Tapping the Potential:
The Accenture Industrial Equipment Industry Group

High performance. Delivered.
Industrial equipment is an industry that holds an untapped potential for growth across the globe. And that growth is fueled by a number of marketplace forces:

- **Innovation is accelerating as companies differentiate themselves from competitors.**
- **Players are increasingly focused on developing new services that attract and retain customers.**
- **Merger and acquisition activity and overall consolidation has swept through sectors including heavy equipment, consumer durables, industrial and electrical, and automotive supplier.**

This, coupled with an imperative to more tightly collaborate with partners across the value chain, has put a renewed emphasis on IT integration.

**Unmatched Capabilities**

Our industrial equipment practice is an integral part of our global organization—an unmatched combination of consulting, technology and outsourcing capabilities.

Our global management consulting practice—leverages the deep industry experience and research-based knowledge of 14,000 experts in strategy and process design, customer relationship and supply chain management, and the performance management of innovation, finance and talent.

Our systems integration and technology practice—capitalizes on the skills of the largest vendor-neutral systems integrator in the world, comprising more than 70,000 specialists in a broad range of technologies, functions and industries.

Our global delivery network—uses multi-disciplinary teams of some 82,000 professionals working out of more than 50 delivery centers worldwide and pursuing a single, repeatable global approach to support the solutions of our systems integrators and technology specialists, as well as the needs of almost 300 business process outsourcing (BPO) clients. By leveraging our network, we can deliver these solutions cost-effectively, efficiently and at low risk.

**IT Outsourcing and Business Process Outsourcing (BPO)**—allows businesses to hold down overall operating costs through strategic use of services, while helping companies to make the selective investments that will fuel future success. Our portfolio of services includes industry-specific solutions that help our clients achieve rapid and sustainable cost savings, improve cash flow and drive top-line growth.
Our industry solutions include:

- Global Manufacturing Business Solutions
- Spare Parts Pricing
- Engineering and Manufacturing Execution Services
- Rapid and Sustained Cost Management
- Application Outsourcing

Accenture Global Manufacturing Business Solutions

To achieve better operations, Accenture developed the Accenture Global Manufacturing Business Solution for Industrial Equipment and Automotive Suppliers. Our solution brings together SAP and enabling technologies and joins them with leading business processes and models. The end result: a low-cost, flexible operating model that scales rapidly and efficiently to meet the changing demands of markets and customers in the industrial equipment and automotive supplier marketplace.

Spare Parts Pricing

Improved pricing strategies can help companies increase profitability and recover costs. Through our Strategic Parts Pricing approach we help clients to set strategies that grow their businesses. For captive spare parts, we take an approach that provides transparency into the client-perceived value of a given component. We use a methodology that allows for rapid return on investment in captive spare parts. Our pricing optimization process is structured in three parts which includes diagnostic, realization and sustainability. Using a lab designed specifically for captive spare parts, we assess product characteristics including dimension, material, and weight. Running thousands of items through our industrialized process allows us to build a strategic pricing approach.

Engineering and Manufacturing Execution Services

Of the $750 billion global engineering-services market today, only about $10-$15 billion is off shored with India accounting for only 12 percent of the total market. Accenture’s Engineering and Manufacturing Execution Service leverages off-shore solutions that reduce engineering and design costs. Areas of growth for this service include even the most complex areas like structural and product design, software development and mechanical engineering.
Rapid and Sustained Cost Management

Rapid and Sustained Cost Management is a comprehensive approach that improves cost efficiency, reduces the cost base and creates a culture of business financial ownership by creating visibility to a company’s cost structure. The approach is innovative in that it enables companies to gain clear insight into “who spends how much and on what” by looking beyond the balance sheet to identify hidden opportunities to reduce costs, increase cash in hand and improve working capital.

Application Outsourcing

Outsourcing has a critical role to play in helping the IT function meet its broader mission of executing business strategy more effectively while enabling the flexibility and the capacity to innovate. Although IT was one of the first functions to be outsourced, business has yet to move beyond a merely tactical approach. For more than 20 years, Accenture has worked with hundreds of organizations around the world to enable high performance by offering a flexible spectrum of application outsourcing services from production to finance and purchasing to human resources. To manage the industrial complexity and succeed against the competition, IE companies are nowadays forced to focus on their core business to succeed with competition. Outsourcing plays therefore an even more important role in today’s business environment.
Our practice at a glance

Accenture provides more than 2500 Industrial Equipment professionals across the globe. We work with 17 of the 23 Industrial Equipment companies in the FORTUNE Global 500. We have six industry-specific Solution Centers located in: Hyderabad/Chennai, India; Madrid, Spain; Shanghai, China; Tokyo, Japan; Turin, Italy; and Detroit, United States.

Wärtsilä Supply Chain: Accelerating Continuous improvement

Wärtsilä is a Finnish manufacturer of large diesel and gas engines for use in powering ships and electricity generation. Wärtsilä wanted to expand its global capabilities, with a special emphasis on regularly developing new manufacturing and sourcing relationships, keeping costs reasonable while addressing new market opportunities. Accenture helped Wärtsilä’s Italian operation, Wärtsilä Italia, develop and implement an agile, end-to-end joint-venture supply chain with Hyundai. This effort also encompassed organizational design, extensive knowledge-transfer programs, and detailed performance metrics for guiding and accelerating continuous improvement.

Michelin: Achieving Strategic Business Goals

Michelin turned to Accenture for help in improving its capabilities in three core business areas: business intelligence, research and development and manufacturing. Leveraging an innovative co-management model, Michelin and Accenture are jointly developing and supporting master applications in each of these core business areas, while also maintaining hundreds of legacy applications. Currently executing the course of its three-year arrangement with Michelin, Accenture is helping the company create efficient, responsive, flexible and cost-effective information management systems that will facilitate faster, better decision-making and ultimately enable better performance. The project aims to contribute to strategic business goals: reduce new product time-to-market, reduce production costs, and decrease related application development, maintenance and support costs.

Komatsu: Shared Services

The Japanese heavy equipment company, Komatsu, manufactures construction and mining equipment, utilities and industrial machinery. After turning to Accenture to help it launch a five-year program to improve and transform IT capabilities, Komatsu America and Accenture designed and implemented a shared services center that helped the company maximize its IT effort. The results have been lowered financial operating costs and improved access to strategic information.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 181,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$21.58 billion for the fiscal year ended Aug. 31, 2009. Its home page is www.accenture.com

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