

Product-Service Systems across Life Cycle

Process Identification for Customer Service in the field of the After Sales Service as a Basis for “Lean After Sales Service”

Uwe Dombrowski^a, Constantin Malorny^{a*}

^a*TU Braunschweig, Institut für Fabrikbetriebslehre und Unternehmensforschung, Langer Kamp 19, 38106 Braunschweig, Germany*

* Corresponding author. Tel.: +49-0531-3912726; fax: +49-0531-3918237. E-mail address: c.malorny@tu-braunschweig.de

Abstract

Original Equipment Manufacturers have recognized that offering After Sales Services enables high revenues. Above this, the offer of After Sales Services combined with primary products is an appropriate instrument to improve customer satisfaction and loyalty. But due to the noticeable increasing competitive pressure in the After Sales Service, a possible solution is the implementation of Lean principles to optimize the customer service-processes. These processes all pursue the target to satisfy the customer's needs. But due to the variety of these processes and difficult, changeable conditions in customer service (varying workload, required material and tools, changing working environment ...), there is no valid framework concerning the general conditions and objectives of customer service-processes or no holistic approach for process structuration in these processes. But the framework identification of general conditions as well as a holistic process structuration in customer service is the necessary basis for the implementation of Lean principles. Within this paper (based on a research project funded by the German Research Foundation), the development of a methodical approach to identify general conditions, customer service-objectives and to create a holistic process structuration will be described, which should help the OEMs offering customer services to identify and structure these processes. By the use of this methodical approach, OEMs will be enabled to create a structured process landscape. In the future, this process landscape provides an initial point to implement Lean principles, such as Continuous Improvement or Waste Reduction, in customer service.

© 2016 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of the scientific committee of the 8th Product-Service Systems across Life Cycle

Keywords: After Sales Service; Customer Service; Process Identification; Lean Production

1. Introduction

Original Equipment Manufacturers (OEM) attach importance to customer orientation and, with this, to customer service in order to differentiate themselves from competitors. The exclusive offering of primary products is no longer a unique selling point. [1] Products are becoming increasingly interchangeable and similar in both quality and price. Therefore, companies bring the offering of After Sales Services into focus in order to achieve a competitive advantage so that almost 60 % of the manufacturing companies are offering After Sales Services. [2] This is mainly based on the fact that services that complement the primary product are responsible for 75 - 80 % of the company profit [3].

The Figure 1 illustrates the differences between the product sale and the After Sales Service. It becomes evident that the After Sales Service can provide several advantages. For instance, the After Sales Service is very independent of the economic situation, offers high margins and the business is stable in times of crisis. Moreover, there is a high potential for revenue growth, intense contact / exchange with customers and innovations. [4]

Besides the advantages from the After Sales Service, there are several difficulties, for example high variance and complexity in processes and rising customer expectations towards the service offering and its quality. [5] Not only more and more offered services increase the complexity in After Sales Service but also the complexity and variant diversity of primary products contribute to After Sales Service

complexity. [3] Therefore, this paper deals with the high variance and complexity in the After Sales Service and a possible approach to face these difficulties by identifying and structuring these processes is presented.

	Sales	After Sales Service
Independency of economic situation	Very high	Low
Margin	Low	High
Behavior in times of crisis	Profit and sales collapse	Stable
Forecast horizon	Short product life cycles	Long service intervals
Contact to customer	Singular customer contact	Intensive, long lasting contact
Gathering customers needs	Limited	Good, due to intensive contact with the customer
Growth and innovation potential	Often already limited	High

Fig. 1. Comparison between Sales and Service [4]

This paper is organized in five sections. The focus of the research is described in section 1. The second section describes the After Sales Service. Based on these two sections, the need of improvement is explained in section 3 and a methodical approach is given in section 4. Section 5 covers the final conclusion.

2. Customer Service in the context of After Sales Service

The After Sales Service can be typically divided into three organizational segments; the Spare Parts Service, the Customer Service and the Accessories Business (see Figure 2). [7] The field of Spare Parts Service covers the disposition, pricing, sales, logistics as well as the demand forecast of these parts. It ensures the availability of spare parts during the complete life cycle of the product by using spare parts management strategies. [8] The Accessories Business comprises parts and products to satisfy additional customer’s desires (e.g. license products or technical equipment). [9]

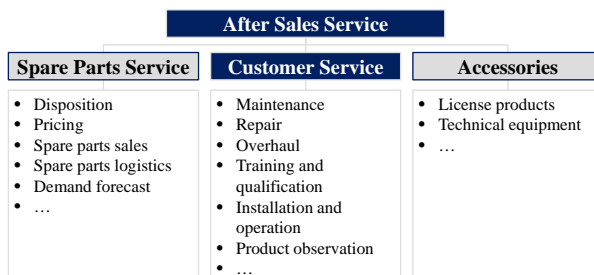


Fig. 2. Trisection of the After Sales Service [7]

The focus of this paper is the Customer Service and its tasks and operations. In this context, maintenance, repair and

overhaul of the products are part of the Customer Service. [10]. Customers do not only expect a just in time-spare parts delivery. The expectations of customers have changed in such manner so that they want to have a central contact person for any questions or problems. This contact person has to be available at any time, gives information and can help as well as take care of customer-specific problems. [11] But further extra Customer Services, such as commissioning or installation of equipment and machinery [12], as well as employee training are requested additionally by the customer [13].

The importance of this part of the After Sales Service is also becoming evident by the high margins. [3] But in future, customers will expect even more service and support processes from the OEMs with higher quality and lower costs. [5] Moreover, in After Sales Service, analogous to primary product sales, the quality of the offered services will assimilate. This is based on the rising customer expectations that OEMs try to meet. [14] In consequence, in future there will be a higher competitive pressure [15] so that OEMs have to strengthen efforts in Customer Services to maintain customer loyalty, to create unique selling points and to satisfy the individual customer needs as well as expectations. [16]

Therefore, OEMs will shift from a product-orientation in their organizations to a service-orientation, particularly OEMs that are offering technological mature products with no opportunity of differentiating in the market. [17] Moreover, the complexity in Customer Service will grow because of a continuously increasing number of Customer Service offerings that is necessary to ensure the market position and share. [18]

3. Need for improvement in Customer Service processes

At the time of writing, the research project “Systematic adaption of lean production system principles to After Sales Service for customer focusing and waste reduction” (funded by the German Research Foundation “DO 755/26-1”) is in the initial phase. In the first two work packages of the research project, an environmental analysis of the general conditions in After Sales Service as well as the structuring of the Customer Service processes takes place. With this, characteristics and appropriate specific values that are typical for the different processes and for the general conditions in Customer Service of the After Sales Service shall be identified.

This analysis is necessary due to the complex and highly variable processes in Customer Service. Due to the high complexity and variance, OEMs have to face the problem of insufficient process standardization and customization. [14] That means that there is a lack of process standardization so that OEMs and their employees are not able to refer to process standards or structured processes. [19]

A further difficulty in Customer Services is the high number of various work contents, varying lead times and fluctuating customer demand. [20] These problems result in non-added-value-processes. For instance, 45 % of the maintenance processes do not add value for the customer. This huge percentage of processes can be traced to missing

Download English Version:

<https://daneshyari.com/en/article/1698304>

Download Persian Version:

<https://daneshyari.com/article/1698304>

[Daneshyari.com](https://daneshyari.com)