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Digital Maintenance in the Digital Twin Era

Proceedings of the 64th ESReDA Seminar & Doctoral Workshop

Deusto

Engineering

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Work funded by project SUSTASKILLS: Development of a roadmap for the implementation of skills related to industrial symbiosis and energy efficiency to achieve a sustainable process industry. Grant Agreement No PUE_2023_1_0006. The sole responsibility for the issues treated in the present paper lies with the authors; the Basque Gobernment is not responsible for any use that may be made of the information contained therein.

Work funded by project SKILLS4EII: Development of a roadmap for the implementation of skills related to industrial symbiosis and energy efficiency to achieve a sustainable process industry. Project N101184954. The sole responsibility for the issues treated in the present paper lies with the authors; the European Commission is not responsible for any use that may be made of the information contained therein.

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ISBN: 978-84-1325-228-5

Industrial service – the red pill

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Abstract

This work focuses on the concept of servitization, emphasizing the transformation of traditional business models to incorporate service-oriented solutions. It addresses the challenges entrepreneurs face when implementing new service offerings, particularly the common customer perceptions that services should be free or not worth the effort. This servitized RAMS oriented presentation outlines a structured approach for entrepreneurs to identify and articulate customer problems, propose effective solutions, and link their service offerings to these needs. By understanding the customer's perspective and effectively communicating the value of services, businesses can enhance customer satisfaction and drive revenue growth. The key take-away is the importance of thorough preparation and customer engagement in successfully transitioning to a service-based model.

1. Introduction

Industrial suppliers have increasingly sought to develop business models that capitalize on service-based activities rather than relying solely on machinery and hardware sales.

Although it's widely assumed that service-oriented models yield higher revenue, greater profitability, and foster stronger relationships with end users, many industrial equipment manufacturers continue to struggle with selling and implementing services at customers' premises. The authors suggest that this challenge may stem from specific misconceptions about how to develop a service business model.

One common misstep is a limited understanding of how to fuel the sales funnel effectively. Rather than filling the funnel through targeted market research and prospecting, many organizations focus primarily on the development of new value propositions based on their own (supply-side) assumptions. This approach often leads to significant development costs before genuine interest from target markets is assessed, and —possibly— confirmed.

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Secondly, many industrial suppliers become fixated on the possibilities created by Industry 4.0, connectivity, and Artificial Intelligence, which drives an exhaustive search for data. Yet, the benefits of acquiring such data can be uncertain. As a result, discussions between end users and equipment manufacturers frequently revolve around data ownership, when instead, equipment providers should concentrate on strategies for monetizing the data that can be made available.

To enhance the competitiveness of both customer plants and equipment manufacturers, the authors propose that the latter prioritize service packages that deliver measurable performance improvements for equipment in use, irrespective of data ownership or usage. They also recommend sticking to a straightforward sales funnel process to identify and address support needs within customer plants, creating opportunities to capitalize on industrial service sales.


Service: the red pill
How to make industrial service
a reality
Bart Kamp
Ibon Iribarren
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Before we get started...
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Have you ever felt like this?

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Ever experienced this?

- You wanted to implement a new business unit to provide better service and maintenance to your customers. You got comments such as:

  "Our clients won't pay for service. They want it for free."

  "Too much effort for such a small reward."

  "We are about machines."

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Ever experienced this?

- You tried selling a data box to your customers to capture critical data such as spindle bearing temperature, vibration, etc.
- Customers refused to buy.
- Then you tried implementing the device for free.
- **And stumbled upon the dreaded...**

