



## **WARRANTY COST SAVINGS GOING UPSTREAMS**

*Presentation By:*

Kjell Hammarstrom

Senior Warranty Cost Program Manager

**SUN MICROSYSTEMS**

Warranty Chain Management is an end to end view where sourcing from suppliers is an important phase of the Warranty Cost reduction. Where Companies Suppliers offer Warranty on their products, the sourcing Company need to compare the separable cost of buying products with Warranty with the alternative cost not to buy products with Warranty from the Supplier.

The cost of buying products without Warranty can be estimated with knowledge about failure rate data and repair costs. The figures should be compared and used for vendor selections, Warranty Strategy, negotiations and budget processes. The review and the result impact often more than one organization and need to be a cross functional effort. Sun Microsystems rolled out tools and training to Product Lines and reduced Warranty Costs.

Participants will learn the following:

- Useful data for a Vendor Warranty cost review.
- Tools to compare costs.
- Cross functional impacts.