



## Take 3

Creating more value  
in the aftermarket

Take three minutes for a crash course on analytics.

## Lessons from Manufacturing leaders

# Aftermarket data: Hidden power

For many manufacturers, aftermarket is where the action is: It's a highly profitable part of their business that delivers year after year. It's also becoming a data-rich area, as products are increasingly loaded with sensors, monitors, and more.

So it's no surprise that there is growing interest in using business analytics to extract insight from all that data. But some are starting in the wrong place. Many lead with the data: "What do we have, and what can we do with it?" For others, it's about a specific tool: "If we implemented X, what aftermarket insights could we generate?" In aftermarket (as well as anywhere else in the supply chain), many are deciding to start with well-defined use cases that address the core business issues and drive greater value to manufacturers, dealers and, most importantly, the end customer.



“By applying analytics to supply chain data, it’s possible to improve the information used to inform upstream processes...”

## Lessons from Manufacturing leaders

# Using analytics in the aftermarket

### **Stay a step ahead of big warranty and recall issues**

Right now, data being generated in the aftermarket—service calls, replacements, etc.—may point the way to something larger, such as a looming recall or torrent of related warranty issues. With aftermarket data, it's possible to anticipate and plan for these developments far earlier—before the media becomes interested, and often in time to address performance issues through design changes.

### **Deliver on the service promise**

In an *Internet of Things* world, the increase in connected products is enabling manufacturers to provide higher levels of aftermarket customer service. For example, sensors on products provide important data that can be used for predicting

product failure. What happens after failure is detected? That's where analytics can make a big difference. With more insight into which components and subsystems might fail, improvements in service scheduling, aftermarket inventory deployment, and other activities can decrease the time the product may be out of commission.

### **Optimize pricing and inventory**

You probably manage tens of thousands of parts in the aftermarket, and have hundreds of millions (if not billions) of dollars' worth of inventory. Do you know which parts are making the most money? Where you're losing out to the competition? Which products are selling the most, and which are obsolete? With analytics, it's possible to know—even in the face of massive volumes of data.

### **Improve quality**

The entire aftermarket business hinges in part on initial product quality: How well was the product made in the first place? By that same token, the aftermarket business has a role to play in improving product quality from the start, as part of a "virtuous circle" of insight, product development, manufacturing, and service. That's because one of the ways to improve product quality is to use the increasingly available wealth of data from the field. By applying analytics to this data, it's possible to improve the information used to inform upstream processes in manufacturing quality, supplier quality, and product development quality. In the end, a higher level of product quality can reduce warranty and recall costs while improving customer satisfaction.

# Should we talk?

There's no shortage of commercially available "quick-hit" analytics tools that can be dropped into your aftermarket management operation today. But they should be used in the service of a broader vision, as a foundation for the future. That's where we excel. We know the aftermarket supply chain, grapple with aftermarket issues every day, and have deep knowledge of analytics techniques. Whether you're looking for a managed service with hosted analytics solutions, or need targeted help with specific aspects of your analytics strategy, we can help. You could be seeing results in a matter of weeks, not months.

**Sam Pearson**

**Principal**

Deloitte Consulting LLP

Tel: + 612 757 0756

Email: sapearson@deloitte.com

## In action

### Proactive sensing

When a large global car manufacturer faced stubborn safety issues, and the sprawling, expensive, unfocused recalls that often resulted, it turned to the discipline of proactive sensing analytics—one in which aftermarket data played a large role. The company designed a solution for understanding and connecting data across warranty, voice of the customer, and voice of the dealer, ultimately developing an alerts management model for the business. Today, this solution helps supply chain leaders and others rapidly detect and prioritize safety issues—and scope recalls that are faster and more accurate.



Click [here](#) for more information about **Deloitte Analytics**.

### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of DTTL and its member firms. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2016 Deloitte Development LLC. All rights reserved.  
Member of Deloitte Touche Tohmatsu Limited