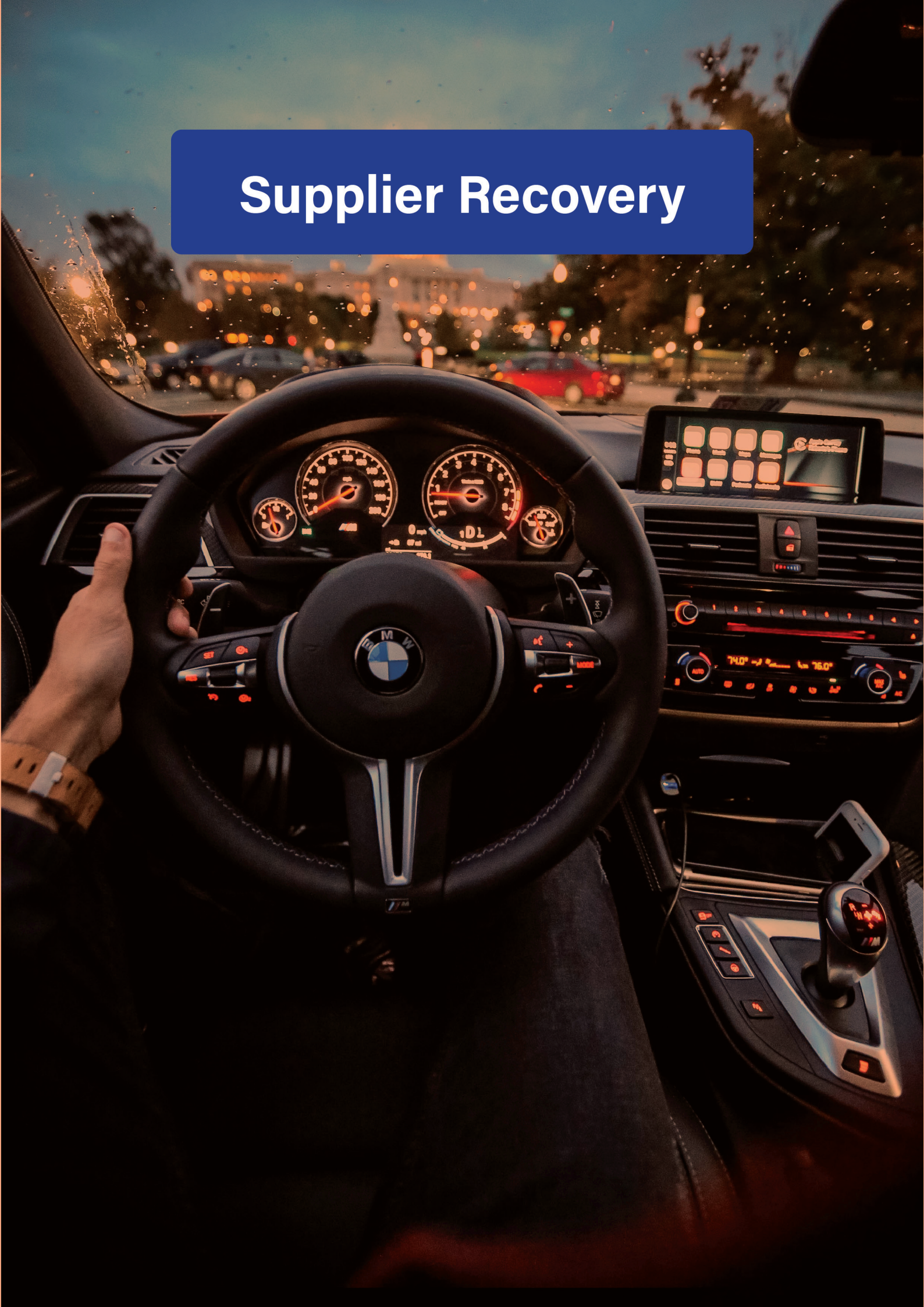


Supplier Recovery



Detering Consulting SAP Supplier Recovery

Delivering Business Benefits

Fully Integrated Supplier Recovery

Learn How Our SAP Automotive Supplier Recovery Solutions Offers You a Fully Integrated, Powerful SAP Based Supplier Recovery Process.

