

Aculocity: Focus on warranty wisdom

SCI-TECH SCENE | Aculocity shows firms how to analyze claims, reduce costs

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Warranties are the Rodney Dangerfield of the retail and manufacturing industries.

Yet companies ignore warranties at their peril.

"When a company pays attention to its warranties, it's a great way to improve brand image, save money and improve customer satisfaction, loyalty and repeat purchases," said Eric Arnum, editor of Warranty Week magazine, based in Forest Hills, N.Y.

Product warranty claims total a jaw-dropping \$28 billion a year in the United States, and extended warranty claims add another \$16 billion, Arnum said.

A Highland Park-based company, Aculocity, is touting its expertise in showing companies how to analyze warranty claims and figure out how to save money and improve their products as a result.

"We can forecast future spending [on warranties] and show how much it will cost if a company doesn't improve its product," said Vadim Kozyrkov, Aculocity's president, who bills himself as the "Warranty Doctor." Kozyrkov holds a Ph.D. in physics from the University of Port Elizabeth in South Africa, and is known in the industry as the Warranty Doctor (*thewarrantydr.com*).

Other functions

Aculocity also:

- Helps chief financial officers sleep at night by providing a warranty analytic tool that calculates warranty costs in real time.
- Offers software that processes warranty claims and manages the claims' resolutions.
- Manages clients' information technology needs with an emphasis on growing the business.
- Offers software that lets IT managers register and keep track of contracts, contract expirations, software licenses and other data about their company's cell phones, laptops, network equipment and other hardware;
- Provides technical support such as firewall protection, communication lines and computer service.
- Writes Web-based applications with Google-like search capabilities, such as an electronic parts catalog for manufacturers in which a client can quickly find a single part number among a list of thousands of such numbers.

The company also is creating a database of HIV and tuberculosis patients for the government of South Africa.

Aculocity recruits top student programmers in Moldova and in South Africa, relying on their knowledge of the latest technologies and their desire to show their creativity by designing new innovations.

Big growth plans

"We are not cheap IT outsourcers that compete with Indian programmers. We focus on value solutions rather than competing on rates," said Russian native Kozyrkov, who spent 10 years in South Africa, including five years at the University of Port Elizabeth and five years at General Motors South Africa.

Aculocity intends to grow 20 times its size in the next five years, including potentially acquiring other companies. It now employs 30 and has less than \$25 million in yearly revenues.

Ryan Billet, chief operating officer of Autocar, a Hagerstown, Ind.-based maker of heavy-duty trucks such as garbage trucks, concrete pumpers and terminal tractors, said Aculocity has helped the firm identify product problems based on patterns that turn up in warranty claims.

"The analysis can tell us which parts were replaced or added on a truck taken in for repair. Was it a supplier issue? A bad batch of a product that we received?" Billet said.

Autocar has also used Aculocity's software expertise to get better control of its inventory and to link its plant floor to an enterprise resource planning system to make sure the product coming off the line had no defects.

"We have saved millions," Billet said.

Arnum of Warranty Week said manufacturers have started using warranty claims to improve their customer satisfaction scores, and retailers have realized there's profit to be made in selling extended warranties. The lucrative field has attracted warranty experts who advise companies on topics ranging from setting up extended warranty programs to finding patterns in warranty claims.



Vadim Kozyrkov, president of Aculocity, and Douglas Bukaty, vice president of sales and marketing, participate in a video conference from their Highland Park headquarters. Kozyrkov says the firm emphasizes value solutions.