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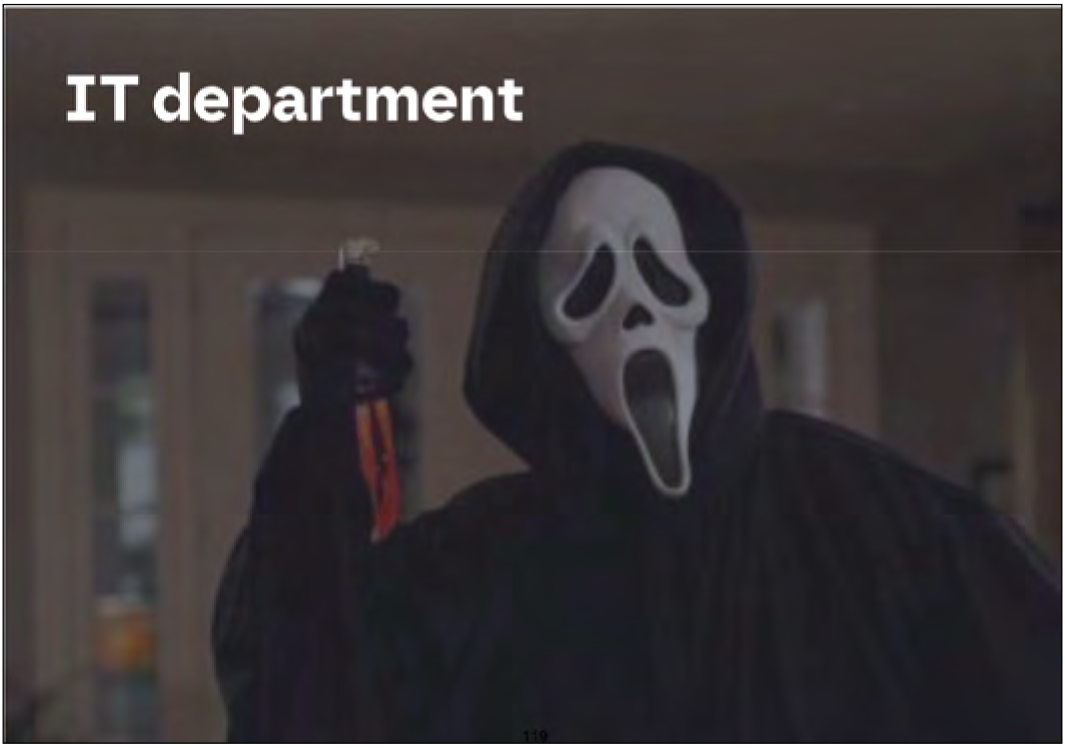

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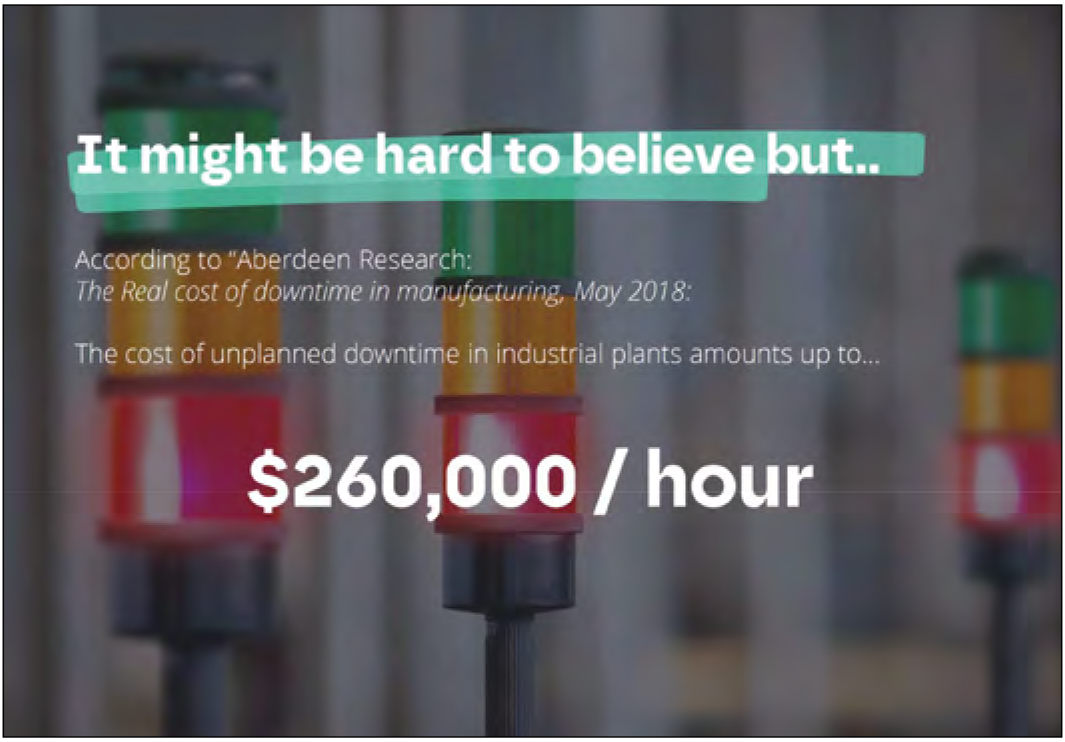

