CUST 133 Customer Care & Aftersales

Quick History

Pre-1969
GM Brands have their Own Parts Business

1977
Put Truck Parts Together into 1 Business

1974
ACDelco Formed

1969
Put Car Parts Together into 1 Business

1986
Service & Parts Organization (SPO) Formed

2010
SPO Renamed Customer Care & Aftersales

Creation 1897-1909

Acceleration 1910-1929

Emotion 1930-1959

Revolution 1960-1979

Globalization 1980-1999

Innovation 2000-present

Transformation Future

Certified Service

Who Are We?

- GM Customer Care & Aftersales sells automotive replacement parts for GM and non-GM vehicles

GM Dealer
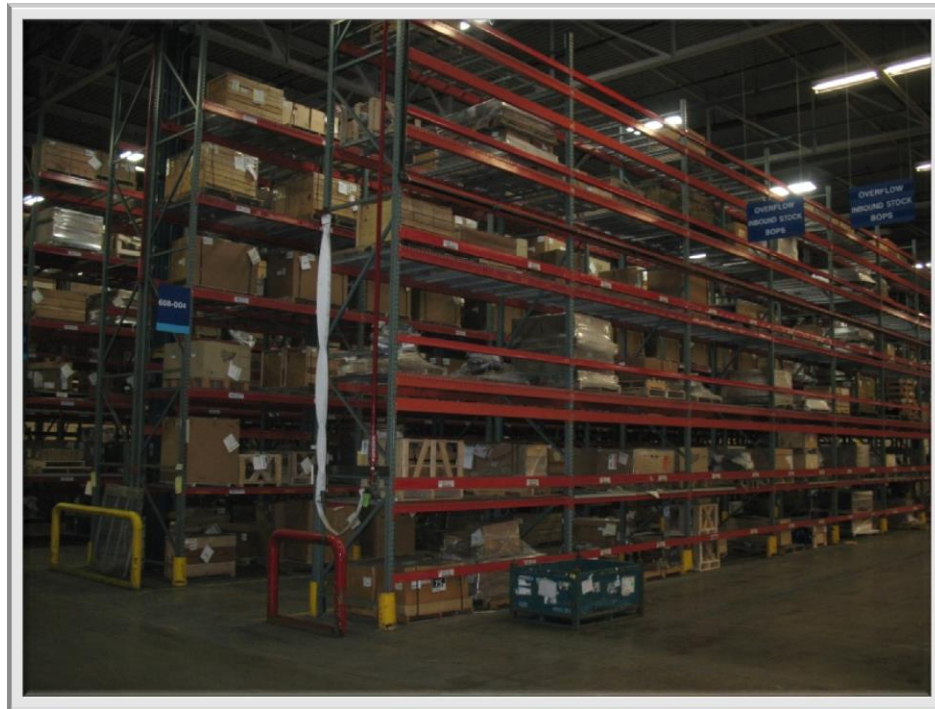

Dedicate Distribution Group

Parts Retailers

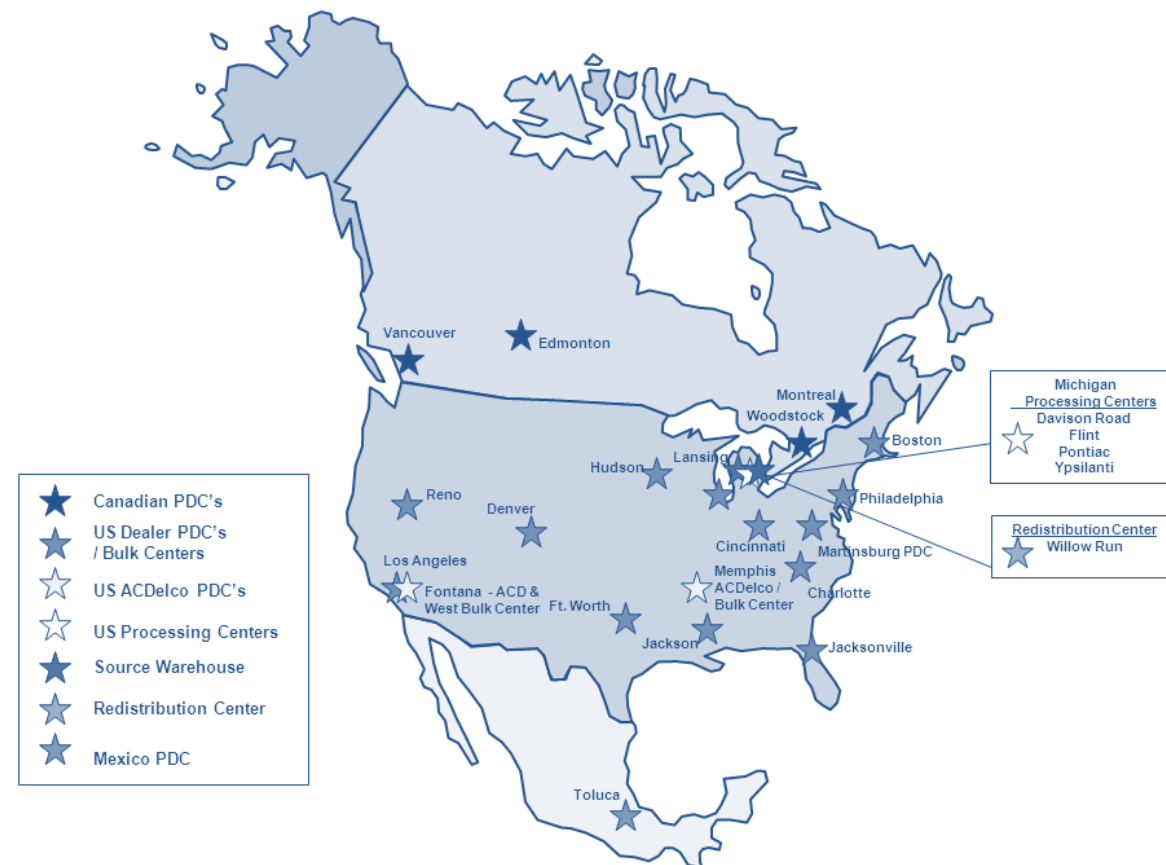Independent Service Centers

How Many Parts do we have?

- More than 1,500,000 World Wide

- In North America we Store 380,000 Different Parts