Our **SAP S/4 HANA Supplier Recovery Solution** provides an end-to-end solution for supplier recovery processes.

- **Provides Higher Customer Satisfaction**
- **Integrates ALL of the Various Parts of Your Business**
- **Provides Vertical and Horizontal Business Process Integration**
- **Provides Automotive Dealerships, Distributors and OEMs and their suppliers a seamless, integrated mechanism to process claims and ensure full supplier recovery takes place.**



A Proven Supplier Recovery Solution

The Detering Consulting Supplier Recovery Solution Brief

Find Out What Makes Our Solution Unique

Our SAP ACS Supplier Recovery Implementation Covers a Wide Array of Business Processes -

Implementing an effective **Supplier Recovery** process is a key to dealer business excellence and improved profitability:

- **Learn About the Out-of-the-Box Functionality**
- **Discover Why it Uses SAP Fiori/UI5**
- **Understand the Key Value Differentiators**
- **See How Integrated Holistic Analytics Delivers 'in the now' Insight.**

The information on this PDF is in-depth and many people need time to read it at a later date.

An aerial, high-angle view of a multi-level car wash facility. Numerous cars are visible on different levels of the structure, which is made of metal and has a greenish tint. The cars are being cleaned by rotating brushes. The overall scene is industrial and organized.

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Supplier Recovery Definition

Supplier recovery claims are claims made by the manufacturer to the supplier for reimbursement for the warranty-related costs that are associated with a warranty claim or work order when the cause of the defect was a supplied part.

Supplier recovery claims can also be made by dealerships against OEMs. If possible, the OEM will make a claim against a supplier, but if the OEM 'owns' the part, they themselves will make things right.

Business Benefits of Supplier Recovery

Detering Consulting's SAP ACS Warranty Management based solution to Supplier Recovery provides:

Simplification

- Automatic reimbursing determination using material vendor determination
- An Out-of-the-Box completely modeled supplier recovery business process
- VSR checks for applicability of the claim for supplier recovery

Robust Modeling

- The supplier-facing process is modeled in a second action matrix, complete with its own claim status and available actions
- Supplier recovery can be started independently of the status of processing towards the dealer
- Dependencies between both sub-processes can easily be modeled

Comprehensive Functionality

- Data conversion (material numbers, local parts, ...)
- Item types can be added, converted to standard values or deleted for recovery
- Supplier communication via EDI, mail, portal or paper
- Processing of supplier answers that cover multiple claims
- Appeal process

READ MORE ABOUT THE BENEFITS
OF SAP ACS SUPPLIER RECOVERY

Supplier Recovery Systems

Supplier Recovery Process Flow Starting The Recovery Process

Step 1

Supplier Recovery is started by creating an OV-outgoing version towards the supplier

- The supplier recovery process is treated independently from the dealer process: The warranty claim is enhanced with a secondary supplier recovery status and the possibility to define an independent process
- Material numbers which are not known to the supplier (locally bought parts) are converted to sublets
- Rules can be defined which item types are copied to the OV-version
- Pricing for materials is based on purchasing contract, source list, or purchasing info record prices from the supplier
- Labor rates can either be passed to the supplier 1:1, or by using an agreed standard labor rate
- Sublet items are transferred 1:1 to the outgoing vendor claim version
- Manual reductions of prices are taken into consideration

Checking the claim before sending

Step 2

Checks are performed on the vendor claim to make sure no syntactical errors are done, for example:

- Mandatory fields for recovery
- Checking of submission deadline
- Check if parts need to be returned to vendor
- The Framework for these checks is based on the ACS for Automatic Claim Validation

