International Newsroom

NAVISTAR ANNOUNCES NEW INITIATIVES TO FURTHER DRIVE CUSTOMER UPTIME

New Initiatives Will Speed Parts Delivery, Enable Cellular Calibration of New Class 8 Trucks



LISLE, Ill. (March 18, 2019) – Demonstrating its relentless commitment to maximize customer Uptime, Navistar announced new initiatives that will enhance customers' ability to keep their trucks on the road and improve their bottom line.

To expedite parts deliveries to customers, Navistar is establishing a new Parts Distribution Center (PDC) in Memphis, Tennessee, while also enhancing its dealer parts inventory management system to increase the breadth of parts already on its dealers' shelves. In addition, to facilitate optimal engine calibration, new International® LT® Series and RH™ Series models built after June with an International® A26 engine will be able to make cellular over-the-air authorized updates.

"We keep finding new ways to set the industry benchmark for Uptime," said Michael Cancelliere, president, Truck. "The actions we are launching today will make it easier for customers to keep their trucks on the road by providing quicker access to key repair parts while enabling remote, cellular calibration of their engines for peak performance."

These new initiatives build on Navistar's recent exclusive announcement of its partnership agreement with Love's Travel Stops, which created the commercial transportation industry's largest service network, with more than 1,000 locations in North America. The partnership added more than 315 locations and more than 1,000 technicians to Navistar's International® service network, leapfrogging the competition while also enhancing customers' options for same-day repairs.

Also announced last week was the company's creation of a new Aftersales function, to be led by Friedrich Baumann, which will manage every facet of the business after the sale of the truck, including oversight of parts and service, Uptime, warranty and dealer development. This enhanced alignment of multiple critical functions will drive improved customer Uptime.

"More actions that benefit our customers will be forthcoming," Cancelliere said. "Company innovations including OnCommand® Connection remote diagnostics, Fault Code Action Plans and the Diamond Edge® dealer certification program have already assured that nearly 80 percent of vehicles powered by our International® A26 engine are back on the road in the first 24 hours, and our goal is to take that number even higher."

New Memphis PDC Will Assure Industry-Leading Cutoff Times for Overnight Parts Orders

To be opened later this year, the Memphis PDC will be the company's seventh PDC in the United States and its tenth in North America. The new PDC's location in Memphis will enable Navistar to deliver parts the next day to over 95 percent of its dealers' service locations. This will help assure that Navistar's International® service network, the largest in North America, will have even more expedited access to parts needed for customer repairs.

"Establishing our new PDC in Memphis will allow our dealers to place

emergency orders for replacement parts as late as 11 p.m. Eastern time, and receive the parts early the next day," said Josef Kory, senior vice president, Parts. "Designed with lean and highly efficient processes, the PDC will offer industry-leading cutoff times for next-day parts delivery resulting in greater Uptime for our customers."

"A later cut-off time, combined with a faster delivery time, gives me the ability to better serve my customers and keep their trucks running on the road," said Travis Thompson, dealer principal for Thompson International, which has six locations in Iowa and Illinois.

Enhancements to Dealer Parts Inventory Management System Increase Breadth of Parts in Dealer Stock

Complementing the new later cut-off time for parts orders will be new enhancements to Navistar's retail inventory management system, which will increase the breadth of parts maintained in dealer inventories, while reducing the depth of parts dealers need to keep in stock. Having a wider array of parts on dealer shelves at the time of repair will maximize Uptime for customers.

"Our new user interface has been developed to provide best-in-class parts fill rates," said Chintan Sopariwala, vice president, Uptime Initiative. "The user interface was developed working collaboratively with the International dealer network, using an algorithm that was built in house and successfully tested at multiple locations. It provides dealers with easy access through a front-end dashboard, along with an ability to dive into the details as needed."

The enhancements were piloted at seven different locations in U.S. and Canada. Every pilot location showed an improvement in dealer on-shelf parts availability, with a double-digit percentage reduction in the volume of unplanned orders, which causes Uptime delays.

"Having the part at the time of repair is the key to getting the truck back on the

road in the shortest possible time," said dealer principal Thompson. "Using these enhancements, we experienced a 50 percent decline in lost sales, while also improving the percentage of trucks repaired in under 24 hours."

"The enhancements to the dealer parts inventory management system have helped us have the parts on shelf when needed and reduce the number of emergency orders," said Michael Waters, vice president, Waters International. "The enhanced system has helped increase our fill percentage in all departments and improve Uptime for major customers."

New Cellular Capability Facilitates Over-the-Air Programming of International® A26 Engine

An additional Uptime initiative will start with new trucks built after June, when all new International® LT® Series and RH™ Series models equipped with an International® A26 engine will include the capability to make remote cellular over-the-air updates to authorized engine calibrations and programmable parameters. This innovation builds on International's pioneering introduction of over-the-air calibration using a WiFi signal.

Remote engine calibration using cellular will allow customers to keep their engines operating with peak performance and fuel efficiency without returning to home base or stopping at a dealer location for an update. In addition, remote programming of fleets' engine parameters enables customers to control factors that deliver performance, safety and efficiency.

"With our new OTA programming capabilities, keeping your fleet at peak performance and efficiency has never been easier," Cancelliere said. "Using these new OTA tools will help our customers achieve greater Uptime and lower their Total Cost of Ownership."

New Initiatives Build on a Track Record of Uptime Innovations

These new improvements, along with the new Love's partnership and the new

Aftersales function, build on many other leadership initiatives Navistar has undertaken to enhance the speed of repair and Uptime. For example, the company now factory-installs its OnCommand® Connection telematics device on all new International on-highway trucks sold in the U.S. and Canada, helping to convert unscheduled maintenance into scheduled maintenance and maximizing the time trucks spend on the road. In addition, the company and its dealers offer the OnCommand® Repair Advocate program, in which repair specialists help customers stay abreast of the status of truck repairs in order to more effectively manage fleet operations for optimized Uptime.

# # #

---

https://news.international.com/TMC2019