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STAR Awards

2023

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Featured Application

In-Sourced Service Parts – powered by strong Organizational Design

Overview

As we continue to expand and improve Lenovo's Intelligent Solutions Group (ISG) business, taking control of our services support became a top priority in order to optimize the customer experience. By bringing service parts support in-house, Lenovo was able to unlock the power of its internal product data and deploy closed-loop quality improvement processes. To drive this transformation, Lenovo would need to establish its own Same Business Day support stocking network, enable end-to-end order visibility and tracking, deploy new IT for both parts and delivery systems, and assemble a new team to manage this complex project and the new operational activities.

Project Marathon: ISG In-House Service Parts

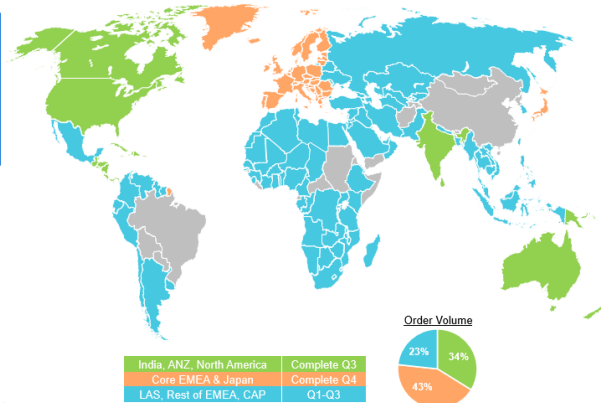
Benefits

- Service Parts performance **from Good to Great**
- Build on success of PC service parts in-sourcing
- **ONE** services platform
- Real Time Visibility
- **Flexible** to change with the needs of the business

Complexity

- **Same Day Service** in **85+ Countries**
- **24x7** service with as low as **2-hour SLAs**
- **400+ Stocking Locations**
- **>14k active FRUs**
- In-house parts migration **in conjunction with CRM transition**
- Parts support required for **>12 years**

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Challenges

Project Marathon was established to in-source the service parts supply chain for Lenovo ISG, whose critical infrastructure (servers and storage devices) require urgent support with Service Levels as low as 2 hours. It was critical that this project succeed with little to no negative customer impact, as the ISG Business Unit is one of Lenovo's key growth engines, and customer satisfaction with service for this product is business critical for customer retention and growth. While Lenovo already had its PC service parts supply chain in-sourced, the nature of the two businesses is very different (next business day vs. same business day mission critical support). Additionally, the services support for PC and ISG were managed by separate teams.

What We Have Done

For this project to be successful, Lenovo needed to combine the deep operational parts experience of the PC team with the ISG's technical and business knowledge. To accomplish this knowledge shift, organizational change was implemented in three phases.

First, ISG Services group merged with the PC Services group, with both teams reporting to the overall services leader instead of the Hardware Business Unit. During this shift, the ISG and PC teams aligned Business Management Systems (BMS) and Key Performance Indicators (KPIs) and shared each team's key resources.

With the convergence of ISG Services and PC Services groups the new ISG Parts team was formed. Key, top talent from the PC group were assigned to the project with a mandate to learn the ISG business and quickly scale support teams. While losing this top talent did result in short term challenges for the PC group, it allowed for internal growth within that team, while also providing new and exciting challenges for those joining the new ISG Parts team. Additionally, this organizational shift created leaders that intimately knew both ISG and PC businesses.

As the former PC parts leaders formed their new teams, they hired talent from within the ISG supply chain and technical teams to bring that knowledge to the service parts industry, and to encourage networking among the ISG business stakeholders.

Results

As the project unfolded, the new ISG Parts team worked together to overcome hurdle after hurdle, breaking down seemingly unsolvable problems into executable roadmaps. This project had an aggressive timeline and required global coverage, with same business day support offered in over 85 countries. The mix of executive top-down alignment with the new, hybrid, high-performing ISG Parts team was incredibly successful. The organizational shift had no negative Customer Experience impact and overachieved in cost savings targets. The successful implementation was made possible through the combined expertise of this team.

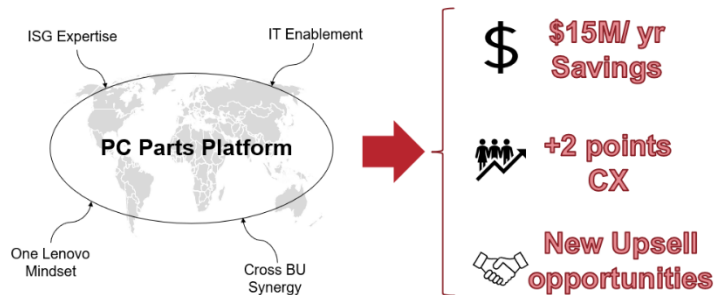
Business Impact

- **\$15M/year** Actual Cost Savings enabled
- **98%** - Parts Availability
- **2.0 point** Improved Customer Experience

Future Steps

Building on the success of this project, we plan to use our new ISG In-House Parts team to improve Lenovo's customer support and expand our offerings. Combining this new team's expertise with the real time data from our in-sourcing, we are driving closed loop quality improvements for Lenovo products, powering process efficiencies, and enabling parts network optimization.

Marathon Project: A Winning Formula





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