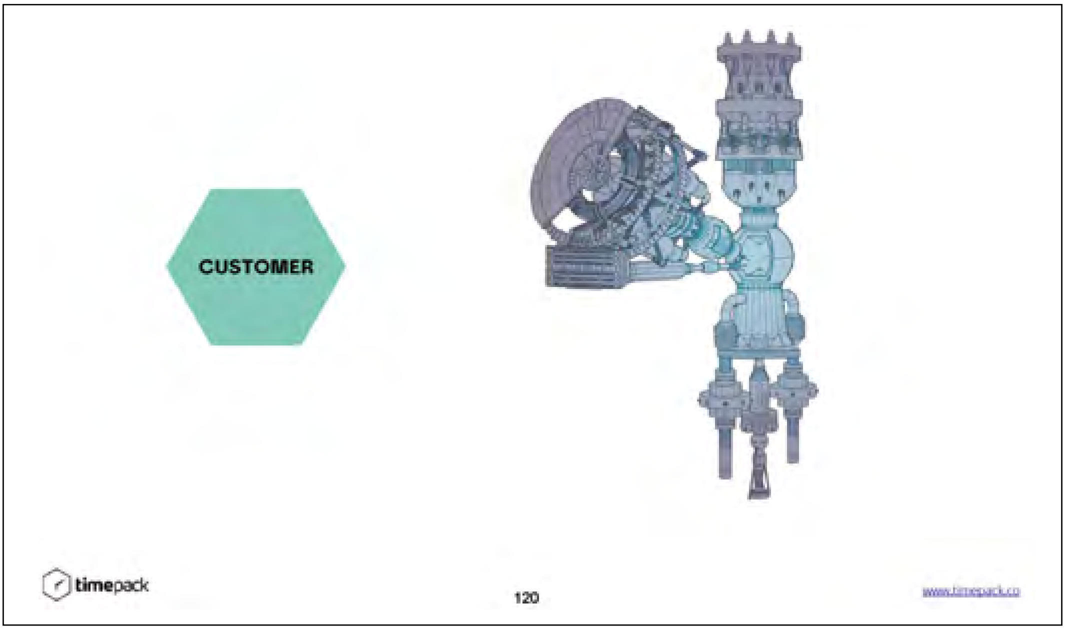

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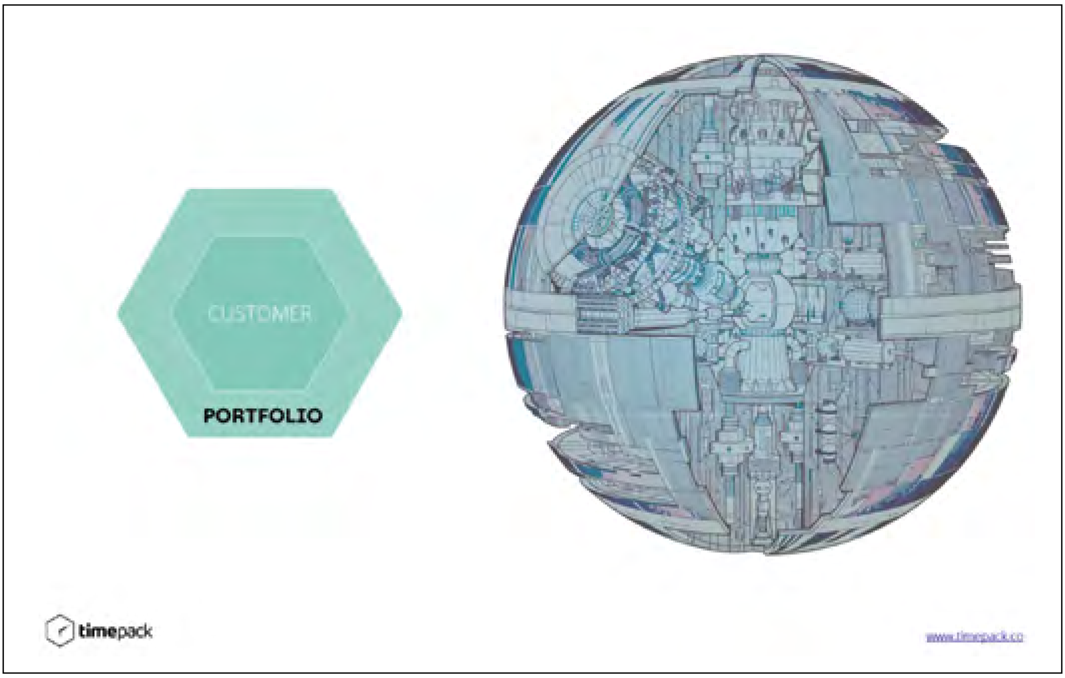

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One unstoppable weapon


Then... why the frustration?
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Reasons why you may fail to sell service
#1
Too focused on
PRODUCT
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Service brochure
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Reasons why you may fail to sell service
#2
Too focused on
DATA