Sending of Outgoing Version

Step 3

- The claim is submitted to the supplier. This can be done via EDI (using the standard SAP IDoc for Warranty) or by printing out a form
- Defective parts can be delivered to the supplier via a delivery free-of-charge. The delivery is created via an action in the claim automatically. The delivery output forms, PDF, email, etc. are re-used from sales and distribution module, i.e. can be leveraged without having to set up the forms again on the warranty side
- A to-be-expected IV - inbound vendor response version is created and waits to be updated when the decision from the supplier is received

Receipt of Decision From Supplier

Step 4

- The decision on the claim is received
- Current business practice is often that the supplier will not send EDI-messages, but a collective credit memo on paper, or via unstructured email
- The decisions are entered into the claims, and values for the claims are distributed via a special transaction, and the credit is posted in FI/CO
- If no appeal is necessary, the supplier recovery process is closed

Appeal / Reversal of Claim Decision

Step 5

- To appeal the decision from the supplier, a new OV-version can be created
- The basis for that OV-version is the last IV-version
- The process of resubmitting the claim and receiving the result is identical to the first OV-version

Supplier Recovery Specialist

Key To Effective Supplier Recovery Operations

Your supplier recovery SAP system is a key element of taking full advantage of the Supplier Recovery process. But the role of the Supplier Recovery Specialist can be considered the lynchpin to success.

What They Do

The short answer is they increase your profitability. They do this by shifting cost of poor quality to where the defective product was made. In order to do this, they have to have both vast knowledge of what you

- Sell and
- Buy, in terms of what the contractual agreement about vendor warranty says in detail, as well as
- Expert level knowledge of how your Supplier Recovery IT system works.

This means they have expert level knowledge and ability with the SAP Supplier Recovery System, which is based on the SAP ACS Warranty Management Solution and the SAP VMS System.

When it comes to what they do, the primary activity is recognizing when a product is subject to supplier recovery actions. Parts do not automatically get put into the supplier process. A specialist has to make the initial determination. As well, the supplier themselves have specialists, that have to adjudicate such claims, and between the two of them, come to an agreement as to what can be claimed and for how much.

The IT system plays a crucial role in this flow of information and ultimately, cash.

Fleet Supplier Recovery

When it comes to fleet operators, who operate vast fleets of capital intensive equipment, recovering every dollar due from a supplier is one of the keys to profitable operations.

With the ever improving quality of vehicles, fleet operators have been able to push out the mileages they typically operate their fleet vehicles. In 2019, the year prior to the pandemic, those average mileage numbers had risen to 80,000 miles and are being pushed ever higher due to rising quality.

Accurate Maintenance Records Essential

Of course, in order for OEMs to offer ever longer powertrain warranties, they expect fleet operators to not only perform all manufacturer specified services, but to keep documentation on them accurate and up-to-date.

The Payoff

Approximately 35% of an asset's total lifecycle cost occurs in the last 15% of life – you want to decrease this period, not extend it. That's why a vehicle fleet that is modeled and maintained within an SAP environment offers such powerful financial benefits to fleet operators. It means they have a robust, yet simple system for acquiring an asset, operating that asset and ultimately, using predictive analytics as to when to retire that asset from the fleet to fully optimize asset lifecycle cost.

Importance of Preventative Maintenance

Though you can and should be aggressive with recovery what you are owed by suppliers, vendors, both OEMs and their suppliers expect you to meet strict criteria, particularly when it comes to preventive maintenance.

That's why it is critical that you both know what the manufacturers specified operating parameters are of your equipment but as well, know, follow, and document your preventive maintenance activities on every piece of equipment.

Whether you are referring to an automobile owned by an individual or by a fleet of vehicles operated by a business, OEMs have continuously demonstrated a willingness to push back on claims when you are not meeting your preventive maintenance commitments.

This doesn't just apply to automobiles and fleets. It applies to all types of equipment, such as Bull Dozers, Excavators, Cranes, and other large, complex pieces of equipment.

