**VENTURE SUMMARY:**
**PCN REVAMP PROJECT**
**DMND0010889**

**CORPORATE CAPABILITIES, DIGITAL ORGANIZATION**

NOVEMBER 2024

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# OPPORTUNITY STATEMENT

Product change notifications (PCNs) are a normal part of the customer journey for electronics companies. All Molex Divisions except for MPS - they have a separate process due to regulatory and contractual requirements – use our PCN system to communicate planned changes & obsolescence to our customers upfront since it may cause disruption along the customer journey: in design, ordering, manufacturing, quality, etc. As a result, making the PCN experience smooth and least painful for our customers is critical.

Current overall customer satisfaction with the Molex PCN experience is 45% and flat for last three years. During a recently conducted customer satisfaction survey & journey mapping PCNs has been identified as a high priority customer pain point.

**The opportunity is to improve external and internal PCN experience through process improvements, generating value by:**

- **Increased customer loyalty & better reputation, leading to higher sales**
- **Soft savings of internal working hours estimated at about 240k U$D annually**

This project will be base of two other planned initiatives to further improve customer & employee experience:

- Integrated change management process from TC to SAP NetWeaver that improves Molex Employee experience & reduces duplication waste
- Self-Service status on molex.com for customers to check PCN status

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# HIGH LEVEL REQUIREMENTS

**Project Objectives**

- Improve Customer Satisfaction related to PCN from 45% to 60% by allowing for:

  - Improved on time implementation from 35% to 50%+

  - Improved/Streamlined new PCN Workflow

  - New Decision Tree

  - Enhanced/Detailed information on customer communication through modified CFD Template

  - Sync Supplier PCN process

  - More flexibility to manage changes

  - Refined process to manage Short Notice Exceptions & Customer Approvals

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# ALTERNATIVES EVALUATED

## PCN Revamp Process

- **Option 1:** Improve existing PCN process without making IT changes (optimized base case)

  ➡ Not recommended due to existing limitations, pain points impacting Customer experience and employee experience - details in appendix. This will increase Customer dissatisfaction

- **Option 2:** Revamp existing PCN Process to address bottleneck and pain points

  ➡ **Recommended**: This will help to address known issues/ pain points and will help to improve Customer experience and employee experience

- **Option 3:** New Application other NetWeaver

  ➡ Not recommended, as this would have costs roughly estimated at 10x of the recommended solution

- **Option 4:** Use TeamCenter integrated PCN function

  ➡ Not recommended, the offered functionality doesn't satisfy all requirements. Also, TC is not in use yet for all of Molex so this would be a partial solution only. Still, an integration to TC is planned and on the roadmap for 2026

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# SYSTEM OR LANDSCAPE IMPACTS

## SAP ECC

- Impacted entities: All sites that currently use SAP NetWeaver
- System performance: No significant impact on system performance is anticipated.

## Interfaces

- No new integrations in scope

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# ECONOMICS SUMMARY

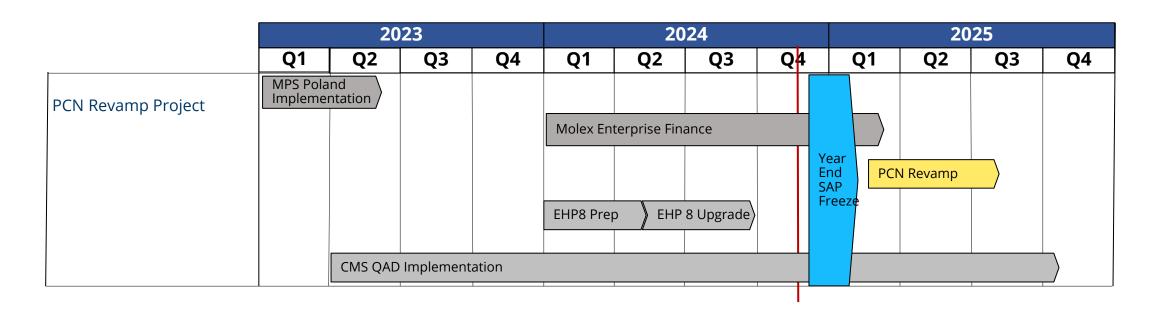| | | | |
|---|---|---|---|
| **High level Efforts:** | **5 IT Resources** | **2550 Hours** | **20 weeks total duration** |
| **(details see appendix)** | **1 Project Manager** | **200 Hours** | **20 weeks** |
| | | _____ | |
| | **Total Cost** | **109k U$D** | |

- **Non-IT resources required for process confirmation and testing:**
  - RCs, LCs from Key sites, Industrial Specialists and others as required for testing various roles as per PCN Process
  - Representative from GSM, Customer Quality, Account Teams, QVP & others for any key design decisions or approvals

- **Value:**
  - **Higher sales through increased customer loyalty & better reputation**
  - **Internal work reduction of 3686 hours per year, amounting to 240k U$D** using a cross regional rate of 65 U$D/hr; details see appendix

