

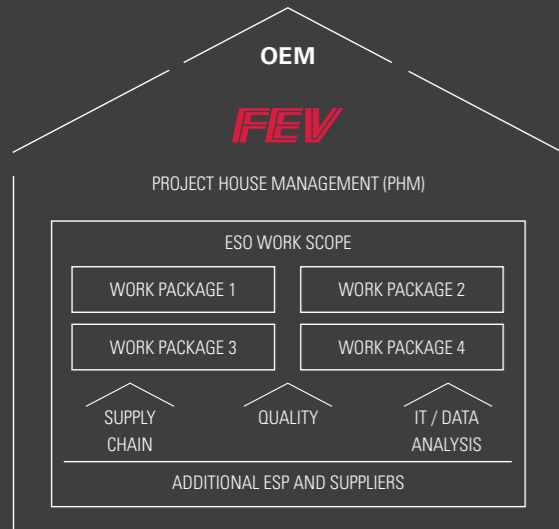
CASE STUDY

SITUATION AND OBJECTIVE

- A global OEM intends to outsource dedicated work packages along the PDP to one key Engineering Service Provider (ESP)
- Objective is to develop a framework in which the ESP can consolidate the work packages and generate an OEM specific working environment

FEV APPROACH

- Joint discussion and definition of outsourcing relevant work packages by OEM and FEV based on core competences and cost effectiveness
- Development of comprehensive „R&D Project House“ framework which is a functional and physical platform for an OEM, FEV and additional 3rd parties



RESULTS & BENEFITS

- ✓ Comprehensive Project House concept for ESO
- ✓ Identification of ~ 4 relevant engineering work packages
- ✓ 1 ESP as central focal point with add. ESPs and suppliers for dedicated tasks

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ABOUT FEV CONSULTING

FEV Consulting combines top management consulting expertise with the technical capabilities and know-how of the FEV Group. Our deep industry knowledge enables us to create pragmatic solutions to some of the most pressing and complex issues facing today's enterprises.

Our team consists of experienced strategy consultants with deep industry knowledge and the backing of FEV's extensive technical expertise to provide solutions that are both practical and sustainable.



ENGINEERING
SERVICE OUTSOURCING

Defining future development responsibilities

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MOTIVATION

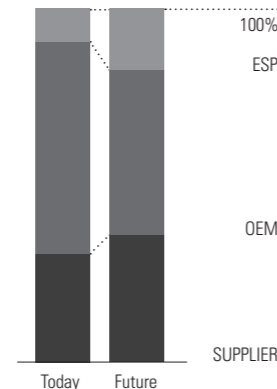
Engineering Service Provider (ESP) play an increasingly important role in the automotive R&D value creation. Reason for that is continuous demand for cost reduction throughout the complete product development process and a faster time-to-market for the OEM.

FEV Consulting tackles this challenge by offering its customers a structured Engineering Service Outsourcing (ESO) approach including the analysis of current R&D landscape, identification of outsourcing relevant work packages and support during the organization and management of outsourcing activities.

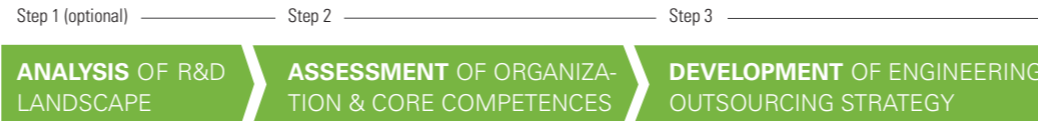
BENEFITS FOR YOUR BUSINESS

- Concentration of resources on core competence related activities in the PDP
- Reducing fixed R&D capacity costs and compensating short-term bottlenecks
- Generating significant efficiency gains through specialization and scale effects
- Faster time-to-market
- Access to external global talent pool

R&D Budget split in %



ENGINEERING SERVICES OUTSOURCING: FEV CONSULTING APPROACH



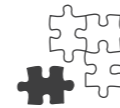
Insights to the European Automotive R&D Ecosystem and its best practices of R&D co-operation

Possible scenarios for successful positioning as integral part of the European Automotive R&D Ecosystem



Organizational setup analysis based on specific questionnaire across engineering and industrialization topics (optional)

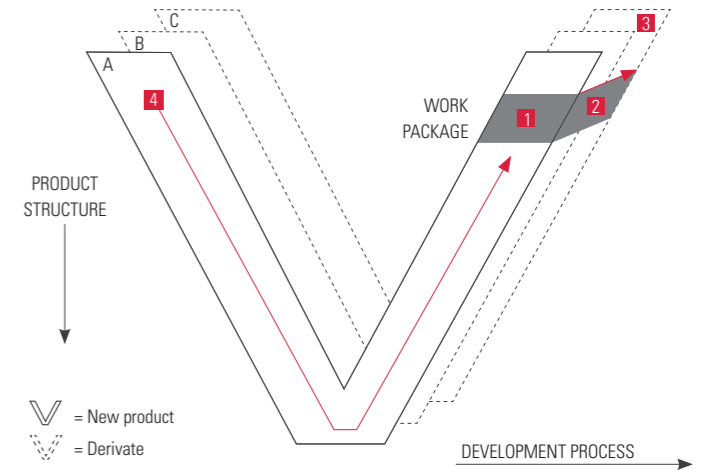
Analysis of core competences along product development process for relevant products (incl. self-assessment by customer)



Detailed assessment of individual product components' and development tasks' outsourcing potential

Development of comprehensive outsourcing strategy incl. definition of suitable work packages, cooperation model as well as screening for external partners

ENGINEERING SERVICE OUTSOURCING Defining future development responsibilities



TYPICAL OUTSOURCING WORK PACKAGES

- 1 Clearly defined work package
- 2 Clearly defined work package across lead product and derivatives
- 3 Development and application of variants / derivatives
- 4 Development of an entire new product or platform