WHAT IF....?

What if You Could Produce More Profitable Results—doing more valuable work—in least amount of necessary time—with as little energy as possible?

CUSTOMERS' VOICE VERSUS MANUFACTURER'S VOICE

"You Guys Have To Stop Cheating Us"

SITUATION

A manager of a farm equipment manufacturer claimed they were being cheated by equipment/component distributors and equipment end-users. What the end users and equipment/component distributors were doing is raiding the fuel settings to increase the equipment's field performance. Because the equipment manufacturer priced their equipment on a dollar per horsepower basis the manager believed they were being cheated out of income and at risk for higher warranty costs. The manager demanded that the engine components be modified so the end-user and distributors could not tamper with the fuel settings.

ACTION

Information and Analysis:

- Upon reflection and questioning the values and beliefs of major end-users involved it became apparent that the end-users were frustrated by a real equipment performance, productivity and premature implement breakage problems; and were doing their best to solve it themselves.
- Questioning the component manufacturers and equipment manufacturer it was discovered that no one had ever done the research to understand the real needs of the customer—in essence the equipment manufacturer and component manufacturers were following past practices and getting results unacceptable to the end-user customers. Because no one had listened to The Voice of The Customer the customers were accused of being part of a scheme to cheat the manufacturers.

Strategic Planning and Implementation:

- A supply chain team involving end-user, distributor and manufacturer representatives was organized to work together to evaluate goals scorecard of each party involved, evaluate each parties specific situation, position and conditions, establish a set of integrated goals aimed at satisfying each parties desired results.
- Strategy: Once it was understood where the end-user, distributors and manufacturers were and where all three parties wanted to be a tailored process that involved all parties concerned was developed and implemented to produce a strategy to achieve what each party wanted.
- Implementation: Once the strategy was agreed, each party's key representative [end-user, distributors and manufactures] participated in progress reviews and helped make adjustments and course changes necessary to produce the profitable results desired by each party.

RESULTS

New Products: New product lines were made available for the equipment and component manufacturers that increased competitiveness, market share and profitability.

End-user Productivity: The new product lines increased end-user productivity, lowered cost of operation, raised equipment up-time and eliminated premature failure of auxiliary components.

Component Manufacturer Expense and Profitability: Premature failures were eliminated reducing warranty expense, reengineering expense and increased production costs.





www.eppower.com