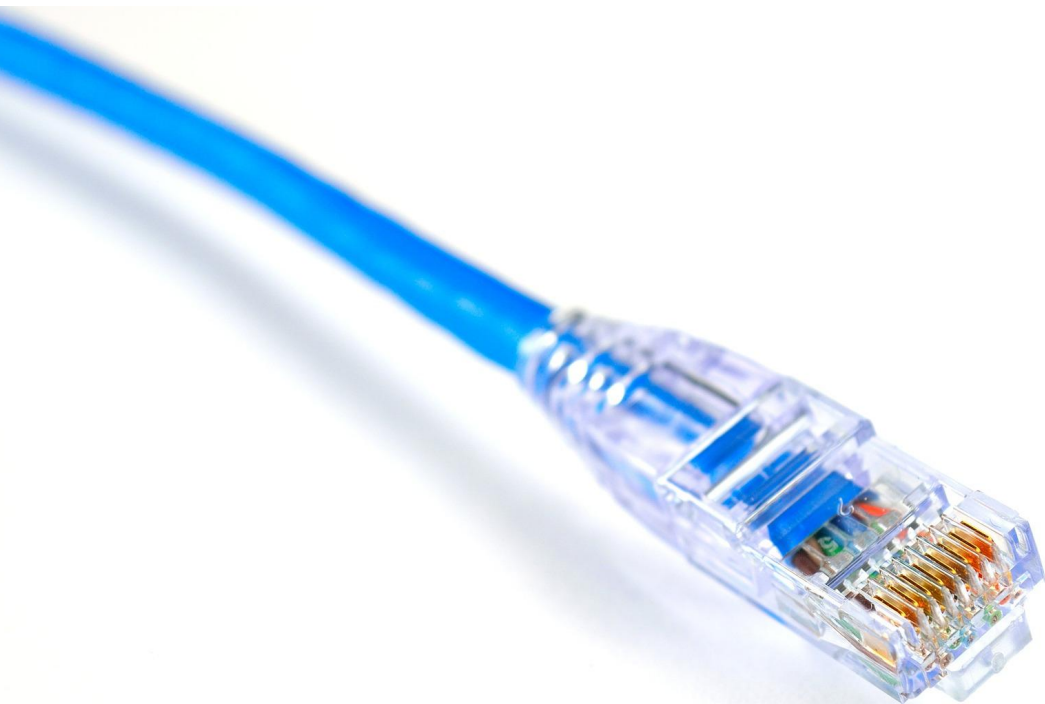




THE BEST PRACTICES OF AFTER SALES SERVICES

in professional electronic industries

This document provides ideas and viewpoints for creating winning after sales service strategies for brand owners and OEM's operating in professional electronic and robotic industries.



Compete via professionally managed after sales services

The growth and profitability targets are tough to meet in today's matured electronic industries. The end customers expect that their machines and equipment are running efficiently without unnecessary production or maintenance stops. Success requires adopting new, more efficient technologies, solutions and partnerships on continuous basis.

End customer requirements of smooth production have increased the demand of highly efficient after sales services. These services enable business growth and revenue. They also provide a great potential for efficiency improvements. After sales services complement the offering, influence on the success of the products and enable sustainable life-cycle management of the products.



After sales services in electronic industries

The business potential of after sales services is huge. In practise they influence on the whole life cycle of complex electronic devices or equipment. This is possible, because well-organised after sales services provide valuable information for product development, thus helping companies to improve and optimise their physical products. Secondly, after sales services secure optimal use, repair and recycling of the products.

Most commonly after sales services include:

Ex-site services

- Screening of the products – are they good for their purpose
- Testing of the products – do they fulfil requirements and regulations
- Repair of the products – repair, testing before delivery to the site
- Refurbishment – securing functionality and asset management
- Handling of spare parts – securing right parts on right end use
- Recycling – minimising the ecological footprint of the products
- Reporting of product functionality – information for product development and life-cycle planning

On-site services

- Remote control services – controlling the maintenance and repair need
- Maintenance of the products – on customers' site
- Installation services – de-installation and possible re-deployment based on customer demand

Future of after sales services

IoT, internet of things, will improve the efficiency of after sales services. More and more information can be collected and analysed. This can take place also via remote control. Breakages can be predicted and downtime due to maintenance or repair can be planned in advance.

Choices for creating a successful after sales strategy

Each OEM has its individual competitive environment. This sets the frame for a successful after sales service strategy. Other key elements include e.g. the customer profile and existing inhouse competences. Meeting the changing customer demands drives the strategy work – and this is why agile strategies beat the more conservative ones.

A successful strategy needs to be innovative. Disruptive business models are needed even to keep, and especially to increase, the position in the highly competitive markets. Proactive strategy focuses on creating unmatched customer experience at the same time while it seeks to increase the value offering and efficiency.