The equivalent of preventative maintenance in the automotive world can be viewed as **self-health-checks in the high tech industry.**

[READ MORE ABOUT THE BENEFITS
OF PREVENTIVE MAINTENANCE](#)

SAP Fiori Interface

The SAP ACS Warranty Management System is a proven approach to implementing advanced Supplier Recovery Functionality within any business.

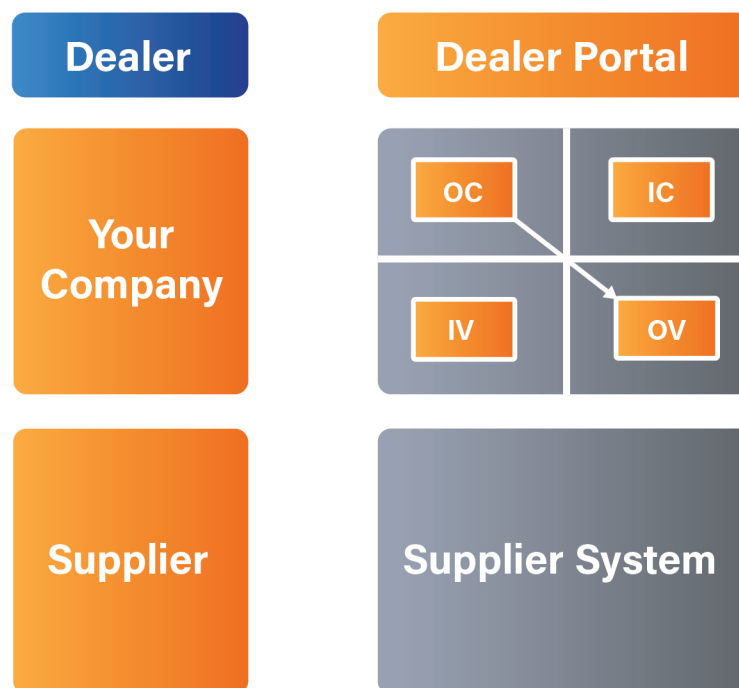
Simplicity Makes It Powerful

Because the front end is based on the advanced SAP Fiori User Interface, users find it invitingly simple to use. But the powerful user interface isn't just better looking. It represents an advanced software usability engineering designed to make users happier and more productive.

While displaying a simpler, more inviting user interface, it still retains support for the complex business processes that SAP supports, especially with regards to Supplier Recovery processes.

Third Party Access

One of the more complex but highly necessary aspects of the SAP Supplier Recovery System is the need to allow access to business partners outside the four walls of the system. This means granting third party access to the relevant part of the system.



Without this 3rd party access, suppliers would consume a license on your system, which would be very costly, as well as technically challenging. Instead, using both the Supplier Recovery capabilities of SAP ACS Warranty Management and SAP VMS, suppliers are granted the required access to carry out their part of their supplier recovery process. Much of this interaction is carried out via electronic interfaces, such as EDI, XML and iDOCs, meaning it is system agnostic as far as supplier systems.

Supplier Recovery System Implementation

Implementing the SAP Supplier Recovery System is a speciality of Detering Consulting. Using our proven experience from past projects, we have developed a simple four step implementation process:

- Assessment
- Diagnosis
- Implementation
- Analysis

Assessment: During the assessment phase, we conduct a series of highly structure interviews to determine your current 'As Is' status. We also begin the critical process of developing the business case to justify your implementation investment.

Diagnosis: During the diagnosis phase, we synthesize the information we gathered during the structured assessment phase and develop an implementation plan, including expected cost, duration and required risk mitigation efforts. Our Senior SAP Certified Project Management experts vet every step of the plan to ensure it's feasibility, cost, and assumptions are all correct.

Implementation: During the implementation phase, we configure and deliver your working solution. By the end of the implementation phase, you will have processed a supplier recovery claim completely, all the way to seeing the financials settled in your system.

Analysis: During the post Go-Live Support phase, we combine your typical activities of any IT post Go-Live with a deep dive into your operating results from the new system. Analytics are then used to continuously improve your system and deliver ever increasing business benefits.