Where do we put all those parts?

- Around the World we have 72 warehouses in 32 Countries

- In North America we have
  - 32 Processing Centers & PDC's
  - 16 Million sq. ft. of storage space

North America Trivia: 16 Million Square Feet?

- Average Houses -   10, 667

- Football Stadiums -   9

- New York City Blocks -   67

- Empire State buildings -   7.5

How do they get to the customer?

- Parts are picked, packed & shipped from warehouses daily
  - One fork truck driver can drive over 1200 miles in one year .

- Our Delivery Trucks Drive About 205,000 miles a Day
  - That is more than **8 times** around the world
  - And… almost to the **Moon**

Moving from "The Art of Pricing" to "The Science of Pricing"
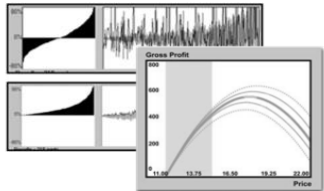
ART

SCIENCE

MANUAL CHANGE

Prone to errors, sometimes too high, sometimes too low
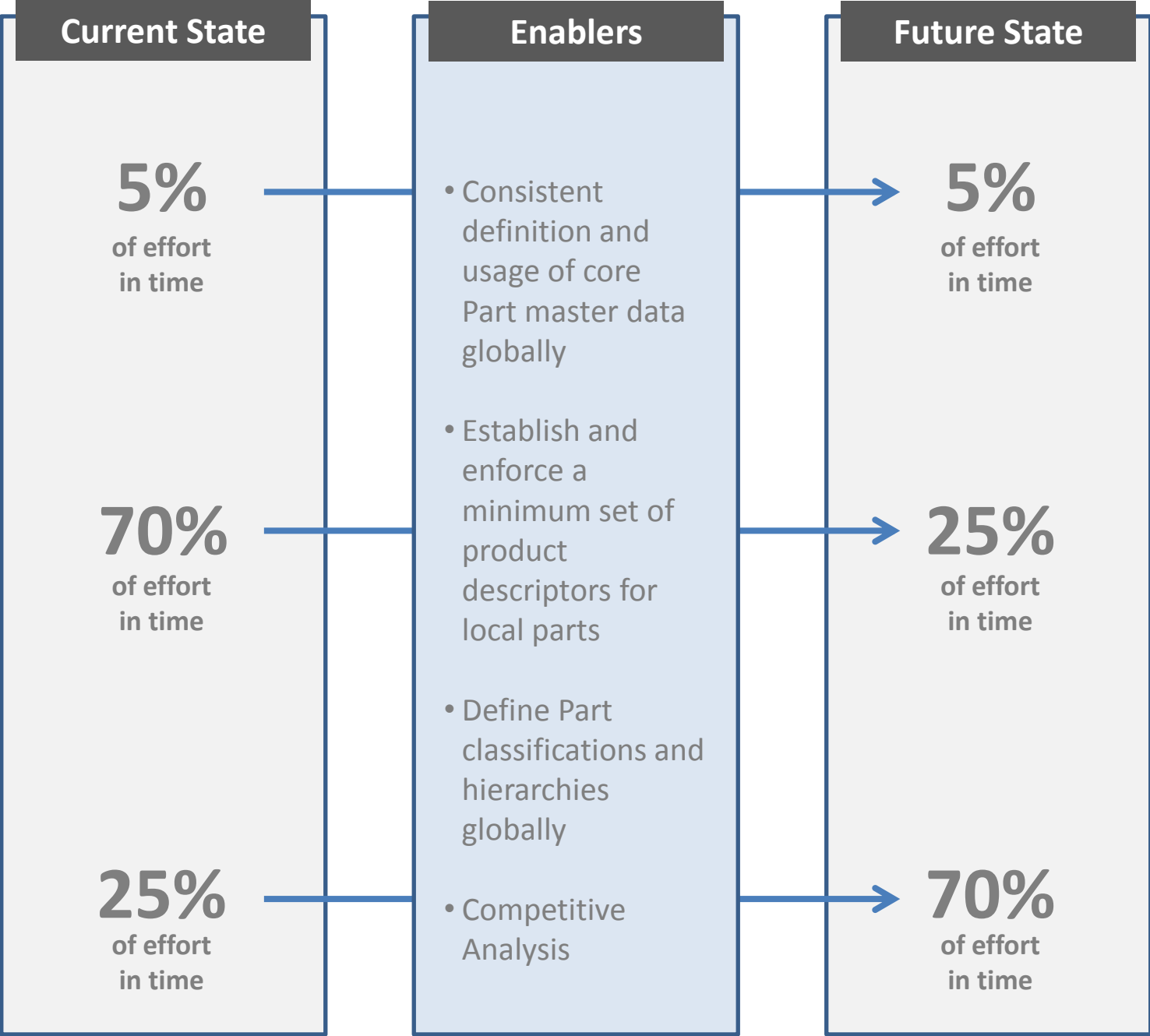
AUDITABLE PROCESS

