

# How Elementum Helped DiveMotor Reduce Delivery Non-Conformities by 11% and Increase Service Levels by 3%



*"The implementation of Elementum has allowed us to make decisions, as well as take corrective actions, because we can now identify the root cause of problems. These changes have allowed DiveMotor to reduce the general level of non-conformities to anywhere between 1% to 1.2% over the course of the year."*

JHOSELYN CASTRO MARTINEZ  
Logistics Analyst at DiveMotor

**DIVEMOTOR**

## RESULTS AT A GLANCE

**99%**

of deliveries without non-conformities

**11%**

reduction in delivery-related exceptions

**3.4%**

increase to service levels and improved customer support

Faster resolution times and fewer exceptions overall

## BENEFITS WITH ELEMENTUM

- » Faster resolution of exceptions for improved delivery speed and better service levels
- » Root cause analysis for continuous improvement and fewer overall exceptions
- » Clear collaboration + communication for increased productivity
- » Better business intelligence for overall savings

## SUMMARY

DiveMotor is a 28-year-old Peruvian company that is dedicated to the commercialization of cars, trucks, buses, vans, and goods, while also providing support and after-sales service to its customers. As dealers of high-end and well-known brands including Mercedes Benz, Fiat, Jeep, Dodge, and Ram, the company is committed to delivering quality products and customer service support. Its supply chain operations play a strong role in this endeavor and entail a multiple-step process that includes receiving automotive shipments, preparing them for the customer, delivering the product, and staying available for ongoing customer support and assistance. DiveMotor dedicates several teams to these operations in order to ensure that every order is thoroughly prepared for the client and delivered on time, within a reasonable time frame.

When it came to handling any issues related to non-compliant products, however, the company's operations deviated from its usual script of order and collaboration. The departments responsible for handling these exceptions had no way to track the management of the procedures for bringing the product into alignment, nor did they have any historical information on their occurrence. With no data, no ability to analyze the root cause, and no workflow for handling non-conformities, DiveMotor encountered near-constant bottlenecks, as well as chaos in its communication and collaborations. DiveMotor estimated that these issues cost the company at least \$30,000 a year while also posing a constant risk to its customer service levels.

So in 2019, DiveMotor began working with Elementum in order to improve its process for handling non-compliant products. Prior to working with Elementum, DiveMotor lacked the tools necessary for determining if it was meeting its goal of capping delivery-related exceptions at 3%. Once the company began using Elementum, DiveMotor discovered that its exception rate far surpassed that number, with anywhere from 5-11% of deliveries containing issues. Elementum's technology helped DiveMotor pinpoint a basic protocol issue that contributed to this high number. With insight into the root cause of the exception, a clear understanding of the necessary corrective action, and a standardized workflow for facilitating execution, DiveMotor was able to lower its rate of delivery non-conformities to 1.2%—well below its threshold goal and industry benchmarks. It also started instituting

## OVERVIEW

- Peruvian automotive company owned by the multinational corporation Grupo Kaufmann
- 1,000+ employees that help service thousands of users and carriers throughout Peru
- 22 service points nationwide, and recognized as the leading Heavy Vehicle Sales Company for nine consecutive years

## CHALLENGES

- Frequent bottlenecks caused by a lack of visibility into supply chain operations
- Constant delays and unresolved tasks due to chaotic communications and siloed information
- Limited business intelligence due to an inability to collect data and measure performance

## SOLUTION

- Implement Elementum for real-time visibility of supply chain exceptions in order to proactively avoid bottlenecks
- Utilize the platform's standardized workflows to streamline communications and facilitate clear collaboration
- Leverage Elementum as the single source of truth to gain actionable insights for better business intelligence and to optimize supply chain operations

monthly meetings that, when aided with insight from Elementum, helped save the teams valuable time and continue strategizing on how to optimize operations.

Meanwhile, DiveMotor was pleased to discover that user adoption of Elementum was a smooth experience. The team found it easy to learn how to use the platform, implement the necessary changes, and collaborate on how to continue optimizing its supply chain operations.

