WHITE PAPER

DUCKER CARLISLE

Key Supply Chain Moves to Unlock Value in 60 Days

Introduction

The first half of 2025 has made one fact abundantly clear: companies can no longer rely on favorable macro conditions to deliver performance. Geopolitical volatility and capital market dislocation have disrupted planning, delayed major investments, and exposed structural weaknesses in many supply chain networks. In this climate, motor vehicle OEMs and their aftersales operations-parts, service, and logistics-must shift from passive management to actively drive value through targeted, high-impact execution. This white paper presents a focused set of supply chain initiatives for aftersales networks that can be implemented within 60 days to improve EBITDA, unlock cash, and strengthen business resilience. These actions reflect field-tested practices, proven to deliver quick wins.

Context: A Mandate for Operational Value Creation

Motor vehicle OEMs are under growing pressure. Parts availability has become a key differentiator in customer satisfaction and dealer retention. At the same time, sourcing instability, capital constraints, and operational inefficiencies are raising the stakes for disciplined execution. Growth must now be real-not pro forma-and aftersales supply chains are a powerful place to start.

Management teams are increasingly expected to deliver cost reductions and commercial performance gains within compressed timeframes. The aftersales supply chain, with its extensive supplier base, high operational costs, and complex logistics network, is uniquely positioned to deliver rapid wins. The following five strategic actions are designed to be executed within 60 days.

Release Working Capital through Data-Driven Inventory Compression

Motor vehicle aftersales networks are often burdened by long tails of slow-moving SKUs and poor forecast discipline. The first priority must be to conduct a data-driven SKU rationalization exercise, supported by enhanced SIOP (Sales, Inventory & Operations Planning) rigor. By analyzing historical sales velocity, fill rate impact, margin contribution, and customer criticality, companies can classify SKUs by service importance and financial return.

This process should feed into an adjusted replenishment logic that moves away from traditional min/max or EOQ planning and instead prioritizes working capital efficiency. Rapid deployment of constrained inventory logic-allocating capital to high-turn, high-margin SKUs-can free up 5–10% of inventory value. In tandem, organizations should revalidate safety stock levels, particularly in slower-moving regional depots, where inventory often accumulates without justification.

Rationalizing Spend Through Strategic Sourcing

Procurement in aftersales typically suffers from fragmentation: hundreds or thousands of active suppliers, with limited leverage or standardization. A 60-day initiative should begin by mapping the top 80% of parts spend, identifying opportunities for supplier consolidation, and flagging categories with pricing variance across similar SKUs.

This foundation enables two parallel actions. First, cost renegotiation with incumbent suppliers using updated volume forecasts and competitive benchmarks. Second, where suppliers are underperforming or limited in capabilities, the sourcing team should identify potential alternates-especially regional vendors that offer lead time and service advantages.

This effort must also take into account engineering constraints and homologation requirements, particularly in regulated categories. A disciplined, part-family approach can simplify complexity while delivering cost takeout in high-impact categories.

Reassess Network Strategy and Immediate Freight Controls

Rather than reacting to short-term market noise, companies should ask a more fundamental question: is the current physical network still fit for purpose? Over the next 60 days, aftersales operations should begin building a long-term network strategy. This means reevaluating network footprint considering customer density, inventory velocity, and transportation cost. Opportunities may include consolidating underutilized regional DCs, co-locating service parts with finished vehicle flows, or opening new forward stocking locations to reduce time to dealer.

In the short term, firms must also get air freight under control. Many OEMs have defaulted to air as a workaround for poor planning, often without clear cost controls or root cause accountability. A refreshed air freight policy should codify when and how air is approved, enforce post-shipment RCA (root cause analysis), and impose direct reporting on air cost per order.

Together, these actions lay the groundwork for sustainable margin while preserving customer SLAs.

Launch a Rapid Resiliency Audit of the Aftersales Supply Base

Aftersales sourcing teams often lack visibility beyond their tier-1 suppliers. This leaves companies vulnerable to geopolitical shocks, compliance risk, and capacity bottlenecks. A 30-day resiliency audit should begin by mapping tier-1 and key tier-2 suppliers, scoring each based on location, concentration risk, business continuity practices, and regulatory exposure.

This process allows management to identify high-risk nodes and proactively develop mitigation strategies. These may include dual-sourcing programs, pre-qualification of backup suppliers, and contractual clauses that enable rapid ramp-up. Of special concern are electronics, brake components, and high-turn SKUs with offshore suppliers and no near-shore backup.

Resiliency itself is now a key operational capability. Companies that demonstrate robust continuity planning are better positioned to maintain service levels under stress and adapt to shifts in sourcing economics.

Use AI to Boost Planning Speed and Reduce SG&A

The most tactical and immediately impactful move is to deploy generative AI to accelerate planning and reduce SG&A burden. In the aftersales context, GenAI tools can support parts demand planning by aggregating internal order history with external signals–weather events, service campaign alerts, vehicle park data–and generate more accurate forecasts.

Beyond forecasting, AI integration can automate segmentation of dealer demand, flag planning exceptions, and assist planners in building optimized replenishment orders. These tools don't require major system overhauls; many function as overlays to existing ERP and planning platforms.