Strategic look at OEM, aftermarket, etc. Cyclical, and recalibrated all the time

FORMULA BASED

Formulas for averages, quantities; Cyclical, and recalibrated all the time

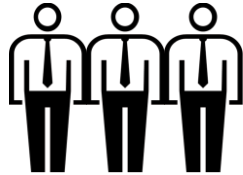| Current State	Enablers	Future State
5% of effort in time	• Consistent definition and usage of core Part master data globally	**5%** of effort in time
70% of effort in time	• Establish and enforce a minimum set of product descriptors for local parts	**25%** of effort in time
25% of effort in time	• Define Part classifications and hierarchies globally • Competitive Analysis	**70%** of effort in time

Certified Service

8

Challenges and Benefits
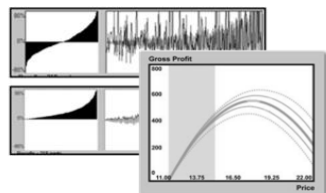
ART

MANUAL CHANGE

Prone to errors, sometimes too high, sometimes too low

AUDITABLE PROCESS

Strategic look at OEM, aftermarket, etc. Cyclical, and recalibrated all the time

SCIENCE

FORMULA BASED

Formulas for averages, quantities; Cyclical, and recalibrated all the time

Current State Challenges

- ✗ Data quality
- ✗ Data governance
- ✗ Lack of common data definitions
- ✗ Restrictions – systems capability
- ✗ Competitive benchmarking

Future State Benefits

- ✓ Quicker completion of SWOT analysis
- ✓ Higher levels of automation
- ✓ Reduction in errors
- ✓ Better scientific initial pricing and re-pricing

Pricing Initiatives

Current CCA initiatives	Pricing enablers	Output

Current CCA initiatives

- Global Pricing

- Master Data Management (MDM)

