CUSTOMER EXPERIENCE IS TAKING CENTER STAGE IN AFTERMARKET SERVICE STRATEGIES

For all the changes occurring in the marketplace, the Supply Chain Institute reports that mega trends identified more than a decade ago remain unchanged. But don’t get the idea that there’s nothing new under the sun. In truth, plenty is happening.

What’s changing is the growing sophistication of approaches to these trends and the challenges they present. While real progress is being achieved in some areas, virtually no companies have achieved uniformly high levels in all categories. So there’s work to be done.

One of the areas in which many companies believe they are making progress is customer relationships. Global companies that are high achievers understand the importance of a clear customer-experience strategy.

These companies recognize that being “least objectionable” is no longer a winning strategy. The key is to use the entire customer experience, including aftermarket services, to build true customer enthusiasts.

According to respected global consultant Bain & Company, one effective way to measure the level of customer enthusiasm, as well as learn how to improve it, is by using the Net Promoter Score® (NPS®) system. The starting point in determining your company’s NPS is asking customers a single question: “How likely are you to recommend this company or product to a friend or colleague?” Scores of nine or ten represent “promoters,” your most devoted customers. Those at seven or eight are “passives,” and those scoring between zero and six are “detractors.” NPS is the percentage of promoters minus the percentage of detractors.

Bain & Company surveyed almost 3,000 U.S. customers in the three communications service markets: wireless, fixed Internet and pay-TV. They found an empirical link between profitable growth and a company’s NPS relative to its competitors’. There is a link to several value creators, including:

» Reduced churn
» Increases in revenue per users
» Referrals

Put another way, your customers will stay longer, buy more, tell their friends and provide helpful feedback that can expand your customer base and improve your business.
“The key is to use the entire customer experience, including aftermarket services, to build true customer enthusiasts.”
REVERSE LOGISTICS AND AFTERMARKET SERVICES ARE NO LONGER NECESSARY EVILS

These revelations have given further importance to end-to-end customer care. The true change agents increasingly recognize the significance of integrating effective aftermarket service strategies into the customer experience.

In the past, many companies focused simply on getting a product repaired or replaced and, hopefully, keeping the customer happy. Aftermarket services, once regarded as an unglamorous necessity, got little respect at the C-level as executives were more concerned with the forward supply chain and getting goods to market. Now with many industries facing tough competition and fighting for market share, the need to create additional value for their customers, increase customer satisfaction and improve brand loyalty is becoming paramount.

A NEW PERSPECTIVE THAT STARTS WITH REPAIR AVOIDANCE

According to Andrew K. Reese, editor of Supply & Demand Chain Executive, there now is a greater realization of the numerous touch points in the reverse supply chain that can add up to significant cost. How well companies handle these touch points determines whether they positively or negatively impact profitability, customer satisfaction and the entire brand experience. Clearly the best scenario to reduce costs and raise customer satisfaction levels is to avoid the need for repairs to the highest degree possible.

Other factors are influencing the heightened interest in aftermarket services as well. Environmental laws like the EU’s Restriction of Hazardous Substances (RoHS) and Waste Electrical and Electronic Equipment (WEEE) initiatives compelled companies to set up procedures for taking repossession of products at the end of their life cycles. Now new EU consumer legislation taking effect in 2014 places further burdens on manufacturers to conform.

All this places greater importance on asset recovery programs that maximize the residual value of old equipment while ensuring that recycling is conducted according to local and international guidelines and legal requirements. In some cases, electronics manufacturers and their aftermarket services partners are actually able to generate revenue streams as well as the peace of mind that comes with a registered, compliant and responsible recycling solution.

In addition, the increased focus on corporate governance and reporting that results from Sarbanes-Oxley legislation in the U.S. market, and similar laws elsewhere, forces financial executives to become more focused on the tracking and accounting of inventory returning to their company’s supply network. It’s a major task that falls into the realm of reverse logistics for capturing and conveying those revenue numbers.

The aftermarket service industry is realizing that virtually all major electronics industry OEMs are members of the Electronics Industry Citizenship Coalition (EICC) and thus are in full compliance with the EICC standards. They expect their vendors and service partners to be in compliance as well.

