syncron™
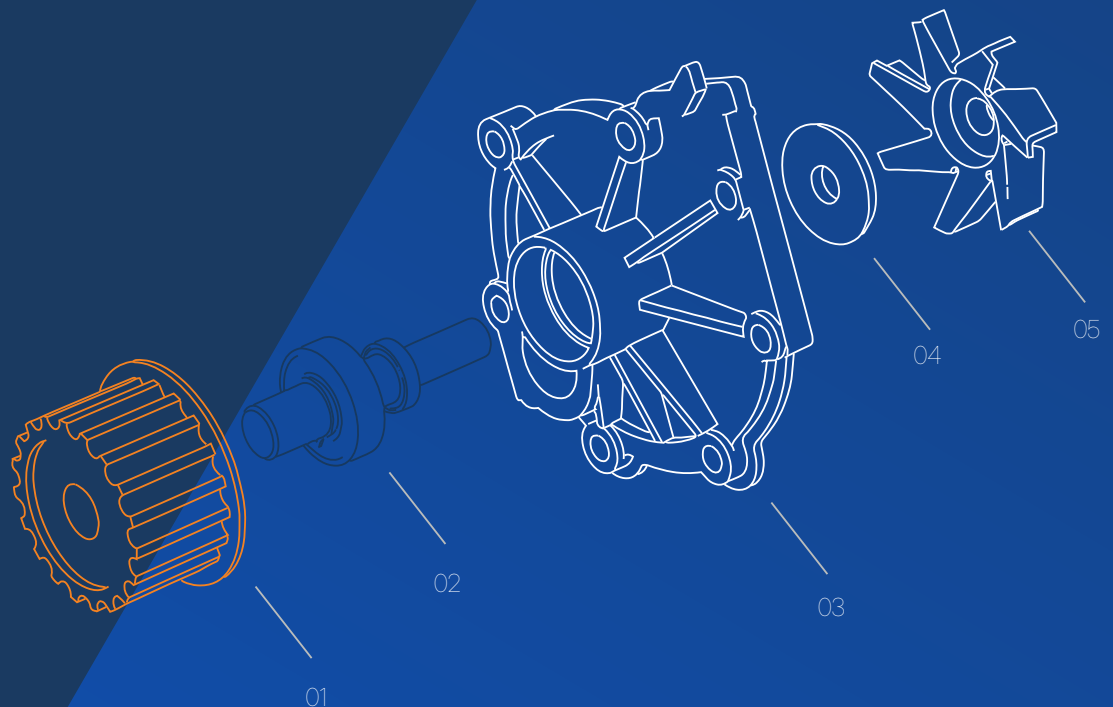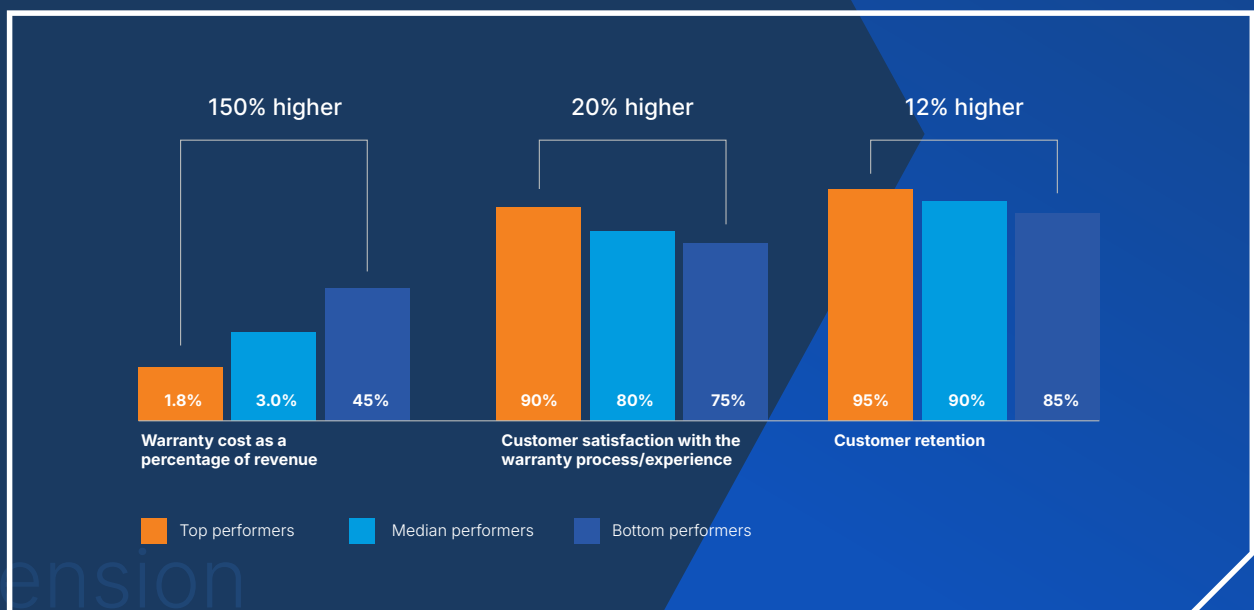
The **Untapped Potential** of Warranty Management:

FROM COST SINK TO PROFIT CENTER, WITH SERVICE LIFECYCLE MANAGEMENT

Top warranty management performers see significant business gains in customer satisfactions and retention.