## **ROOT CAUSE ANALYSIS FOR FEWER BOTTLENECKS AND IMPROVED CUSTOMER SERVICE**

When DiveMotor experienced a problem with one of its supply chain functions, it lacked clarity into what exactly caused the issue. Management suspected that logistics was responsible but couldn't be sure without historical data to back up that assumption. Once the company began using Elementum, it discovered that many of the issues actually originated in the factory, and not with the logistics team. As a result, DiveMotor began dealing with claims with the factory, instead of with logistics. This newfound ability to see exactly what was going wrong and why resulted in a significant decrease in both the resolution time of exceptions, as well as their overall occurrences. By aiding employees in running the analysis, determining who was responsible, and taking the appropriate action, Elementum empowered DiveMotor to successfully address the root cause of non-compliance issues. It also was able to address these issues before they reached the customer, saving the company both time and preserving its customer service levels.

## **BETTER COMMUNICATION BETWEEN TEAMS**

Before leveraging Elementum, DiveMotor experienced chronic miscommunications between its internal departments. It was common for tasks related to the management of non-compliance products to remain incomplete, and while DiveMotor suspected that logistics was responsible for some of this oversight, the company had no real way of knowing. Disorganization and a lack of collaboration characterized most of the company's dialogue on supply chain operations. Elementum's platform turned that paradigm on its head by allowing employees to not only connect immediately when a problem arose but clearly communicate to everyone what that issue was, as well as assign accountability to the proper party for resolving it. This change resulted in DiveMotor resolving exceptions more efficiently than before, helping the company meet its goal of timely deliveries.

*Management no longer sees the physical operations as the ugly duckling of the company but as one worth supporting. And it does. Elementum's analysis capabilities ensure that the right individuals take responsibility for exceptions, while also solving problems that do arise: a significant achievement."*

- Jhoselyn Castro Martinez, Logistics Analyst at DiveMotor

## **BETTER BUSINESS INTELLIGENCE FOR OVERALL SAVINGS**

DiveMotor knew that each non-compliant product cost the company at least \$100, and while it was unsure how many of these exceptions occurred, it estimated that the overall cost was at least \$30,000 per year. When the company began using Elementum, it discovered that was a low estimate, as the platform allowed the company to detect even more cases that previously slid beneath the radar. This insight helped DiveMotor create a more detailed budget that a) sources its information from other sectors of the company by encouraging them to use Elementum to report exceptions, b) collates that information into a single place by relying on Elementum's database c) creates a "repair budget" that accounts for these exceptions and allows the internal department to make the necessary calculations and adjustments to handle them. Equipped with this business intelligence, DiveMotor is now empowered to continue making better financial decisions that support the company's overall growth.

*Before Elementum, the process of seeing and managing incidents involving non-compliant products was a headache, because DiveMotor had to analyze all the information on its own. Now, the platform does that for us, and the information we receive helps us make decisions that impact our entire logistics process. The issue of sales—having a good product and giving it to the customer—allows us to build customer loyalty, and at the same time, significantly impacts our entire process."*

- Jhoselyn Castro Martinez, Logistics Analyst at DiveMotor

## **FASTER EXCEPTION RESOLUTION FOR IMPROVED DELIVERY SPEED**

Unfortunately, chronic bottlenecks had become a hallmark of DiveMotor's supply chain operations. It was a common experience for units would arrive with incomplete or missing antennas: an exception that typically would result in DiveMotor needing to file a claim and halt shipment until the right part arrived. Elementum allowed supply chain operators to request the spare part the moment that they noticed it was necessary, leading to a significant decrease in the amount of time spent waiting for the replacement to arrive and, as a result, better delivery times overall. With an 11% reduction in delivery-related exceptions and 99% of deliveries transpiring without non-conformities, DiveMotor was enthusiastic about the changes brought by Elementum—especially when considering the ease with which employees adopted using the platform.

## **A BRIGHT FUTURE WITH ELEMENTUM**

In order to continue harnessing the positive momentum that Elementum has brought to DiveMotor, the company plans to expand its usage to other teams and countries, as part of an initiative to improve its supply chain operations for better customer service and overall savings.