



HCL HELPS A GLOBAL SUPPLIER OF AUTOMOTIVE SYSTEMS UNLOCK BUSINESS BENEFITS



THE CLIENT PROFILE

The US-based customer is a global supplier of automotive systems, modules and components, servicing original equipment manufacturers and related aftermarkets.



EXISTING BUSINESS CHALLENGES

The client was dealing with several challenges such as inadequate negotiations for savings, continued price increase for raw materials, on-going cost creep from engineering modifications and the pressing urgency to reduce number of suppliers.

The client was steadfastly focused on improving cost management, looking at a targeted year-on-year savings of 16% on Bill of Materials (BOM).



HCL'S APPROACH AND SOLUTION

HCL architected a multi-pronged solution to effectively bring down costs. The solution was shaped around 5 principal cogs, which included the following:

1 Linear Price Progression

To identify top spend products and address the same.

2 Should Cost Modeling

To assist in systematic analysis of BOM cost drivers and identify the best cost of the product.

3 Supplier Benchmarking

To locate the supplier with the most optimized cost structure.

4 Process Modeling

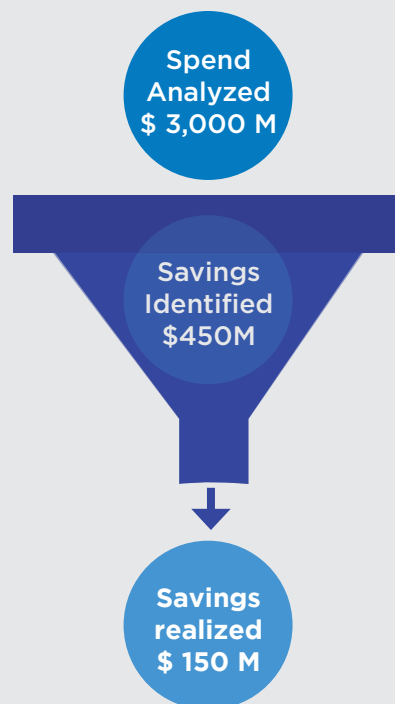
To action micro level cost analysis for complex products (Electronics, Electro Mechanical & complex mechanical products).

5 Cost FMEA

To perform root cause analysis for high cost commodities

BRINGING DELIGHT TO THE CLIENT

The customer was successful in unlocking large scale benefits, with spend analyzed for USD 3 billion and savings identified of USD 450 million. As a result of these accomplishments, the client realized savings of USD 150 million.



www.hcltech.com

Hello there! I am an Ideapreneur. I believe that sustainable business outcomes are driven by relationships nurtured through values like trust, transparency and flexibility. I respect the contract, but believe in going beyond through collaboration, applied innovation and new generation partnership models that put your interest above everything else. Right now 120,000 Ideapreneurs are in a Relationship Beyond the Contract™ with 500 customers in 32 countries. How can I help you?

Relationship™
BEYOND THE CONTRACT

HCL