	150% higher			20% higher			12% higher		

Warranty cost as a percentage of revenue: Top performers 1.8%, Median performers 3.0%, Bottom performers 45%

Customer satisfaction with the warranty process/experience: Top performers 90%, Median performers 80%, Bottom performers 75%

Customer retention: Top performers 95%, Median performers 90%, Bottom performers 85%

Legend: ■ Top performers ■ Median performers ■ Bottom performers

*source: IBM Institute for Business Value Benchmarking & the APQC

INTRODUCTION

Traditionally, warranty management has been viewed as a necessary evil—just another operational cost to minimize. Reduce claims, cut costs, and protect the bottom line—that's all there was to it.

For years, manufacturers found ways to chip away at warranty expenses with reasonable success: **by 2019, warranty claim rates had fallen by as much as 30% compared to previous decades.**

But modern OEMs are waking up to the incredible untapped potential of warranty management.

When done right, it can be a powerhouse of value creation, driving customer loyalty, improving product quality, and contributing to revenue growth.

Especially when integrated into a broader Service Lifecycle Management (SLM) strategy—a single, integrated, scalable platform for all aftermarket functions—you can synergize warranty management with service, parts planning and inventory management to create exponential value.

And the stats back it up.

High performers in warranty management find that costs are reduced by 150%, customer satisfaction is 20% higher and customer retention rises by 10% (compared to low performers).

Those are incredible potential gains.

After all, this shift is already taking place elsewhere in the aftermarket value chain. By leveraging data and analytics, other functions have evolved to become powerful drivers of business value. For example, leveraging AI to price spare parts quickly and accurately has made them a major source of revenue. And using analytics to calculate risk has enabled sophisticated service-based contracts with higher margins.

Now it's time for warranty management to take the same journey: moving from low-priority cost-center to strategic lever for business success.

And when combined with an SLM approach the strategic value created by warranty becomes even more powerful as it feeds into a seamless web of business interconnections.

In this eBook, we will explore how you can start to tap into the incredible potential of your warranty management program.

We will cover how warranty management can deliver a killer customer experience, the limits of traditional warranty management and introduce the core principles of the technical solution you will need to make this a reality.

HOW WARRANTY MANAGEMENT CAN DELIVER A KILLER CUSTOMER EXPERIENCE

When approached strategically, warranty management can become a platform for delivering the kinds of exceptional experiences that encourage customers to stay with your brand for many years to come.

There are three key ways that warranty management can contribute to an enhanced customer experience and, ultimately, enhance your bottom line.

01

Quick and transparent warranty processes

Speed, accuracy, and transparency in warranty processes aren't just operational metrics—they're the foundation of customer trust and loyalty.

The first few years with new customers are absolutely critical for building relationships, and poor warranty experiences will shatter that trust and increase churn.

Two aspects of the warranty process are key to transforming the customer experience from one of trust-breaking delays and uncertainty to trust-building experiences of clear communication and swift resolution.

Firstly, quick claims resolution. By adopting practices like automated claims handling, businesses can ensure faster resolution of warranty issues. This is not just about efficiency; it's about respecting the customer's time and minimizing disruption.

Secondly, seamless transparency. Making the process clear and keeping customers informed throughout helps them feel respected and valued. This transparency builds a foundation for long-term loyalty, trust and greater customer lifetime value.

Corrective action and continuous quality improvement

Warranty claims are not just a reactive process—they're a goldmine of information about product performance in real-world conditions.

When a business can collect, analyze, and act on this data—including usage patterns, failure modes, environmental factors—it can be used to powerfully improve the customer experience in the long term.

Firstly, by enabling corrective action to address existing issues from snowballing. For example, if several warranty claims come in around a particular product, you can investigate further and recall that product before more claims are made.

Secondly, by leveraging details of the claim to improve manufacturing processes and minimize future issues. For example, recurring claims for a particular part might signal a design flaw that can be changed, making the product more resilient and reducing warranty claims over time.

Ready service-based business models

Advanced warranty management practices can also help OEMs move towards high-margin service-based business models, where the focus shifts from merely selling products to delivering long-term value through services.

You build a solid reputation and earn customers' trust when you deliver on your guarantees consistently and reliably. This virtuous cycle of customer retention and trust enables a service-based model where the OEM is responsible for ensuring product uptime, offering (and delivering!) guarantees of greater and greater value.

And tailored warranty services—such as extended coverage, proactive maintenance plans, or performance guarantees—not only reduce warranty claims costs but also open the door to selling long-term service contracts that provide consistent revenue streams.

Finally, warranty management can be the first step toward the broader Equipment-as-a-Service (EaaS) model, where customers pay for outcomes (e.g. uptime, productivity) rather than owning equipment outright. Modern warranty systems provide the infrastructure to monitor product performance, analyze usage, and manage risk—all critical components of a successful EaaS offering.

