

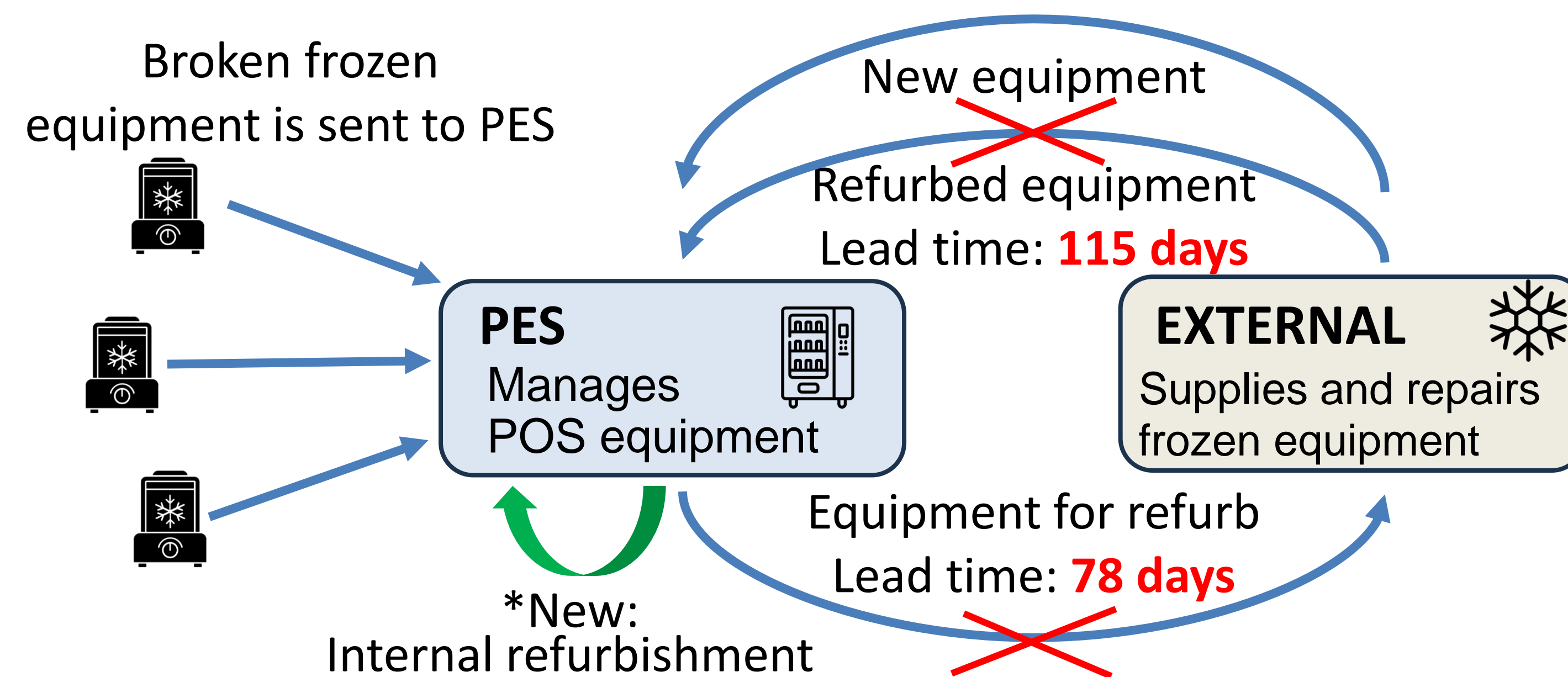
## Problem Background

### Pepsi Equipment Services (PES)

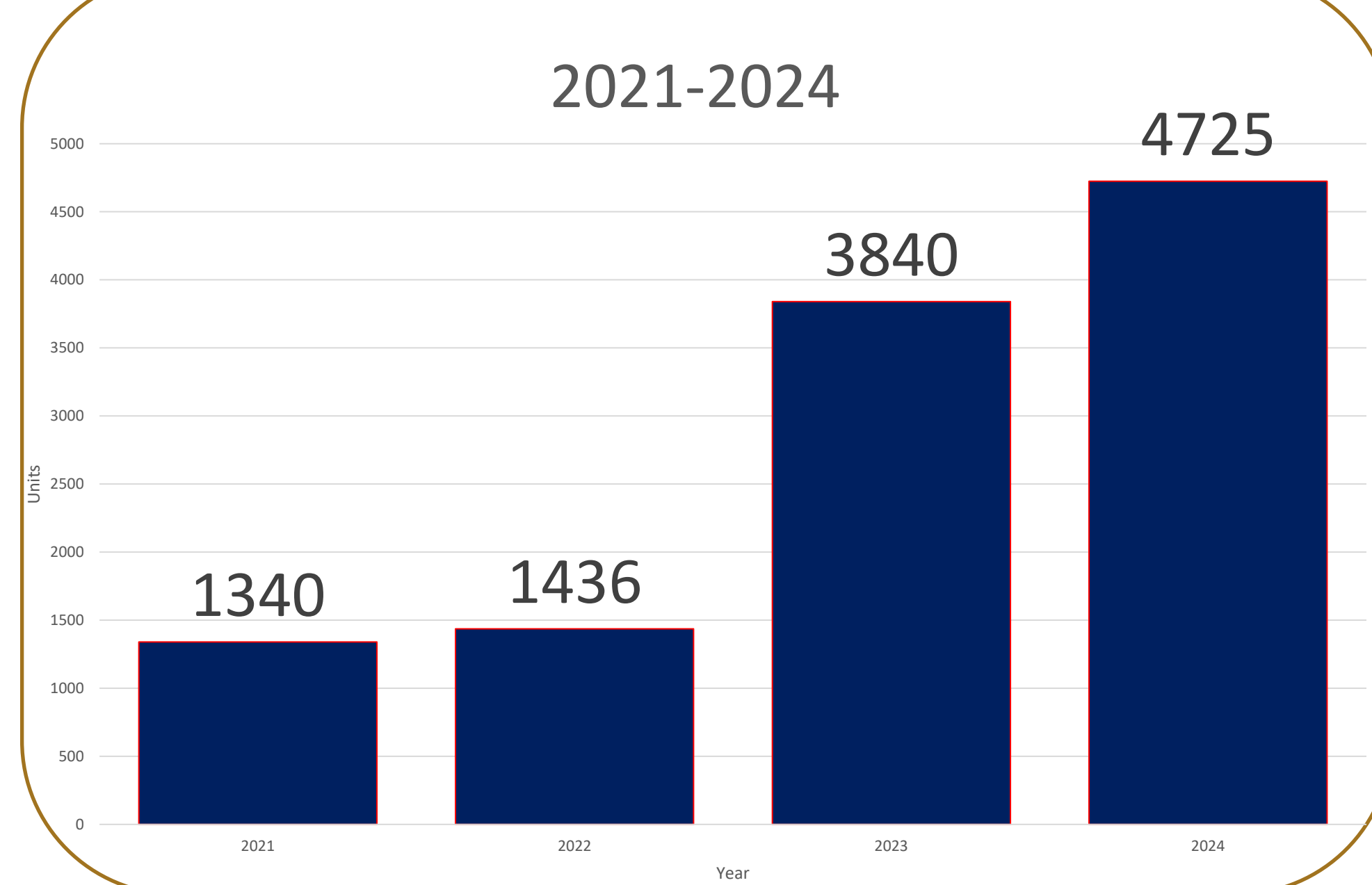
Client Location: Sellersburg, IN



- **Subsidiary** of PepsiCo
- Manages, distributes equipment to customers
- Wants to **optimize frozen business**



### Refurbishment Growth



### Machines



Ultra NX (New)



Ultra 2 (Old)

