Tech Mahindra

Securing enhanced customer satisfaction, reduction in customer buy-backs and US $4 million in savings with Warrant*EAZE*

WARRANT*EAZE*

Warranty Solution for the Digital Age by Tech Mahindra

Tech Mahindra provides custom solutions to automotive OEMs to drive aftermarket revenue, as well as optimize the sector through our new-age digital solutions.

Our teams have handled complex projects for some of the top OEMs in the industry, with implementations spanning multiple geographies, resulting in new revenue streams, increased productivity and customer experience.

Summary:

Tech Mahindra worked closely with the client, a well-known Japanese auto OEM, on their warranty transformation program. By implementing Warrant*EAZE* at their premises, Tech Mahindra brought enhanced control over the OEM's repair and warranty management process, which translated to savings of up to US $4 million on their warranty costs.

Background:

The client is one of the global top 10 automotive OEMs headquartered in Japan. They were incurring exponentially increasing costs on their repetitive warranty claims (usually for the same components). They were also facing a growing rate of consumer buy backs (CBBs). The OEM identified several causes that led to these escalating costs and customer dissent.

Business scenario:

The client had little or no visibility on the after market servicing of their cars. Some times, it so happened that expensive parts, which could have been easily repaired, were being directly replaced– increasing the warranty costs. Additionally, some customers had to service their cars frequently, as the same issue recurred several times. OEMs did not have enough information on the repair histories to track the situation to its roots, advise first-time fixes, or prevent possible buy-backs.

The client approached Tech Mahindra to build a system, which would give them a holistic picture of their aftermarket activities, as well as an early detection/warning system to prevent multiple repair attempts and unwanted part replacements.
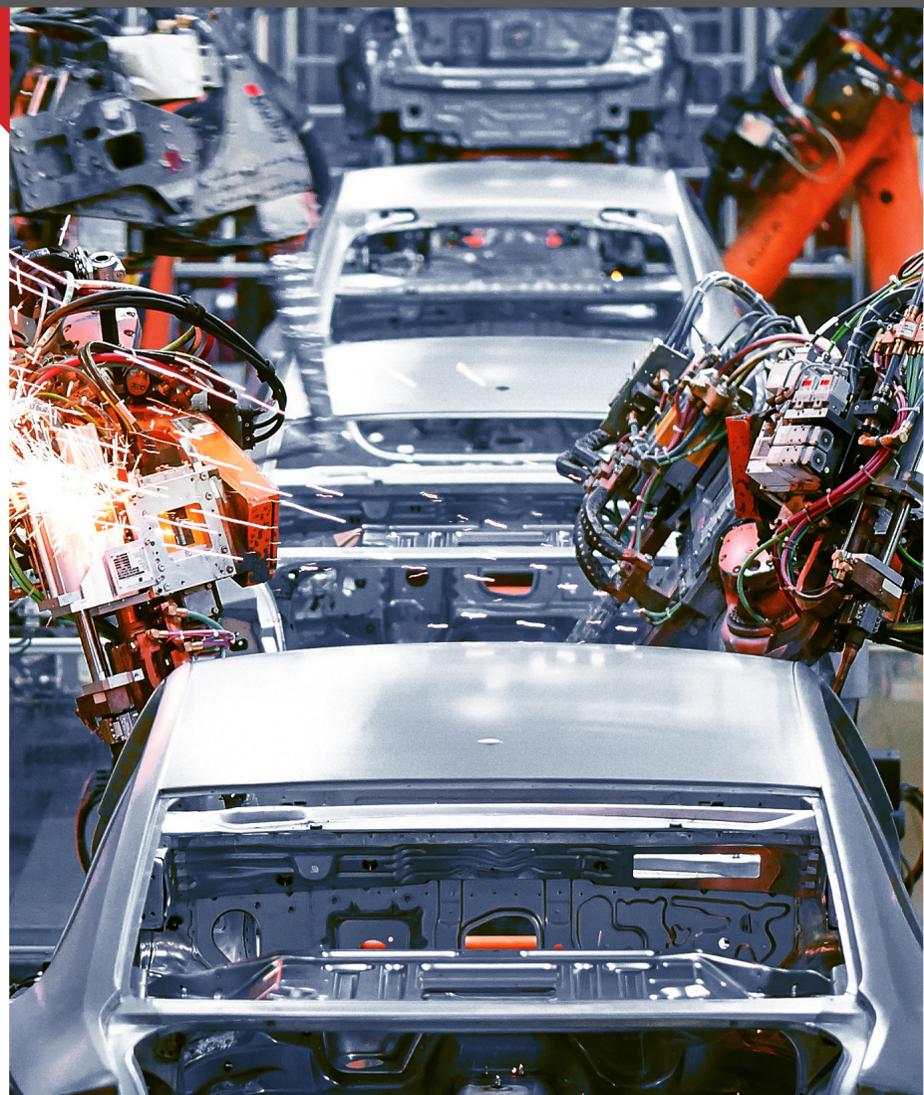
Approach

Tech Mahindra implemented Warrant*EAZE* for the client, to transform their aftersales process. The solution intercepts repair orders as and when they are entered in the dealers' systems, capturing details such as vehicle information, warranty status, repair history and issue diagnosis. The warranty analytics framework used a statistical model that intercepts claims and runs them past pre-set criteria before they are adjudicated.

For example, when recurring repairs are flagged, an alert is sent to the dealer, requesting them to contact the OEM. The OEM can then further advise on possible diagnoses, increasing the possibility of having the component repaired, instead of replaced. This would eventually prevent potential buy back situations as well. With a payback period of just a month, the system could also trace multiple repairs and track part sales by dealers to improve service loyalty.

Solution:

Tech Mahindra's Warrant*EAZE* is a business-friendly application that manages the lifecycle of warranty operations and extended after-sales service. Built on the Pega technology platform, it integrates with existing systems and helps users provide intelligent and predictive after-sales service at the right time and at reduced costs. The solution consisted of three modules that would:

- Stop or review non-warrantable repairs before claims get paid
- Identify potential buy backs and intervene when the vehicle is in the dealers' hands
- Ensure first-time right-buy by identifying expensive parts and their replacements

Technology landscape:

The solution was built on the Pega technology platform, due to its proven track record of reducing fraudulent claims, improving dealer experience, and implementing complex business rules required for a large-scale warranty implementation across the globe.

Benefits:

US $4 million savings on their warranty costs

0% fraudulent claims

1st time right servicing

Decreased consumer buy-backs of **113** vehicles over a period of **7** months

Connected World.
Connected Experiences.