THE LIMITS OF TRADITIONAL WARRANTY MANAGEMENT

The modern warranty approaches outlined above are at the limits of most businesses' capacity, given their existing warranty solutions.
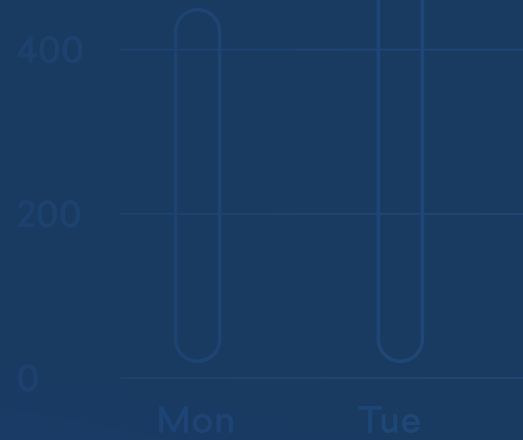
They require substantial technological sophistication and coordinated processes across the business. For most OEMs, there are several major barriers to implementation:

Limited visibility:
Siloed teams and fragmented relationships mean OEMs don't have a clear view of their customers, policies or equipment, resulting in delays when those customers make claims

Limited feedback:
Key failure data is not available, delaying feedback to quality or service departments, preventing issues from being addressed and manufacturing improvements from being made

Limited data:
There can be a lack of clarity or availability of key warranty data (e.g., policy details, claim details, customer information) that massively delays claim processing times, slows down dealer reimbursements, and makes it harder (or even impossible) to claim refunds from suppliers

Limited collaboration:
A lack of coordination and collaboration between teams, suppliers, and dealers can result in each taking their own approach to warranty management, creating a frustratingly inconsistent and inefficient experience for customers

And these limits result in substantial negative business impacts:

Slow, fragmented warranty process hits customer loyalty:

A lack of integration and visibility leads to delays and inconsistencies in claims handling, frustrating customers and dealers and leading to reduced satisfaction and loyalty.

Manual processes drive costs higher:

Reliance on manual workflows increases labor costs and introduces human error into claims processing, slowing down operations and inflating operational expenses.

Unable to get refund from suppliers for faulty parts

Limited visibility into supplier agreements and inadequate tracking of defective parts prevent OEMs from recovering costs for faulty components (or makes it a costly headache to produce the evidence).

Unmanageable volume of warranty policies creates problems:

As the volume and complexity of warranty policies grow, it becomes challenging to track, validate, and enforce policies consistently, leading to errors, missed opportunities, and inefficient resource use.

Inability to improve part quality and reliability:

Disconnected systems and poor data management prevent businesses from analyzing warranty claims to identify recurring product issues that could be improved.

Need for costly extra systems or licences to address dealer/third party services:

Without an integrated warranty solution businesses have to pay up for additional software or licenses to allow dealers and other third parties access, creating additional complexity, increasing costs and taking up valuable time.

Position
01

WHAT IS SYNCRON WARRANTY MANAGEMENT?

Provide a killer customer experience while cutting claims processing costs and boosting supplier recovery—all at massive speed and scale.

Syncron Warranty Management (SWM) is the only purpose-built, integrated, data-driven warranty management software that leverages AI to turn your warranty function into a streamlined source of service excellence.

By automating key workflows and integrating warranty, service, and supplier operations, SWM transforms traditional warranty management from a cost center into a strategic business asset.

The platform enables businesses to manage warranty registrations, claims, and supplier recovery efficiently, improving operational efficiency while delivering a superior customer experience.

At its core, SWM validates claims data and ensures claims are processed quickly and accurately. Automation approves low-risk claims instantly, while complex cases are escalated for review, reducing manual workloads and processing times. By consolidating supplier warranty agreements in one system, the solution also improves supply and recovery processes, ensuring OEMs recoup more warranty expenses while reducing disputes and delays.

By collecting and analyzing warranty and field failure data, businesses can identify recurring issues, implement corrective actions, and enhance product quality.

Designed with scalability and flexibility in mind, the platform empowers OEMs to deliver faster, more reliable warranty services while strengthening customer loyalty and maintaining profitability.

01 Dealer Claim Submission

## Identifying in/out of warranty repairs quickly with valid claim information

1. Warranty validation

2. Valid parts and labor

3. Visibility to claim status
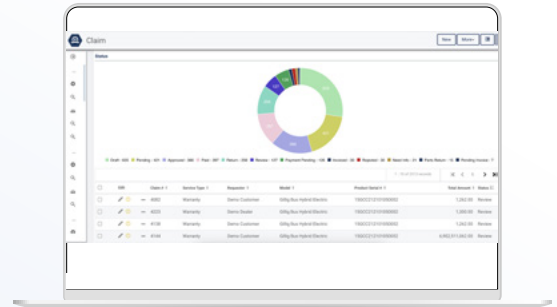
02 Manufacturer Adjudication

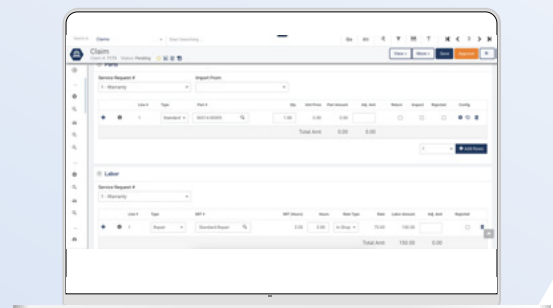## Manage claim automation, part return tracking, and supplier recovery