Reasons why you may fail to sell service
#3
Not grasping your BUSINESS MODEL
Customer knowledge
Full
Partial
MULTICHANNEL
PLATFORM
SUPPLIER
MODULAR PROVIDER
Value chain
Ecosystem
Transversal business
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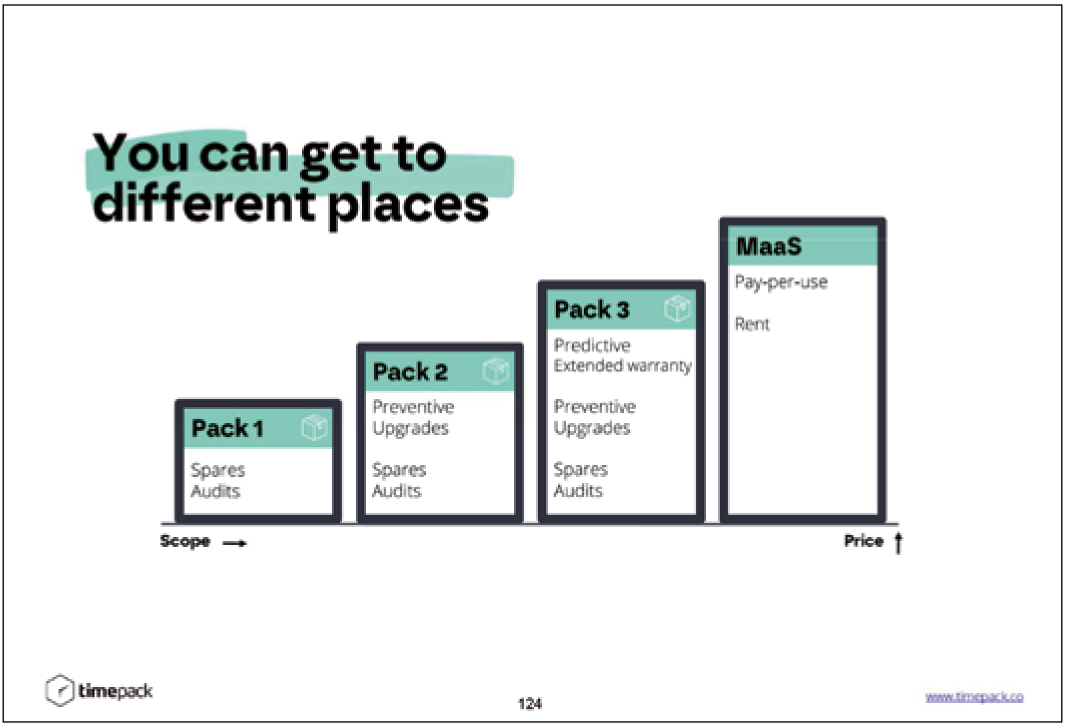
You can get to different places
Pack 1
Spares
Audits
Pack 2
Preventive
Upgrades
Spares
Audits
Pack 3
Predictive
Extended warranty
Preventive
Upgrades
Spares
Audits
MaaS
Pay-per-use
Rent
Scope
Price
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But always keep in mind...

