## Manufacturers Can Build an Effective Warranty Fraud Process in Five Key Steps

Analyze each type of repair and establish benchmarks for parts costs, labor costs and repair efficiency. Drill down further to establish benchmarks across dealers and servicers, regions/ geographies, and time periods.

Gather, Integrate & Evaluate Data Gather relevant claims data internally – product, supply chain, call center – and 3<sup>rd</sup> party – dealer and servicer. Integrate structured and unstructured data into a warranty fraud database.

Establish Benchmarks

2

Identify Deviations

Identify top causes of repairs by model/sub-model, repair type, dealer/servicer and time period. Employ statistical analysis to uncover root causes – e.g. causal part analysis, pareto charts, serial range analysis, and heat maps.

Conduct text-based analyses on unstructured data sets – e.g. comments from customers, dealers and servicers – to more accurately pinpoint fraudulent activity.

Conduct
Text
Analysis

Determine
Communi-

Once fraud has been validated, determine how to address dealer(s) or servicer(s) with evidence in hand. Send out communication informing all dealers/ servicers of upcoming policy change. Most will self-correct. Focus controls on those who don't.

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