1. Identify claim issues

2. Communicate with dealer

3. Part return tracking and analysis

4. Claim payment and supplier claim
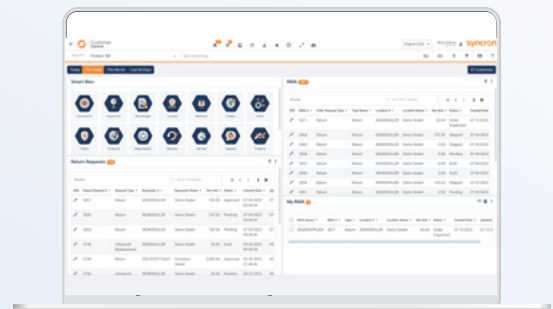
03 Supplier Recovery

Supplier portal with claim details and cost recovery

1. Send claims with valid information to suppliers

2. Supplier cost recovery

CORE CAPABILITIES

There are hundreds of use cases that are enabled by Syncron Warranty Management. Flexible AI-powered intelligence means that your imagination is the limit on how you can use the technology to create business value.

Here are just a few of the core capabilities and use cases that our solution unlocks, across 5 high-level categories:

01

Streamline Warranty Registration and Management

Efficient registration and installed base systems provide a 360-degree view of all products sold, enabling accurate tracking, seamless onboarding, and optimized warranty coverage.

- **Unified product registration:** streamline warranty registrations across multiple channels and track all registered products throughout their lifecycle

- **Comprehensive policy management:** rapidly create warranty policies based on customizable templates for different warranty types or different terms and conditions to suit customer and market needs

- **Coverage eligibility and terms:** automate warranty eligibility checks based on product usage, regions, and dates

02

Automated Claims Management

A fully integrated claims process automates key workflows, detects fraud and makes the end-to-end process transparent for all parties.

- **End-to-end claims workflow:** automate submission, adjudication, approvals, and payments (based on business rules)

- **Advanced fraud detection:** use pre-set business rules to validate warranty claims and reduce fraudulent or duplicate submissions

- **Democratize claims data:** make detailed claims data available to dealers, customers and supplies

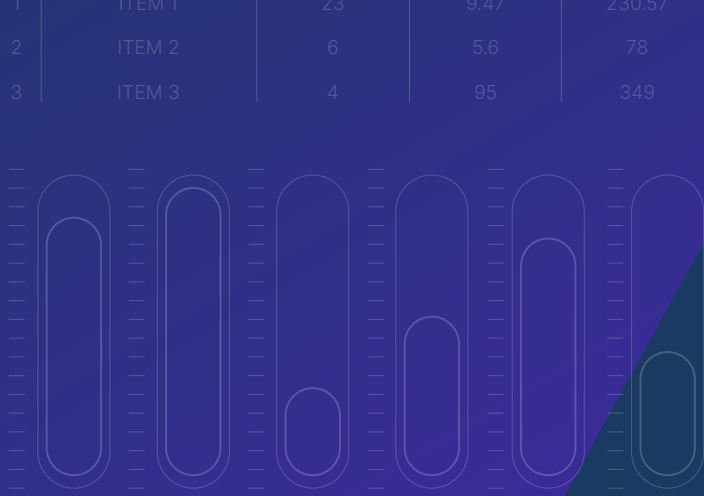Life cycle   Carbon savings   Parts lifecycle   Efficiency

41   754   8207.34

+12 (+1.24%)   +302 (+8.33%)