To keep in step with our electronics-industry customers, Teleplan’s Corporate Social Responsibility (CSR) policy aligns with the EICC standards, which provide guidance in five critical areas of CSR performance: Environment; Ethics; Health and Safety; Labor; and Management System.

CONSOLIDATING AFTERMARKET NETWORKS

Another trend is for companies to consolidate their network of aftermarket services and to become more multichanneled. There is one critical objective in these actions: return avoidance.

CUSTOMIZED SOLUTIONS ARE KEY

Further complicating the challenges of today’s reverse logistics environment is that there are no set solutions. Things would be simpler if standardized processes and routines could be
applied. But not all returns are the same, and the process needs to be customized based on factors such as the device, its use, its condition and even its demand.

Today’s global manufacturing environment, with an emphasis on making products in low-cost countries, also forces companies to place reverse logistics’ operations in locations contrary to their manufacturing philosophies. What makes sense from a manufacturing standpoint often doesn’t work when it comes to aftermarket services, which need to be closer to end customers.

THE BENEFITS OF OUTSOURCING

While some companies choose to provide aftermarket services in-house, many others find value in outsourcing to market specialists. Outsourcing offers several important advantages:

» Providing the convenience and efficiency of specialized facilities near where your customers are located, not where you happen to be manufacturing your products
» Delivering instant reengineering of your aftermarket services to world-class levels without the accompanying investment
» Gaining scale and flexibility to meet changing business needs
» Increasing the efficiency and speed of recovering, inspecting, testing and disposing of returned products
» Benefiting from the experience of experts in aftermarket services

“HOW WELL COMPANIES HANDLE THOSE TOUCH POINTS DETERMINES WHETHER THEY POSITIVELY OR NEGATIVELY IMPACT PROFITABILITY, CUSTOMER SATISFACTION AND THE ENTIRE BRAND EXPERIENCE.”
If you choose to outsource, the most productive relationships result from trusted partnerships. That might sound obvious, but achieving the highest levels of innovation and integration require trust, an open mind, lots of collaboration and a willingness to think outside the box. The outcome can be phenomenal.

From Teleplan’s perspective, we like to begin the road to partnership by fully understanding the needs and goals of our partners and customers. This starts with the involvement of our Solutions Architects supporting the finding of the correct, customized solution based on their objectivity and industry knowledge.

Collocation is another concept gaining traction in reverse logistics and aftermarket services. In these cases, Teleplan actually comes “under roof” at customer facilities, providing an on-premises solution with the benefits of outsourcing. Variations include collocating with other partners such as a 3PL distribution center.

We are constantly seeking ways to support ideas that can open new revenue streams for our clients. One of our major customers was unhappy seeing their used products distributed through the “gray channels.” We responded with a program that tests products coming in from leases to determine their serviceability. Those that pass or are worth repairing now become part of the client’s new and controlled remarket channel, resulting in products with consistently high quality levels that contribute to brand satisfaction.

The end result for our client is greater control over their used products and brand, while gaining additional revenue from a previously untapped market. Volumes now total 50,000 units per month with projections to increase those numbers by threefold.

That’s just one example of how our two companies have been able to partner together in developing aftermarket services at higher levels. The real point is that true partnership relationships are what separate the highest achievers from the rest of the market.

Learn More about Teleplan, Our Capabilities and Our Lifecycle Care Solutions

For a no-cost consultation, please send an email inquiry to monika.collee@teleplan.com.

CRITERIA FOR CHOOSING THE RIGHT AFTERMARKET SERVICES PROVIDER

- Technological innovation
- Skill & experience of service personnel
- Long-term service commitment
- Breadth & depth of experience
- Commitment to quality improvement & customer satisfaction
- Pure play & independency
- Financial solvency
- Reputation
- Full range of end-to-end lifecycle care service portfolio
- Understanding of customer’s business & market
- Unique service capabilities

DESIGNING A PRODUCT? CONSULT THE PEOPLE WHO FIX THEM.

Some products can look great on the drawing board and then not live up to expectations in the field. Teleplan offers a service where we take your prototypes and make recommendations — based on our extensive experience in repairs — on factors like designing for serviceability, making the product more reliable and improving the customer’s overall user experience. There’s no better way to reduce repair expenses and improve customer satisfaction than to avoid building problems into the product.