- **Restrictions**
  - Other competing projects may delay resources getting assigned to this initiative
  - Any upcoming freeze period or R3Q refresh in parallel may impact

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# TIMELINE

- **Proposed Timeline**

| | 2023 | | | | 2024 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |

**PCN Revamp Project**

MPS Poland Implementation

Molex Enterprise Finance

Year End SAP Freeze

PCN Revamp

EHP8 Prep / EHP 8 Upgrade

CMS QAD Implementation

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APPENDIX

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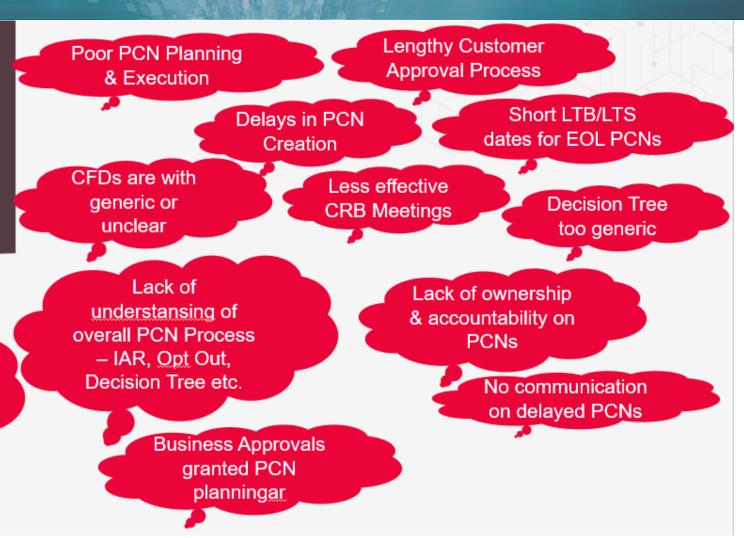
PCN Process: Voice of Business (Internal stakeholders):

- Poor PCN Planning & Execution
- Lengthy Customer Approval Process
- Delays in PCN Creation
- Short LTB/LTS dates for EOL PCNs
- CFDs are with generic or unclear
- Less effective CRB Meetings
- Decision Tree too generic
- Lack of understansing of overall PCN Process – IAR, Opt Out, Decision Tree etc.
- Lack of ownership & accountability on PCNs
- Management Decision process not aligned with customer expectation
- No communication on delayed PCNs
- Business Approvals granted PCN planningar

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**PCN Process: Voice of Customer (VOC):** (This slide will be updated after alignment from internal stakeholders)

Too many EOL / Short Notice PCN's

Short windows on LTB/LTS for EOL PCNs

Obtaining Samples & PPAP information is slpw process

PCN information incomplete- or not comprehensible, no communication on late PCNs

EOL alternates not available

Molex does not honor its commitmenst related to PCNs

No foundation for digitalization of PCN's

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# Economics (backup)

| Improvement Opportunities | Metrics | Count | Units | Time Spent | In Hrs | % Reduction | Estimated Saving / Yr (In Hrs) |
|---|---|---|---|---|---|---|---|
| Additional Non Value Added Time spent by LCs on daily basis to effectively manage there day to day job - Seeking additional, additional communciation, reporting, delays, follow ups - Estimated Saving 30 mins per day (20 LCs) | 30 Mins Per Day (20 LCs) | 250 | Days | 600 | 2500 | 40% | 1000 |
| Additional Non Value Added time spent by Netweaver Users - Estimated Saving 10 mins per week | 10 mins per Week (500 Users) | 52 | Weeks | 5000 | 4333 | 40% | 1733 |
| Time spent on answering mails from PCN Coordinator Mailbox by RCs (10 Min/ Mail) | 50 per day X 22 Days/Month | 1100 | PCNs | 10 | 183 | 40% | 73 |
| Final Approvals Follow up time with Industry Specialist by RC (1 Hr/Wk) | Once a week for an hr (4 RCs) | 52 | Weeks | 4 | 208 | 25% | 52 |
| RC's Time Spent with LC every week on follow ups | 10 Hr per week X 4 RCs | 52 | Weeks | 40 | 2080 | 25% | 520 |
| Getting information on Missing customer contacts | 1528 Total PCN Created in 2023, 322 (IC), 451 Cancelled@30 | 500 | PCNs | 1 | 500 | 50% | 250 |
| Reports & Analysis | 3 hrs per week | 48 | Weeks | 3 | 144 | 40% | 58 |
| | | | | | | TOTAL | 3686 |

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# CALCULATED HOURS DETAIL

[IT hours estimate](#)

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# DEMAND TEAM

**This Venture Summary uses input from below resources:**

Rajesh Khanna (Leader – Global Change Management)

Vijay Sasidharan (NetWeaver development lead)

Andrew Campbell (Finance)

Bharath Sharma (Project Manager team lead)

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**THANK YOU**

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