Hour
Day
Week
Month
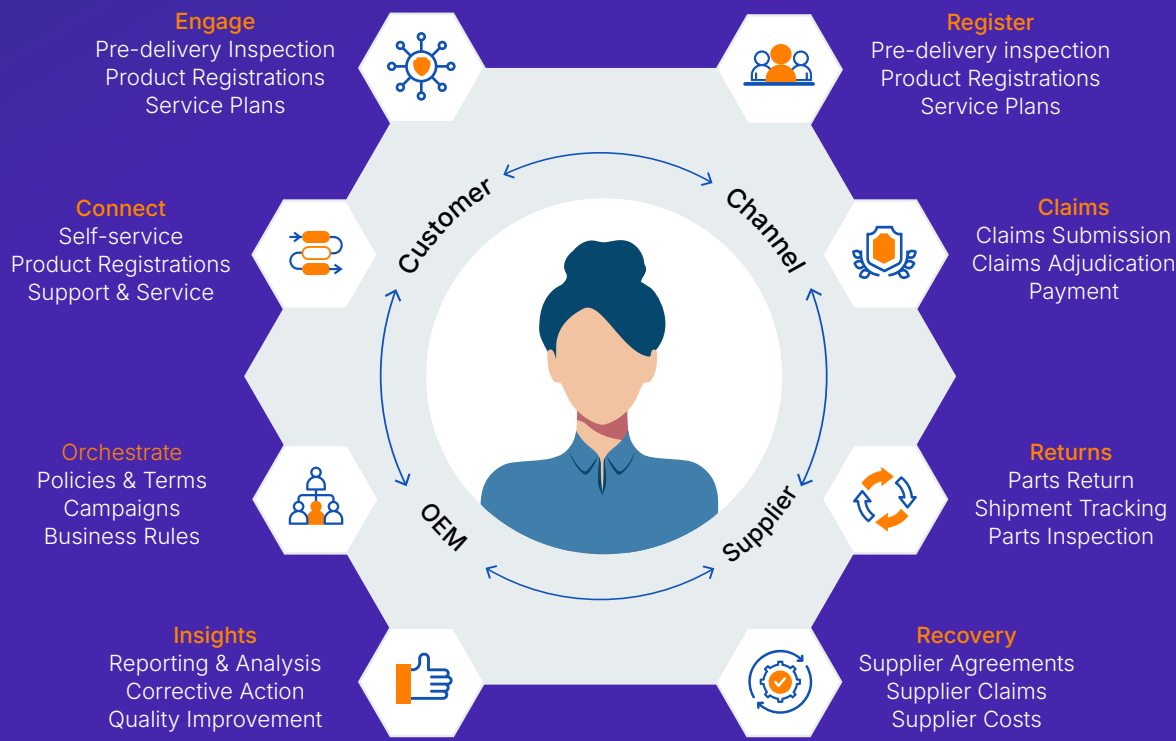Year

+12.21%
+18.39%
+39.38%
+74.75%
+29.93%

03

Integrated Supplier Cost Recovery and Returns

Streamlined supplier cost recovery and parts return processes help OEMs offset warranty expenses while improving cash flow and operational efficiency.

- **Recover costs from suppliers:** catalog supplier warranty policies and automate supplier recovery claims

- **Integrated returns workflow:** manage parts returns and initiate parts inspections directly from supplier claims

- **Supplier performance insights:** Analyze recovery trends and supplier data to identify cost-saving opportunities

Engage
Pre-delivery Inspection
Product Registrations
Service Plans

Register
Pre-delivery inspection
Product Registrations
Service Plans

Connect
Self-service
Product Registrations
Support & Service

Claims
Claims Submission
Claims Adjudication
Payment

Orchestrate
Policies & Terms
Campaigns
Business Rules

Returns
Parts Return
Shipment Tracking
Parts Inspection

Insights
Reporting & Analysis
Corrective Action
Quality Improvement

Recovery
Supplier Agreements
Supplier Claims
Supplier Costs

Customer
Channel
OEM
Supplier

04

Insights and Collaboration

Harnessing warranty data and sharing it across departments enables data-driven decisions that enhance product quality and streamline operations.

- Field failure insights: capture warranty claim data to identify failure modes and analyze for corrective actions to feedback to quality assurance and engineering

- Service campaign and quality alignment: connect warranty data to proactive service and recall decisions for seamless campaign operations

- Cross-functional collaboration: share warranty data and insights across service, supplier and quality teams
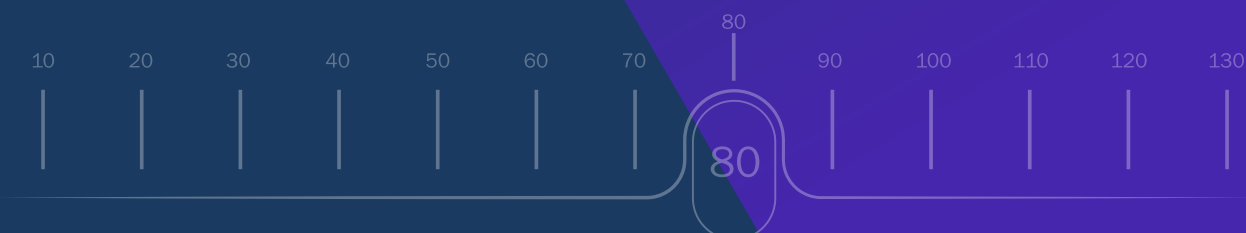
05

Alerts, Automation and Reporting

Automation and advanced reporting reduce manual workload while delivering actionable insights to improve efficiency and transparency.