A feasible after sales strategy

- Creates trust
- Ensures needed support
- Utilises help-line
- Builds service integrity
- Provides rewards
- Excels in quality
- Is cost-efficient

The value chain, and consequently strategy, will not be the same for premium, mainstream and lower end OEM's. Arthur D. Little has presented interesting analysis and viewpoints for creating disruptive business models in after sales service business:

- Outside-in model is built around customer needs. It suggests providing higher and lower profile services depending on the customer type. High end service is built around the brand and respective price positioning. Lower end services' location and level are limited, which means also lower price.
- Inside-out model is built around excellent own competences which can be utilised for other brands, too

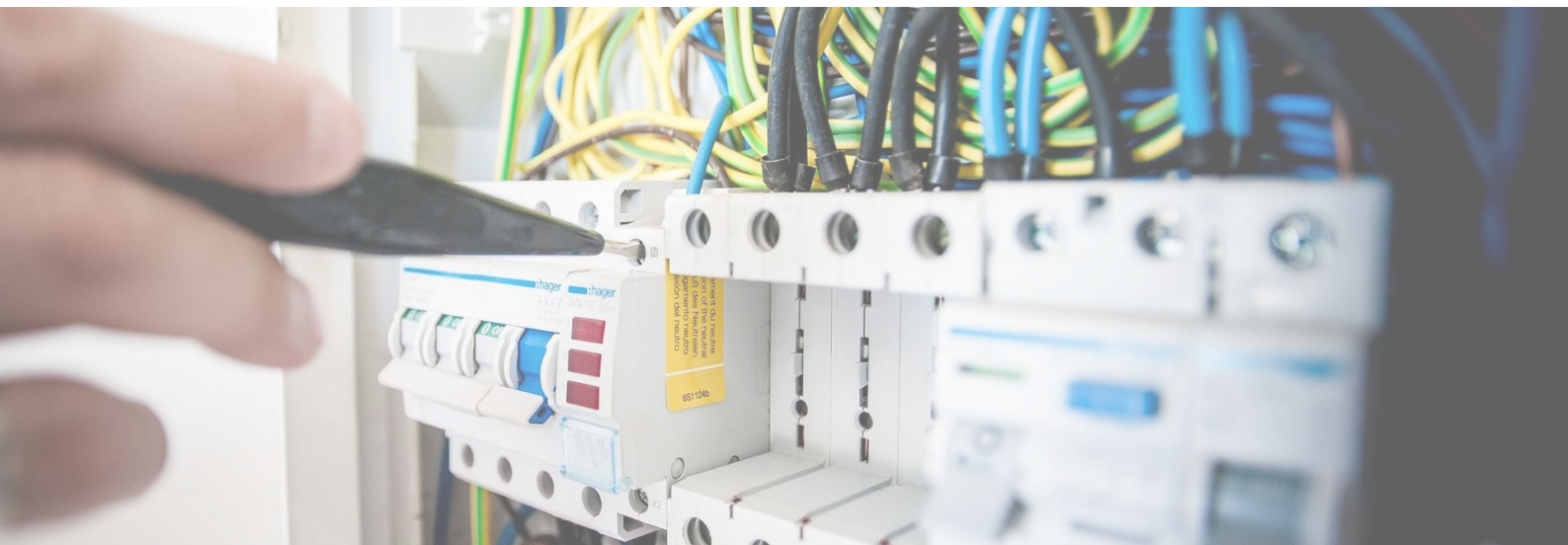
Today the outsourcing solutions are strongly emerging in after sales services, too. They provide a way towards profitable growth and enable companies to focus on developing their core competence, with the advantage of increasing the agility of operations.

Selecting of after sales service partners

When the strategy is to outsource a part or all after sales services, right partner needs to be found. The business and end customer needs are decisive for creating right selection criteria.

What are the needed competences and processes, where the service should be offered and how well established and credible the partner candidates are. Also the capability of creating customer specific, innovative service solutions should be evaluated. Proof of using a continuous improvement methodology separates the best candidates of the others.

When the partner candidates have been identified, they should be prioritized based on the selection criteria. The references and first discussions reveal whether the candidate company is service and development oriented. If there is a good basis for cooperation, the next step is to formulate and sign due diligence and partnership agreement. Good communication aligned with targets, KPI's and follow-up meetings are the tools for a systematically conducted evaluation and improvement of the daily cooperation and results.



Strategic partnerships in high tech after sales services

TDR has focused on providing unique advantages for brand owners in the demanding electronics and robotics industries. The technology neutral approach provides flexibility, efficiency and reliability of repair, testing and spare parts handling.

The focus on increasing the products' lifetime with faster turnaround time and lower cost of repair provide strong customer benefits in today's severe competition.

Contact TDR to learn more

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