Equanex

Web projects On-Time & On-Budget!

# Integrating Content for Effective Customer Facing Applications


Luda Kopeikina
President
Equanex Corporation
Concord, MA
978 369 0330, ext 123
luda.kopeikina@ equanex.com

# Outline

- Customer Expectations for a Self-service Product Support Module
- Self-Support and Service Vision
- Infrastructure Requirements
- Content Categories
- Implementation Issues
- Implementation Strategies

# End User Requirements

- Ease of use (fast, to the point, clear)
- Ease of finding relevant information
- Ease of identifying relevant components of the product (e.g. spare parts)
- Ease of moving from one type of information to the other

# Product Components Identification


- **Keyword search does not solve the problem of part identification**
- **> 40% of customer calls into service center relate to spare parts identification**
- **Studies show that users prefer visual identification to any other method**
- **Visual identification should be presented within a graphical context of the whole product**

# Finding Relevant Information


- Searching manuals and troubleshooting guides by keywords
- Long process of selecting the right information from the search results
- Frustrating process for the user

- Product and its structure can be used as context
- Relating information to serviceable subassemblies and components provides the user a better chance to find information quickly

# Ease of Switching From Content to Content


- Scenario:
  - User identified the component
  - User has a choice of ordering different types of material
  - User would like to research the best one for his application
- Process:
  - Read papers associated with each material, application, component
- Associate different types of information at the level of component
- Inter-link information types
- New process:
  - User will have access to white papers related to this component and specific material in an application context

# Satisfying End-User Requirements

## Customer Perspective

- Ease of use
- Ease of finding relevant information
- Ease of identifying product components (e.g. spare parts)
- Ease of moving from one type of information to the other

## Self-service Requirements

- Focused on the user's potential action
- Context sensitive information
- Graphical navigation
- Inter-linking of content

## Creating a Great User Experience

- **Ease of Use!!**
- **The more relevant and refined is the response, the more satisfied is the customer**
- **Personal information as much as possible**
  - **Show only products that the user bought**
  - **Show only information accessible to the service level that the user purchased**
  - **Utilize information known about the user, e.g. shipping, etc.**
- **Integrating online and offline**

# Service Vision Required

**A successful self-service capability requires a service vision**

## The New Profit Imperative

- **Only one in eight of the 1000 largest manufacturers have outperformed the S&P 500 since 1998**
- **All thriving companies have gone “downstream”**
- **Weaker product demand**
  - **Annual sales growth declined from 5.2% to 2% over the past 30 years**
- **Growing installed base**
  - **Longer product span**
  - **Accumulation of past purchases**
  - **Installed base is an order of magnitude greater than the number of units sold annually**