- Parts Classification

Pricing enablers

- Strategy mapping
- Repeatable training
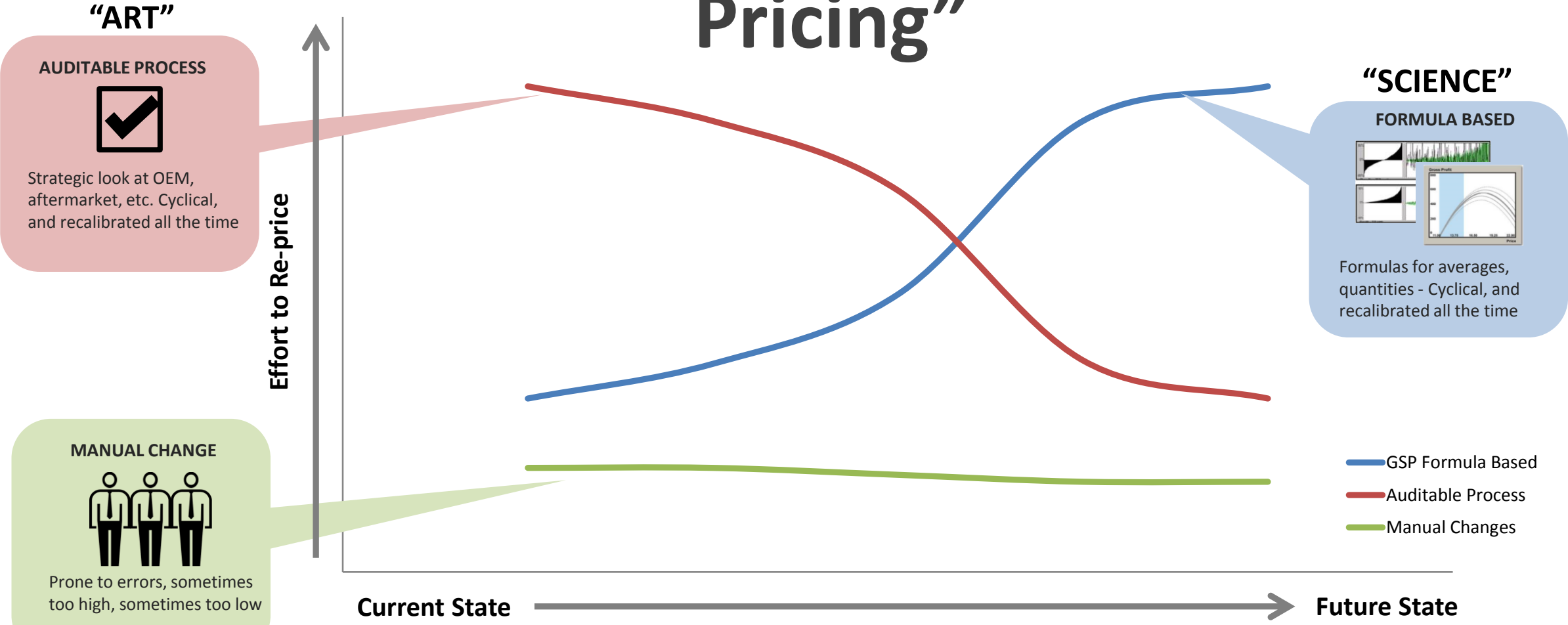- Global competitive database
- Location to location pricing

- Consistent definition and usage of core part master data globally

- Define part classifications and hierarchies globally
- Competitive analysis collection and process

Output

- Optimized pricing

Certified Service

Moving from "The Art of Pricing" to "The Science of Pricing"

"ART"

AUDITABLE PROCESS

Strategic look at OEM, aftermarket, etc. Cyclical, and recalibrated all the time

MANUAL CHANGE

Prone to errors, sometimes too high, sometimes too low

"SCIENCE"

FORMULA BASED

Formulas for averages, quantities - Cyclical, and recalibrated all the time

Effort to Re-price

Current State → Future State

— GSP Formula Based
— Auditable Process
— Manual Changes

CURRENT STATE CHALLENGES	ENABLERS	FUTURE STATE BENEFITS
• Data quality • Data governance • Lack of common data definitions • Restrictions – systems capability	• Consistent definition and usage of core Part master data globally • Establish and enforce a common global corporate cost • Define Part classifications and hierarchies globally	• Quicker completion of SWOT analysis • Higher levels of automation • Reduction in errors • Better scientific initial pricing and re-pricing

Certified Service

Back up slides

Certified Service

Pricing Processes and GSPS Capabilities

Global Strategic Pricing System

- Price Point Driven (20 current and 20 future)

- Part Segmentation (groupings)

- Price Buckets (Up to 20 per part/location Current and Future)

- Main Rule Policies- Target Price, etc

- Reporting/Analytics

- Graphical Analysis
- Outlier Identification
- Segment/Policy Creation

- Pricing Policies
- Strategy Code Driven (lifecycle, warranty, etc.)
- Multiple Reference Points
- Alignment Strategies
- Pricing Thresholds/Alerts
- Rounding Rules
- Supersession
- Review Reasons/Alerts

- Policy Step Analysis (10.6)

- Multi Attribute Group Pricing (10.7)

- ABC Classification (10.6)

- Policy Run Ordering (10.x)

- Segment Groups (10.7)

- Competitive Price Analysis

- Tier Pricing
- Refurb vs New
- Market Adaptive Pricing

- Group Steps
- Leather vs Cloth
- Engine Sizes

- Group Price Analysis
- Kits
- Price Book Management

Manual Processes

- Cost Change Management

- Clean Up Part Data(SWOT)

- Strategic Price Analysis
- MDM Clean Up

- Dealer Price Complaints
- Are you using Complaint Mgmt module?

Legend:
- Current GSP capability
- Future GSP capability
- GSP capability not used
- Manual process

Certified Service

13