

WIRE HARNESSSES & BATTERY CABLES

BACKGROUND

A large global Agriculture and Construction OEM engaged Tenet to source \$147M in annual wire harness and battery cables spend. The wire harnesses ranged in complexity from a single wire to over 500 wires and multiple connectors, branches and protection methods (loom, tape wrap, etc.).

CHALLENGES

One of the key challenges for this category was the frequent changes made to wire harnesses through engineering change orders (ECOs) in response to technical and quality concerns. These changes were isolated not only to model year changes, but also as running changes as needed. The client had over 7,000 unique SKUs in this category with a very high part turnover every year.



IMPACT METRICS

OVER
9%
realized savings

OVER
14%
supplier rationalization



“The strategy to segregate our harnesses by complexity and then match the supplier core competencies to the harness complexity is a game-changer

– Client Team Lead

APPROACH

Claudia's 7-Step Sourcing Process required the team to map the SKUs in a dynamic and sustainable way to allow correct quotation throughout the process steps, into implementation and then ultimately for all future product development. During the Site Visit step, the team gained a detailed understanding of each supplier's competitive advantages, unique manufacturing approaches and core competencies based on harness type (e.g., simple vs. complex). This detailed understanding was utilized during the Supplier Selection step to develop a strategy that was focused on awarding harnesses by type while also limiting the number of suppliers on an individual vehicle platform to manage manufacturing complexity.

RESULTS

The team realigned the supply base according to harness complexity which enabled the introduction of new globally competitive suppliers for the client. The resulting savings of 9% was bolstered by non-price benefits including Transparent Pricing Models, quality and delivery commitments and cost reduction idea generation to enable future joint cost reduction between the client and the supplier. The ultimate awards ensured that future capacity and flexibility were considered to maintain continuity of supply.



ABOUT CLAUDIA

Over the last three decades, our team has delivered more than \$1B in documented client savings across industries, driving measurable value at an ROI of 6-15X.

Contact us today to start a conversation around how we can help you.