- Claims automation: automate approvals for low-risk claims to free up resources for complex cases

- Dashboards and reporting: real-time monitoring and insights on claims, costs, and product performance

- Alerts and notifications: keep stakeholders updated with automatic notifications for claims and quality issues
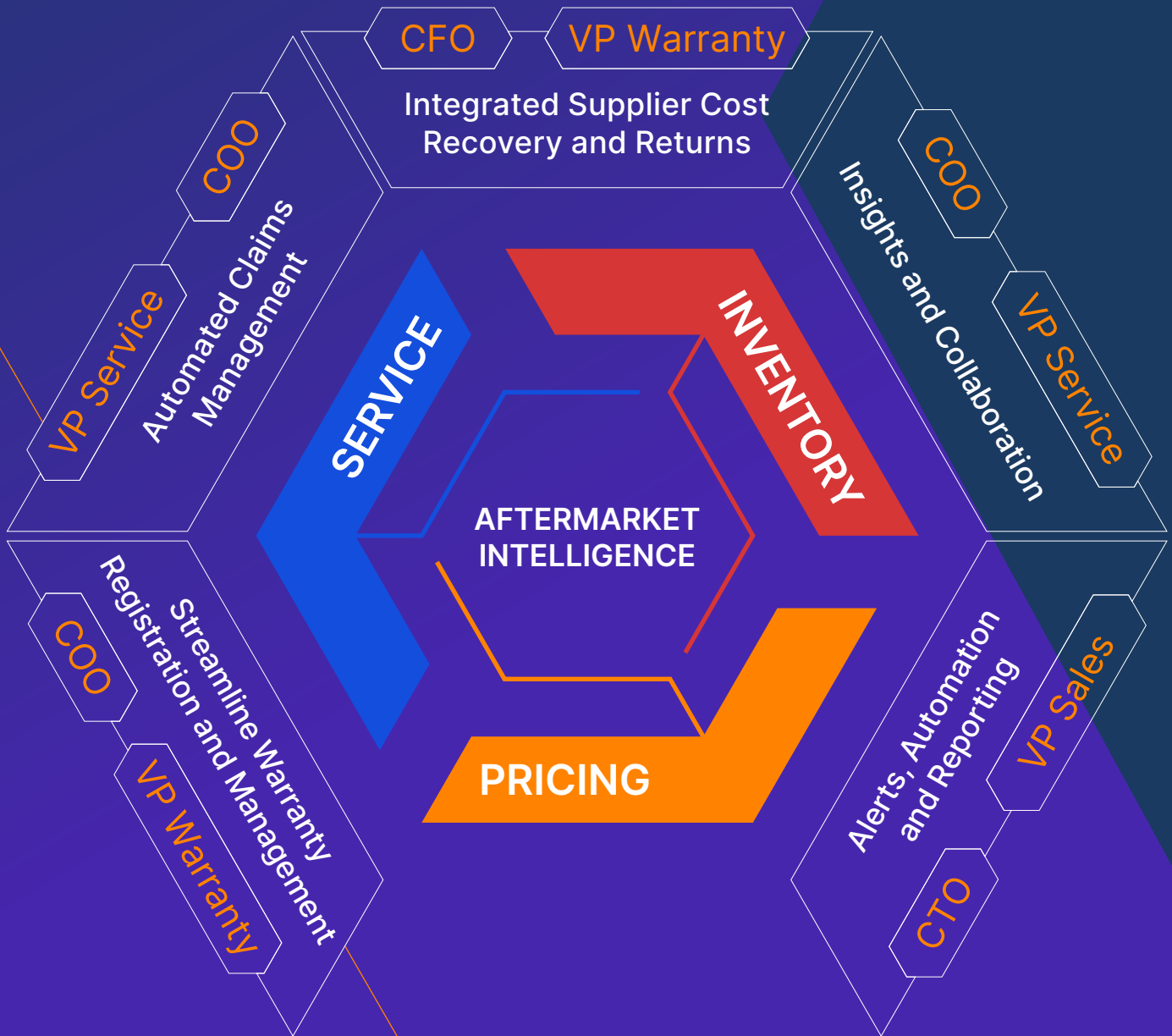
Parts life extension

80

| 10 | 20 | 30 | 40 | 50 | 60 | 70 | 80 | 90 | 100 | 110 | 120 | 130 |

80

| 10 | 20 | 30 | 40 | 50 | 60 | 70 | 80 | 90 | 100 | 110 | 120 | 130 |

MONTH

YEAR

CFO | VP Warranty

Integrated Supplier Cost Recovery and Returns

COO

VP Service

Automated Claims Management

COO

Insights and Collaboration

VP Service

SERVICE

INVENTORY

AFTERMARKET INTELLIGENCE

COO

Streamline Warranty Registration and Management

VP Warranty

PRICING

Alerts, Automation and Reporting

VP Sales

CTO

HOW IT WORKS

Every aspect of Syncron Warranty Management is purpose-built and optimized for the aftermarket, meaning that it is designed to seamlessly augment your existing setup, simplifying and consolidating your technology and processes, while making them many times more powerful.

It is a modular piece of software that bolts onto your existing tech stack to enhance your processes and workflows without having to rip and replace what's already there.

Here are the main components and features that make it work.

Automated Service and Claims Management:

Streamline and automate every stage of the warranty management lifecycle. Fully automate end-to-end processes from product registration to supplier cost recovery, reducing manual work and speeding up resolutions.

Configurable Rules & Workflows

Take advantage of warranty and service best practices with options to tailor workflows for optimized processes that increase operational efficiencies.