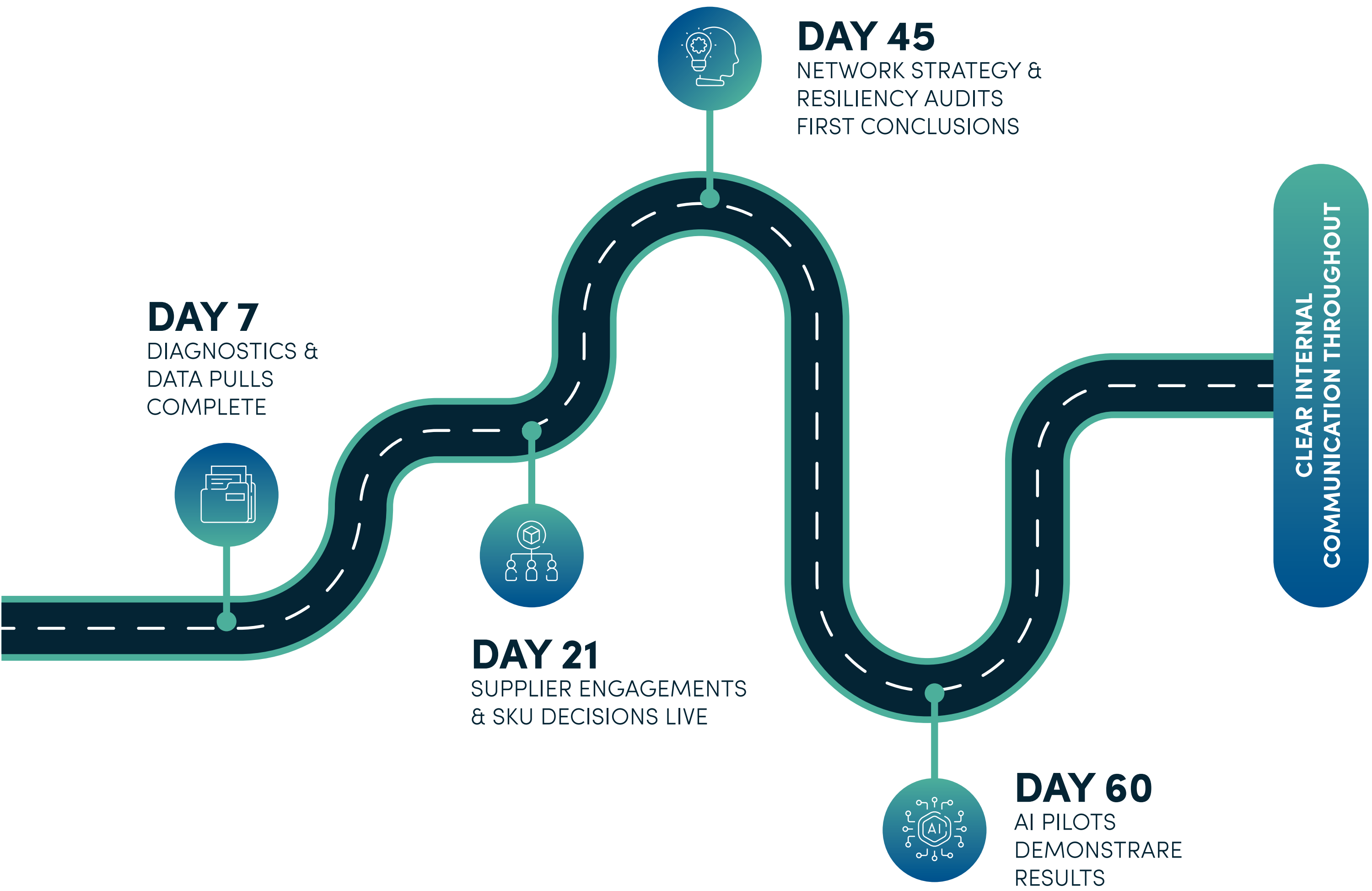
Another high impact use case is in labor-intensive SG&A activities. For example, bespoke AI agents can automatically draft RFQs, validate supplier inputs, or generate standardized shortage reports. This allows planning and procurement teams to shift bandwidth toward higher-order decision making. Early pilots in similar environments have shown a reduction in planning time, enabling leaner headcounts while improving accuracy.

Execution Roadmap: 60 Days to Measurable Gains

To deliver results quickly, these initiatives should be run in parallel under centralized program governance. Within the first 7 days, diagnostics and data pulls must be complete. By day 21, supplier engagements and SKU decisions should be live. Network strategy development and resiliency audits should reach first conclusions by day 45. AI pilots, if scoped correctly, can demonstrate results by day 60. Clear internal communication throughout is essential.

ROADMAP

To deliver results quickly, initiatives should be run in parrallel under centralized program governance.



Conclusion: The Aftermarket as a Value Creation Engine

Aftersales is not just a support function. It is a core lever for financial performance and competitive differentiation. The five moves outlined above are not abstract strategies—they are proven, actionable steps that generate results. Within 60 days, disciplined OEMs can release working capital, reduce cost, improve service levels, and build lasting resilience.

The clock is ticking. Those who act now will establish a decisive operational edge. Those who delay will face widening gaps in margin, service, and speed—and find themselves playing catch-up in a market that won't wait.

DUCKER CARLISLE

GLOBAL CONSULTING, STRATEGY AND M&A SERVICES

www.duckercarlisle.com