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The sales funnel

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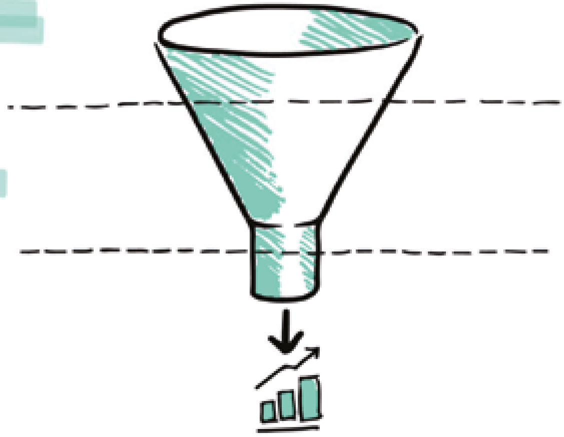
A sales funnel demands that you carry out 3 activities:

Research your customers / decide if you can **help / sell**

Research

Help

Sell



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When you conduct **research, the question is simple:**

What **don't you like?**

i.e. production might answer:

- Your spare part delivery time
- Too many references
- Poor training

Management might answer:

- Machine performance
- Availability

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Before you sell, decide and convince your customer that **you can help:**

- What is the problem?
- What is the bigger problem?
- What is the solution?

This feeback is priceless to improve the next generation of equipment.

(And it offers the chance to sell very simple service products)

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At one point, you will present your product.

If you conducted the previous phase properly, you will be able to link this product to the desired solution / to the problem the client wishes to solve.

i.e. "you had a chip issue within the machine working unit. This new front guarding allows you to virtually eliminate the chip evacuation problem".

