

1.0 Background

AMD's products are found at the heart of many computing devices. It is a competitive industry where the boundaries of speed and performance are constantly being pushed.

2.0 The Challenge

All companies that sell a product have to deal with the consequences when products are returned. Each return represents an unsatisfied customer. There is an obvious impact to brand reputation that erodes customer loyalty and impacts revenue. Furthermore, the processing of returns consumes revenues earned by selling the product. This cost was especially significant given the recent integration of pre-existing processes from two previously separate companies.

3.0 The Opportunity

Processing returns efficiently while also gaining insights into why customers were making returns would enable cost improvements now and down the road.

4.0 Approach

A core team was first assembled to see the project through. Lead time was identified as the most valuable metric. A team goal was set to reduce both lead time and variation in lead time. Workshops and interviews were conducted to map out the process and quantify areas of opportunity. Key pieces of process data were collected, aggregated, and analyzed to highlight specific improvement activities.

5.0 Results

There were four primary contributors to lead time and variation in lead time. Targeted solutions were put in place for each of these contributors.

Issue:

Solution:

Inaccurate information	→	Released an "error-proofed" web portal for all customer groups to use to return product
False calls at testing	→	Provided a free or subsidized test platform for all key customer groups to use
Uncorrected design flaws	→	Created a knowledge management database to highlight faults based on analysis of defects
Ad-hoc re-configuration of products by customers	→	Identify and include customer configuration requirements in the product design process

Overall, processing losses were reduced by 42% saving \$17M.