



Major auto manufacturer transforms warranty program with Pega

- **Eleven decentralized, legacy warranty systems made managing operations difficult worldwide**
- **New consolidated systems effortlessly identify problem claims**
- **18 million end-to-end claims processed worldwide every year**

The business issue

This major automaker's warranty operations were plagued by poorly managed payments and approval of inaccurate, duplicate, and fraudulent claims. Approximately 8-10% of the company's annual \$17-\$19 million warranty spend could be attributed to the warranty system's decentralized structure and lack of transparency that allowed bad claims through.

Of legitimate warranty claims, an estimated 10-12% were being processed incorrectly each year.

And because the existing program included eleven different systems in four regions and 29 languages, this automaker's warranty operations needed a major overhaul on a global scale.

The solution

The company turned to the Pega Warranty™ end-to-end warranty management solution to migrate and consolidate existing rules from its legacy environment. The new warranty management system allows the automaker to add complex rules that weren't possible before.

Pega implemented a single, global set of core rules for warranty processing, and layered local rule sets to handle region-specific governance and processing needs.

Pega's solution ensures accurate, consistent claims handling and dramatically reduces processing time. The system integrates dealer DMS system feeds as well as a Pega-based portal for dealer claim entries.

The automaker now has full end-to-end claims processing, including assessment of manual claims and automated claims payments.

The results

With a single, global warranty solution, the company has full control over authoring of new rules and processes. Now the automaker can adapt to changes in business conditions as they arise.

- **400% improvement in processing speed due to rules consolidation**
- **\$53 million annual reduction in operating and claims costs**
- **Quick identification and response to systemic quality failures thanks to accurate, consistent data**

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Every day sooner that you know about a problem, you can save one day's worth of bad production. Every day has a huge cost savings associated with it. Using our new system, we were able to connect an engineer to a dealership, to a technician, to a vehicle that had that exact concern, the minute it was written up on the service drive.”

Global Strategy Manager,
Major auto manufacturer