



SHOWCASE



Avaya Calls on Servigistics to Take its Service Business to the Next Level

Avaya has been recognized by industry analysts and professional associations for running one of the world's most efficient service parts operations and delivering first-time fill rates of greater than 95% across its expansive network comprised of over 2,000 stocking locations around the world. These impressive results were achieved with the help of Servigistics Strategic Service Management solutions, which enabled the company to dramatically improve service part availability and customer satisfaction, while reducing service parts inventory from \$250 million to about \$160 million, a drop of 36%.

Company Name

Avaya Inc.

Solution Provider

Servigistics

Business Challenge

Avaya needed a strategic service management solution to gain better control of its inventory and improve first-time fill rates across its expansive service parts network, which would in turn improve the customer satisfaction.

Solution

Servigistics deployed a service parts management solution to give Avaya control over inventory and first-time fill rates and, ultimately, enhances the company's service business and improve customer service.

Value Achieved

With minimal Avaya IT support resources, the company has been able to dramatically improve the customer service levels while reducing inventory and avoiding service parts repair costs.

What a difference a few years make

It's hard to believe that just three short years ago Avaya's service parts network was recognized not for being world class, but as a major source of frustration among its installed base. The company tracked and managed its service parts network using simple Excel spreadsheets and had first-time fill rates in the neighborhood of 39% which began to take a toll on its customer loyalty. "It was an absolute disaster," says Jeffrey S. Gardner, Avaya's Vice President of Product Support Services.

Avaya had grown through numerous acquisitions, resulting in multiple business units and service organizations that each operated as separate entities. Its service parts network had grown to more than 2,500 physical service parts stocking locations, with nearly \$250 million in parts, and nearly 20 million part/pair combinations that were supported by more than 30 service parts planners worldwide. Each location was planned autonomously on Excel spreadsheets and there was little visibility across the company's global service network. Avaya recognized that service was strategic to their business and a key component to customer loyalty.

More is not always better

In an attempt to improve service part availability, the company simply stocked more parts and assumed high inventory levels would enable it to meet their customer's spare parts needs. However, the company learned that this was not the case during its annual user conference, where clients expressed great dissatisfaction with the company's poor part availability. Avaya recognized that service was strategic to their business and key to customer loyalty and to remain competitive, it needed to quickly resolve its service parts problems.

The company needed to consolidate service parts inventory, gain better visibility across its expansive service network and dramatically improve service parts availability all while reducing its inventory

which had grown out of control. The company realized they could not achieve these goals using simple spreadsheets; they needed a software solution specifically designed to manage a complex, global service parts network

Making the right decision

Avaya's challenge was to find a solution that could meet the demands of its global service parts network, support global business units, optimize inventory across both central and field stocking locations and easily integrate with the company's legacy systems and multiple ERP instances.

After evaluating multiple software vendors and conducting reference calls with leading industry analysts and numerous Servigistics clients from multiple vertical industries, Avaya selected Servigistics. The key factors leading to the selection included Servigistics' Web-based architecture, which enables one system to manage central and field stocking locations. This enabled Avaya to leverage its entire service parts network and centralize its planning model. Avaya also reviewed the cost-of-ownership between Servigistics and other vendors and found that Servigistics' total-cost-of-ownership was lower and provided greater value than the competition.

Delivering beyond expectations

The Servigistics Strategic Service Management solution was rapidly implemented and seamlessly integrated with multiple ERP instances, legacy systems and third-party logistics providers to drive the company's first-time fill rates above 95% and cut the gross parts inventory from \$250 million to about \$160 million, a drop of 36%. But the most important success measurement was that Avaya dramatically improved its total client satisfaction in less than six months due to improved parts availability.

"Avaya has enjoyed an excellent return on our investment with the Servigistics service management solution," said Jeff Gardner. "Servigistics enabled us to rapidly execute on our vision of achieving global service parts management across all parts and locations."

Avaya is one of the many leading companies that have reaped the significant, quantifiable benefits associated with the implementation of Strategic Service Management solutions. But, Strategic Service Management is more than just a piece of software, it's a mind set, a new way of thinking that represents a fundamental shift in how companies conduct business. It's a new commitment-centric business strategy that is built around a company's



"Servigistics clearly helped us achieve our goal. We extended our global reach and created immediate value that helped us turn our customer satisfaction in less than six months."

– Jeff Gardner –

Vice President of Product Support Services, Avaya

understanding of the power and value associated with delivering on the commitments it makes to its customers. This new strategy is causing companies around the world to completely reinvestigate how their sub-optimized service businesses manage their customer commitments, service resources, service partners and service pricing in search of creative ways to harvest more profits, while efficiently and effectively delivering on the service commitments they've made to their customers. 🎯

To learn more about Avaya visit:

<http://www.avaya.com>

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