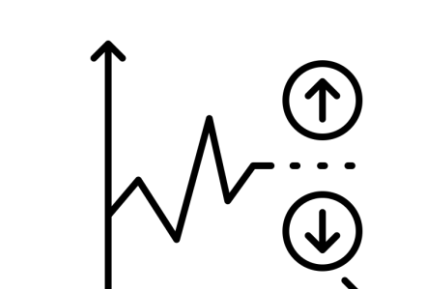
**Present:** PES buys new from BUNN, and refurbishing frozen equipment internally creates risks **without clear benchmarks and procedures** to optimize PepsiCo's assets

**Goal:** Gain insight into internal refurbishment to **maximize capital productivity**

## Key Pain Points



Lack of past refurb data



Changing demand of market



Data gaps from poor recording

## Comparing Refurbishment Strategies

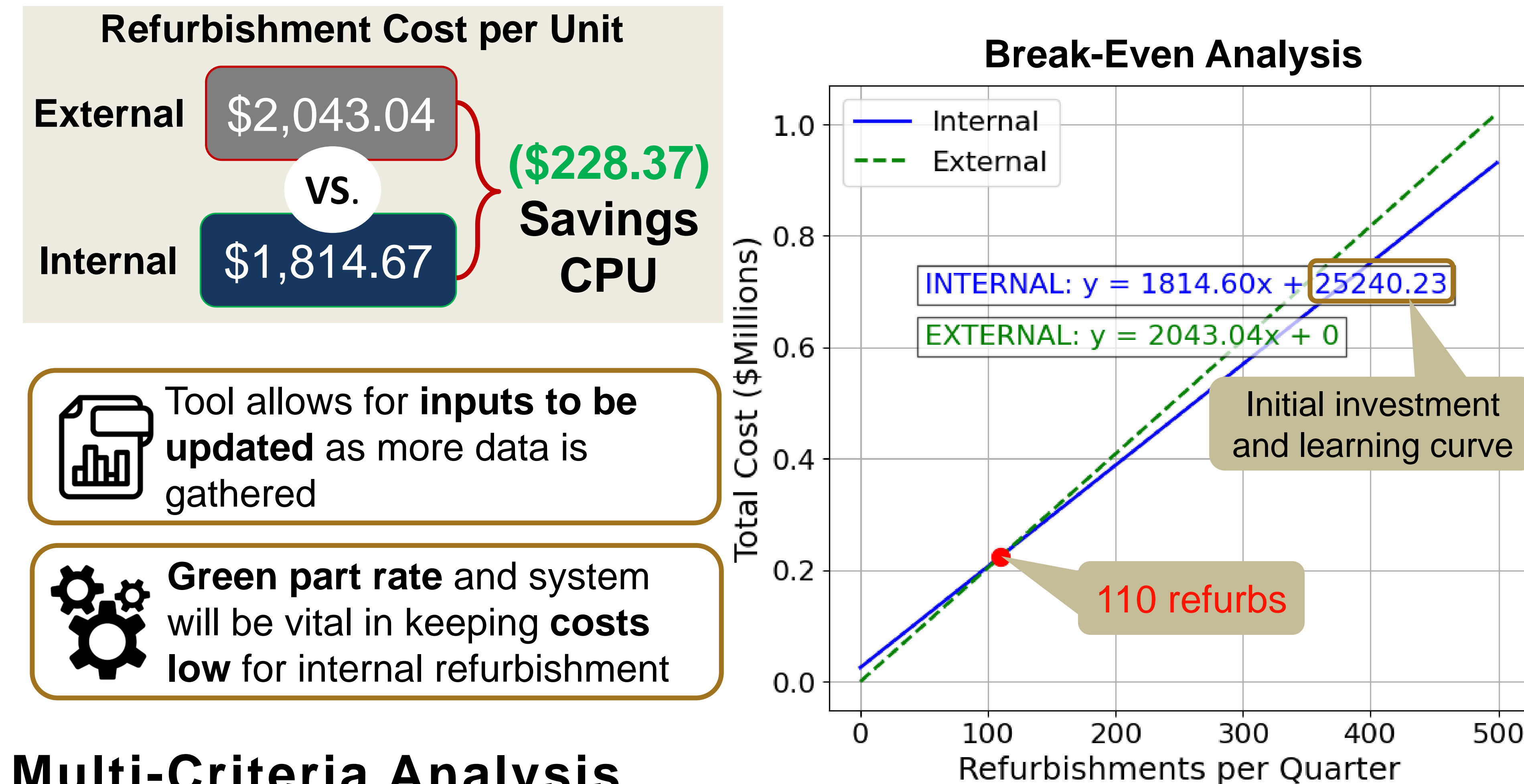
### Cost Analysis Tool

**Purpose:** Flexible tool used to compare capital productivity and costs of repairs to evaluate financial implications of PES's transition to internal refurbishment

### Inputs & Calculations Overview

System Wide Inputs	Internal Refurb Inputs	Calculations:
Units to be Refurbished	Average Parts Cost per Refurb	✂️ Refurbishment Costs
New Machine Cost	Labor Cost per Refurb	
	Freight Cost per Refurb	
	Overhead Cost per Quarter	
	Junk Rate	❄️ Machine Replacement Costs
<b>External Refurb Inputs</b>	Green Part Rate	💰 Money Saved due to Green Parts
Average Cost per Refurb	Average Cost Saved per Green Part	
Junk Rate	Average Number of Parts per Machine	
Average Freight Rate		

### Outputs Overview



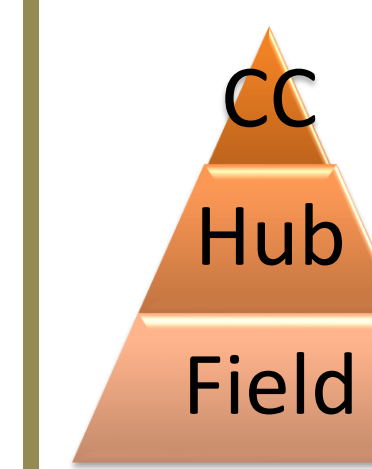
Tool allows for **inputs to be updated** as more data is gathered