Easily adjust and add business rules for claims management to stay ahead of compliance and leakage risks.

Data Products

A common data lake and business-ready data sets that deliver insights from across your business to inform decision-making.

A centralized data approach with specialized tools ensures that warranty, service, and quality teams have consistent, real-time access to clean, standardized data, driving better collaboration and faster decision-making.

AI, ML & Analytics

Leverage artificial intelligence and machine learning to automate complex tasks, predict future issues, and identify patterns in warranty claims.

Advanced analytics provide actionable insights, enabling proactive service and product quality improvements and data-driven warranty policies.

Single connected platform

Seamlessly integrate internal (warranty, service, and quality) and external (suppliers and dealers) stakeholders with a single platform.

Make robust claims data available to customers, dealers and suppliers, providing complete visibility and a common platform for interaction.

Customer- and partner-centric tools:

Empower dealers with tools that simplify claims submissions and reimbursements, ensuring a seamless experience for end customers—with no extra licenses required.
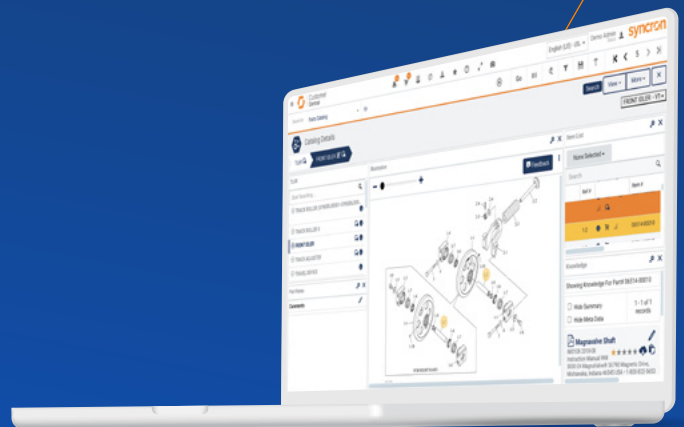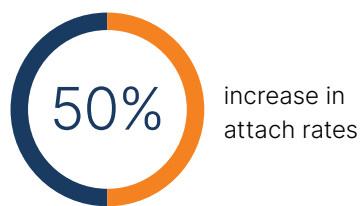
TECHNICAL BENEFITS

Syncron Warranty Management delivers a range of holistic technical benefits across your entire operation.

1. Process claims more quickly, easily and cost-effectively

Streamline claims management with automation, reducing manual workloads, speeding up resolutions, and ensuring greater accuracy in processing claims.

2. Get more money back from suppliers

Maximize supplier cost recovery with automated claims workflows, transparent agreements, and actionable insights to reduce warranty leakage and increase profitability.
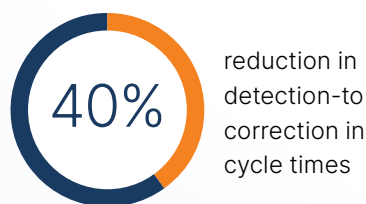
3. Build better products

Leverage consistent, real-time field failure data to identify recurring issues, enabling quality teams to improve product designs and reduce future warranty claims.
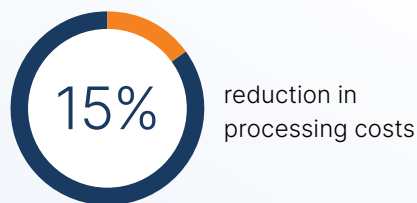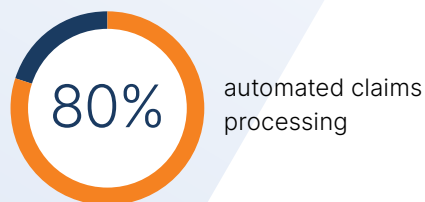
4. Empower service providers to deliver great customer service

Equip service providers with the tools and data they need to deliver seamless warranty services, improving customer satisfaction and increasing brand loyalty.

5. Consolidate and simplify your operation

Unify warranty processes on a single Service Lifecycle Management (SLM) platform, reducing system complexity, lowering costs, and enabling more scalable and efficient operations.

50% increase in attach rates

40% reduction in detection-to correction in cycle times

15% reduction in processing costs

30% of warranty cost covered by supplier recovery

80% automated claims processing

15

BUSINESS OUTCOMES

The core benefit of Syncron Warranty Management is that it helps you transform your warranty service from a liability into an asset.

From a cost - to a profit-center.

It does this by making the incredible data complexity much more manageable, automatable and scalable.

Turning warranty claims into opportunities to improve your products, impress customers and enhance your brand.

This high-level benefit trickles down into a series of powerful business outcomes across three categories.

1. Maximize business value and revenue

As soon as you're able to manage data complexity, it unlocks opportunities across the board: minimizing claims costs, maximizing supplier cost recovery and saving thousands of hours of valuable time.

2. Enhance customer experience, satisfaction and lifetime value

A slick, seamless warranty process keeps customers and dealers happy and makes them much more likely to advocate for your brand. The customer experience is the new source of business value and an absolutely indispensable corner of modern competitiveness.