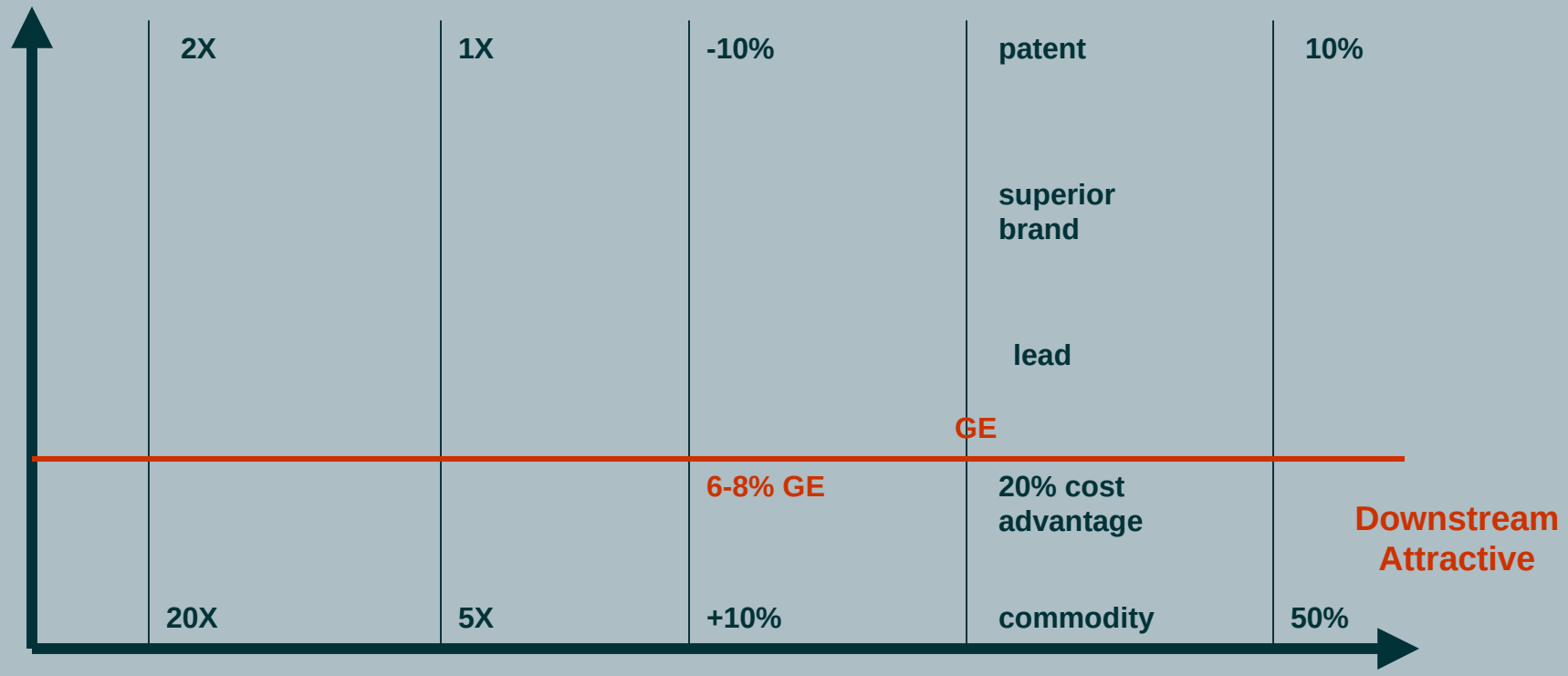
# Rethinking Manufacturing Strategy

- **Old foundations:**
  - **Vertical integration for cost control**
  - **Disciplined research to create superior products**
  - **Dominant market position to provide economies of scale**
- **Going downstream requires new foundations:**
  - **Redefining the value chain**
  - **Building customer allegiance**
  - **Rethinking vertical integration**

# Three Downstream Business Models

- **Embedded Services**
  - **Smart product can save labor costs for customers**
- **Comprehensive Services**
  - **Handling many aspects of product's ownership and operation creates a bond with customers**
- **Integrated Solutions**
  - **A range of products and services to satisfy customer needs**

# Which Downstream Strategy Makes Sense for You?



# Online Service Vision

## A specific “downstream” business model

- Creates a vision for the online service offering
- Defines current and future capabilities that can be offered online
  - Current content
  - Future content
  - Infrastructure requirements

## Service Vision Implications

- **Embedded services**
  - **Data utilization and analysis, feedback loop to customers**
- **Comprehensive services**
  - **Continuous addition of services, information management**
- **Integrated services**
  - **Continuous addition of products and mix/match of services**

## Case Study - CLV Manufacturing Company

- $1.2 Billion in Revenue
- Headquartered in Japan; Locations in Europe and US
- A broad vacuum processing product line from complex equipment ($5M) to components ($500)

## Case Study - CLV Manufacturing Company

- Grown through acquisitions
- Direct sales model for equipment
- Direct sales model for components
- Large installed base, measured on the uptime of equipment in the field
- Competencies
  - Advanced Technology (out of Japan)
  - Sales approach - solving customer problems

## Service Revenue Creation

Case Study

### Why is service revenue “left on the table”?

- Viewed as a necessary evil
- Continued focus on new sales
- High support cost in low price market segments
- Customers that are not willing to pay for a standard service plan but would buy a service plan at a certain level
- Multiple service plans are  difficult to maintain and deliver

## Service Vision

Case Study

- Vision - Comprehensive with some Embedded Services in the future
- Five target markets with different needs
- New products include a software component that require high support costs
- Created 5 service plan levels
  - Light - given away
  - Preferred
  - Gold advanced
  - Platinum - applies to customers who purchase new products with software included
  - Internal

# Service Plan Example

Case Study

- **Service Level - Gold Advanced**
  - **Spare Parts Identification**
  - **Ordering**
  - **Advanced Troubleshooting**
  - **Advanced Repair Procedures**

# Infrastructure Requirement

Case Study

**Flexible infrastructure is required with ability to**

- **Provide current product support content**
  - **Maintenance**
  - **Troubleshooting**
  - **Spare parts identification**
  - **Ordering/Reserving**
- **Structure and deliver flexible service plans**
- **Expand the offering in order to support the service vision**

Equanex

Web projects On-Time & On-Budget!