**Green part rate** and system will be vital in keeping **costs low** for internal refurbishment

### Multi-Criteria Analysis

	External Refurb	Internal Refurb
Turnaround repair time	✗	✓
Internal parts sourcing capability	✓	✗
Ability to collect, leverage data for future planning	✗	✓
Junk rate of machines	✓	✗

## Methodology



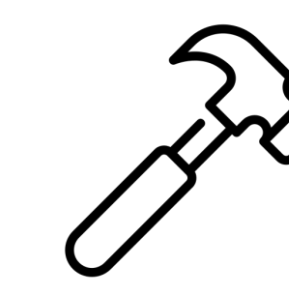
### Site Visit

- Explored PES Certified Center
- Learned about refurbishment process



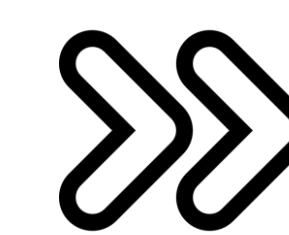
### Data Analysis

- Find good data to use for analysis
- Used pivot tables and power query



### Solution Development

- Built flexible tool to compare refurb strategies



### Next Steps

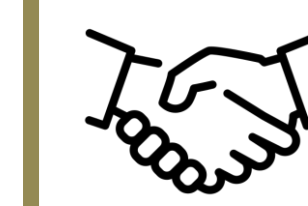
- Finalize cost analysis tool
- Establish SOP for tool for handoff

## Next Steps for PES



### Bolstering Capabilities

- Assess in-house refurb logistics
- Includes training, SOP, shipping and handling, space requirements



### Sustaining Relationships

- Continue work with external company to buy new machines, parts



### Assess Segment Profitability

- Evaluate profit vs. cost of business
- Determine viability of future operations

## Project Impact


 Increased **visibility** for placement **profitability**

 Established **benchmarks** to **define success**