicle profitability and margin levers driving it.
- Comprehensive visibility to all direct and indirect material purchases
- Increased visibility into price change rationale for product trend analysis
- Control operational costs with improved variance analysis
- Deep dive view of market attributes to reduce leakage and improve product margins
- 100% financial inventory tracking by part number and quantities to increase inventory visibility and proactively identify issues before month-end
- Increased data granularity with material, batch and variant attributes for financial and cost management reporting

Representative Outcomes Achieved
- One source of truth ensures financial and operational reporting match, driving data trust
- Zero non-value added manual processes to aggregate and analyze data
- 50% reduction of physical inventory with increased inventory visibility and accuracy
- 100% visibility to cost drivers during variance analysis, with drill-through capabilities into operational drivers

Case Study
Global auto manufacturer had no visibility into profitability at the individual vehicle level. In a rapidly changing marketplace, insights on lost margins are critical. Vehicle Profitability provided a full view across products and business lines, while advanced analytics delivered a daily product-level income statement; both helped increase margins and significantly reduce inventory levels.

Deloitte