# Benefits

## Increase Revenues

- ✓ Increase revenue from spare parts sales
- ✓ Generate additional service revenues by offering tailored customer service online
- ✓ Cross-sell and up-sell capability resulting in additional sales
- ✓ Increase sales closure rate
- ✓ Increase qualified sales leads

## Decrease Costs

- ✓ Reduce sales costs for equipment and spare parts
- ✓ Reduce customer support costs
- ✓ Decrease ramp up time for customer service and field service personnel
- ✓ Reduce warranty costs

## Increase Customer Loyalty

- ✓ Customers save time and get the high level of service they desire

## Improve Cash Flow

- ✓ Reduce sales cycle time on equipment and spare parts

# Benefits

Case Study

## Increase Revenues

- ✓ Spare parts sales - 3%
- ✓ Service revenues - 100%
- ✓ Cross-sell/up-sell - 15%
- ✓ Sales closure rate - 1pt

## Decrease Costs

- ✓ Support costs - 10%
- ✓ Ramp up time for field service personnel - 6 m
- ✓ Warranty costs - 20%

| | (in 000) | Revenue Increase | Margin Increase | Cost Reduction |
|---|---|---|---|---|
| 1 | Spare parts | $ 900 | $ 540 | |
| 2 | Service revenue | $ 20,000 | $ 10,000 | |
| 3 | Cross-sell & up-sell capability | $ 2,250 | $ 1,350 | |
| 4 | Increase sales closure rate | $ 9,000 | $ 5,400 | |
| 5 | Technical support | | | $ 720 |
| 6 | Decrease ramp up time for service personnel | $ 1,200 | $ 600 | |
| 7 | Warranty cost | | | $ 800 |
| | Total | $ 33,350 | $ 17,890 | $ 1,520 |

# Return on Investment Summary

**Investment into Self-service capability can**

- **Pay-off in the first quarter of operations**
- **Increase customer switching costs**
- **Provide differentiation**
- **Provide a platform for service vision**

# Current Content

Case Study

- ERP data
  - Customer records
  - Spare parts information
  - Bill of Material
- CAD/CAM system
  - Product images
- e-Commerce
  - Ordering and transactional activity
- Technical Documentation
  - Service Procedures
  - Installation Instructions
  - Replacements Guides
  - Troubleshooting Guides
  - Spare Parts Tables

## Service Plan

Case Study

- Components
  - Information
  - Labor
  - Product(s)
- Information will become a more critical component going forward
- Ability to add, select and include informational content depending on the access level of the customer will become even more critical in the future

# Required Flexibility

Case Study

- Add informational content categories quickly, e.g.
  - Technical notes
  - FAQs
  - Related articles and white papers
  - Software downloads
  - Software demonstration(s) and installation instructions
- Create additional service levels to realize revenue opportunities

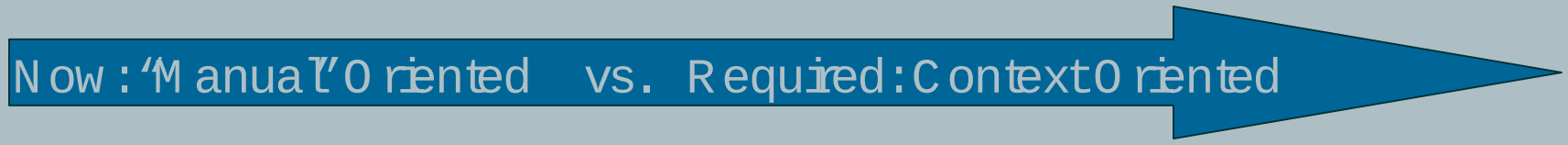
# Implementation Requirements

Case Study

**Ability to**

- **Implement products incrementally**
- **Add capability in modules, e.g. troubleshooting**
- **Add content internally**
- **Maintain content internally**
- **Have feedback loop from the field**

# Implementation Issues




- Paper based information delivery, e.g. service manuals, documentation
- Different organizations are responsible for preparation and maintenance of different information
- Customized information delivery is resource consuming

- Information is created and maintained in logical units - "chunks"
- Fast, easy and direct access to "chunks" of relevant information
- Easy and fast maintenance of "chunks"
- Ability to combine "chunks" into manuals and/or service plans

## Self-service Product Support Vision

- **Authoring platform for self-service capability**
- **Provides a flexible contextual structure (product image, schematic, etc)**
- **Imports or utilizes existing content**
- **Provides an easy way to inter-link content**
- **Provides a way to define service plans from existing “chunks”**

## Example

Case Study

**Demonstrate ease of content population and service plan creation**

**CLV Manufacturing / VisiSolve**

## Implementation Strategies

- **Implement products that generate most calls first**
- **Implement only new products, correlate with new product introduction**
- **Implement products that require spare parts, utilize drill-down to lead to these parts**

## Future Technologies

- **Wireless**
- **Natural language interface**
- **Intelligent agents knowledgeable in the product**

## Summary

- Ease of use is critically important for end users
  - Speed of finding information
  - Relevance
  - Clarity
- Successful self-service capability requires a service vision
- A different information delivery paradigm is required for successful content delivery
  - Graphical product navigation
  - “Chunks” of information versus manuals
  - Inter-linked