Once a product is in the field, we can also provide a closed-loop system that collects repair data on the product, which our engineers then analyze and make design change recommendations to the CEM for future versions.
A major Teleplan initiative is to expand our global presence in major markets while broadening our end-to-end solutions. As a result, we recently opened our third facility in North America. The Harrisburg facility, located in central Pennsylvania, expands our eastern U.S. presence and rounds out our facilities in North America. Most importantly, it puts us within a 48-hour reach of 94 percent of the U.S. population.

The enhancement of our global footprint is only one part of the picture. Beyond adding to our global locations, we are also adding new solutions and partnerships that help you better serve your customers through innovative concepts.

A case in point is an easily accessible pickup-and-drop-off (PUDO) service that is now live in the UK and will soon roll out in several European countries along with the U.S. and Indonesia. This solution avoids any inconvenience on your customer’s end, such as having to take a day off to have a parcel collected or delivered during a workday.

Teleplan is now able to provide your customers with more flexibility and convenience through our new third-party logistics supplier and partner network. This innovative PUDO offering enables your customers to use the drop-off and pickup locations of the logistics companies. Your customers have choices and are in control of their time.
Service supply chains are increasingly viewed as a competitive differentiator for many businesses, according to a recent survey sponsored by Teleplan. The research included 100 service supply chain executives. This changing view of the service supply chain is especially true within the high-tech sector, where products often have long working lives and where uptime is critical to end-customer satisfaction.

While service was traditionally viewed as a customer entitlement and a cost center burden to be shared across the business, it is now seen more as an opportunity to enhance margins or compete for new customers. Beyond their number one perception of service supply chains being a differentiator (29 percent), executives ranked assuring customer satisfaction second (26 percent), while the view of service supply chains as an efficiency tool and a cost center tied for third (18 percent).

Perception of the Service Supply Chain’s Primary Role

But that’s only the tip of the iceberg when it comes to the insight revealed in this study. Below are other key topics:

- How senior vs. junior executives perceive the service supply chain’s primary role
- Extent to which the service supply chain is embedded in overall corporate strategy
- Typical length of relationships with third-party service providers
- Alignment of aftermarket operations with other business functions
- Business impact of service supply chains
- Top levers impacting customer loyalty
- Which businesses are more likely to use external service providers
- Identified benefits of outsourcing

If you’re eager to see the rest of the study data, Teleplan will soon publish a white paper containing all the pertinent information. Watch for future announcements, or reserve your copy by sending an email request to monika.collee@teleplan.com.
“BEYOND THEIR NUMBER ONE PERCEPTION OF SERVICE SUPPLY CHAINS BEING A DIFFERENTIATOR, EXECUTIVES RANKED ASSURING CUSTOMER SATISFACTION SECOND, WHILE THE VIEW OF SERVICE SUPPLY CHAINS AS AN EFFICIENCY TOOL AND A COST CENTER TIED FOR THIRD.”
In 2013, Teleplan celebrated the company’s 30th anniversary. Since 1983, we’ve grown from a small German repair service enterprise for AV devices to a recognized world-class organization in the aftermarket service industry. What this means to you is access to advanced service networks that now encircle the globe from Dallas to Sydney and from São Paulo to Suzhou, encompassing 22 operational sites and many more collection points.

As you might expect, we’re duly proud of our accomplishments and the many fine customers we serve. But the real value of 30 years comes from the experience we’ve gained, the flexibility we’ve demonstrated and our ability to leverage those skills and knowledge into the future. Our entire focus is on being where our customers need us and effectively anticipating the services they will require for their success.

You can depend on Teleplan to continue playing a leading role in the evolution of aftermarket services. We pledge to spend the next 30 years setting the bar for best practices and partnering with our technology customers to make their customers’ experiences exceed the highest expectations.
For 30 years, Teleplan has been working with customers to deliver lifecycle care solutions that improve their products, services and customer loyalty. The scalability of their solutions and global service network enables their customers to grow across markets and enter new regions quickly. Teleplan provides critical aftermarket services with the highest levels of quality and consistency, and with ever-increasing efficiency.

Teleplan deals with the complexity of all aftermarket services; their customers experience end-to-end simplicity.