3. Enhance brand awareness and experience

Especially as competition increases, brand reputation skyrockets in value. By helping your service providers save time and money, you make them glad to stock and recommend your brand, knowing it minimizes the stress of delivering warranty service.
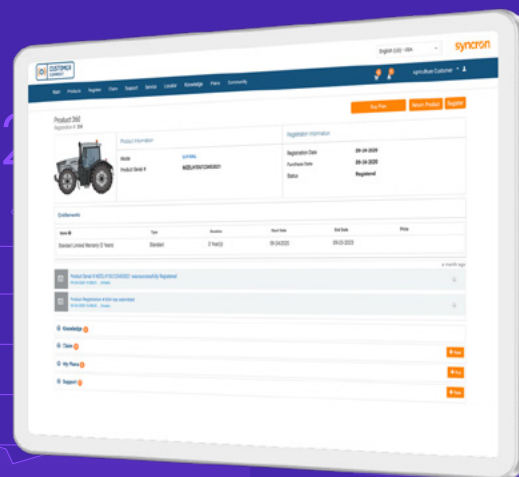
Life cycle

Carbon savings	Parts lifecycle	
41	754	82
+12 (+1.24%)	+302 (+8.33%)	

50   100   150   200   250   300   350   400   450   500

CUSTOMER STORY:
PACCAR PARTS—PARTS RETURN AND SUPPLIER RECOVERY

About:

PACCAR is a global leader in the design and manufacture of premium light-, medium- and heavy-duty trucks. Total revenue for PACCAR Group in 2023 was $34 billion. PACCAR Parts is the aftermarket parts division for its subsidiaries—Peterbilt, DAF and Kenworth.

Challenge:

The growing PACCAR parts division was working with outdated 15+ year-old warranty management tools. On most days getting enough information about faulty core parts to authorize dealer returns was a struggle. The process could take hours.

Slowing procedures and manual processes delayed claims and left dealers holding costly inventory.

And, when expensive core parts finally made it back to their warehouses, the team relied on paper and spreadsheets to send them back to suppliers or in for refurbishment.

Unhappy dealers cost them future business while delayed supplier claims allowed warranty liabilities to pile up. Their burgeoning parts business was losing money.

Solution:

The PACCAR warranty team knew the impact core returns could have on a growing parts business. They wanted to streamline warehouse operations and maximize supplier recovery to turn the department into a profit center.
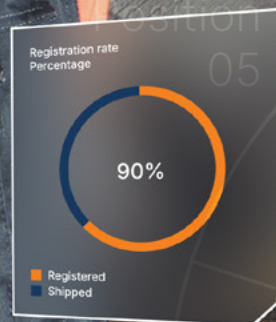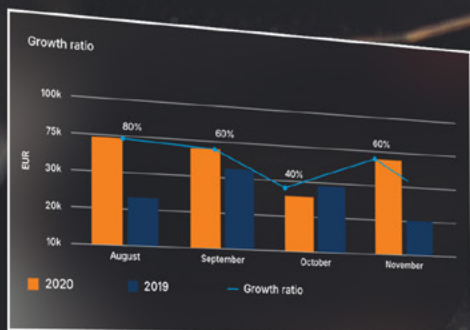
The entire process of core returns approvals, shipping, receiving, and supplier warranty management needed to be addressed. Syncron was the only vendor that could help them manage it end-to-end and deliver unique capabilities, such as return eligibilities, that kept dealers exclusively purchasing from PACCAR.

And, most importantly, it could enable close dealer and supplier collaboration and transparent status of every return within minutes, not hours.

The Result:

The company was previously able to recover $200k-300k from core part suppliers.

With Syncron's parts return and supplier recovery solutions this increased to **$1.5 million per year.**

Growth ratio

100k
75k
30k
20k
10k

EUR

80% | 60% | | 60%
| | 40% |

August | September | October | November

■ 2020 ■ 2019 — Growth ratio

Registration rate
Percentage

90%

■ Registered
■ Shipped

TAPPING THE POTENTIAL OF WARRANTY MANAGEMENT WITH SLM

Modern warranty management is no longer just about processing claims—it's about delivering exceptional customer experiences, improving operational efficiency, and driving long-term business value.

And when warranty management is integrated into a broader SLM strategy, its impact multiplies—creating deeper connections between your other aftermarket functions as well as your dealers and suppliers.

By embracing automation, data-driven insights, and integrated platforms, businesses can transform their warranty programs from a cost center into a strategic asset.

With Syncron Warranty Management, as part of a connected SLM approach, OEMs can streamline claims, improve supplier cost recovery, and empower service providers to deliver seamless customer experiences. The result is not just faster resolutions but stronger customer trust, better product quality, and increased brand loyalty.

By investing in modern, scalable solutions, businesses can stay ahead, meet customer needs with confidence, and unlock the full potential of their warranty programs.

Learn more here: https://www.syncron.com/solutions/warranty-management/

syncron™

+46 8 410 802 00
insight@syncron.com

Syncron AB
Östra Järnvägsgatan 27
SE-111 20 Stockholm, Sweden