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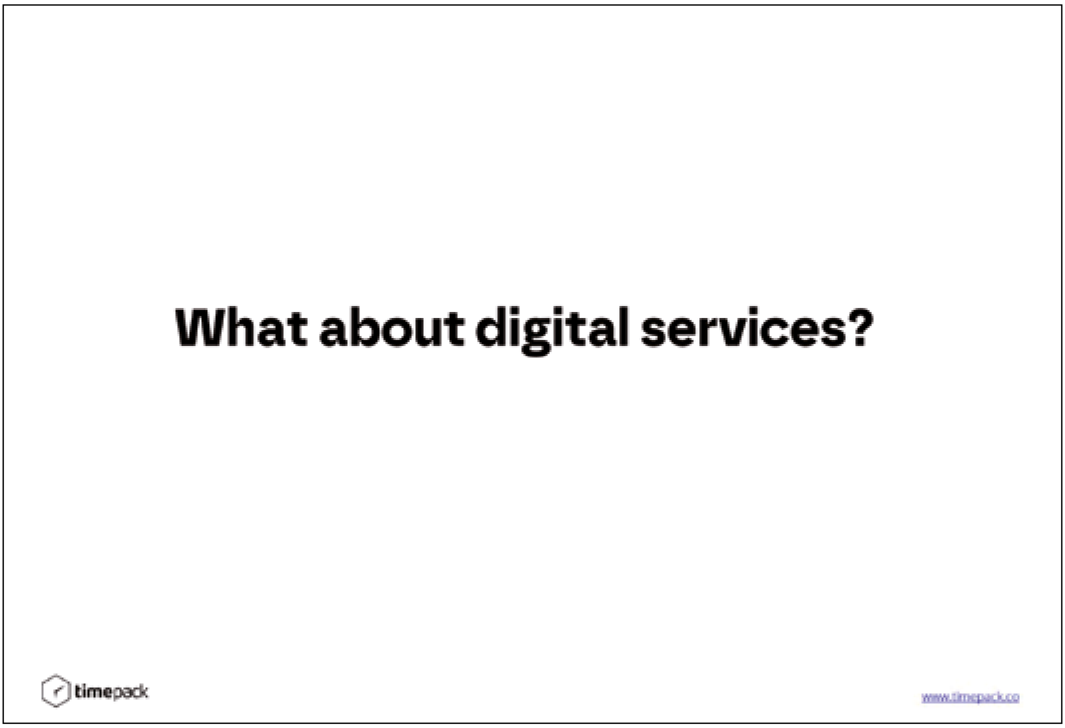

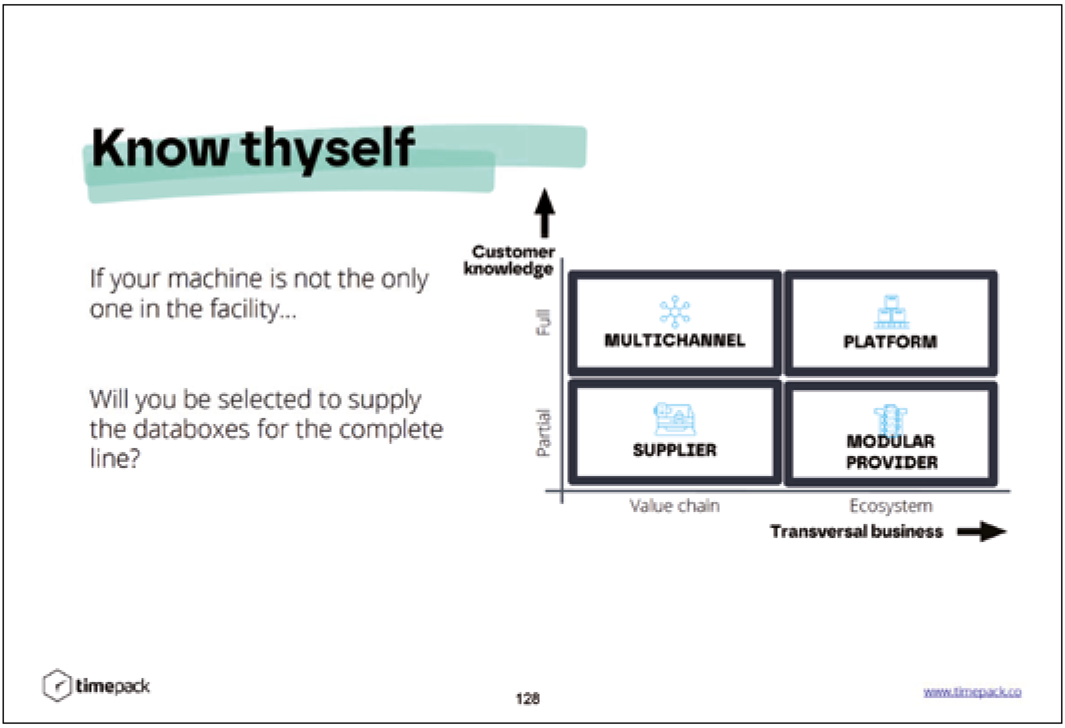

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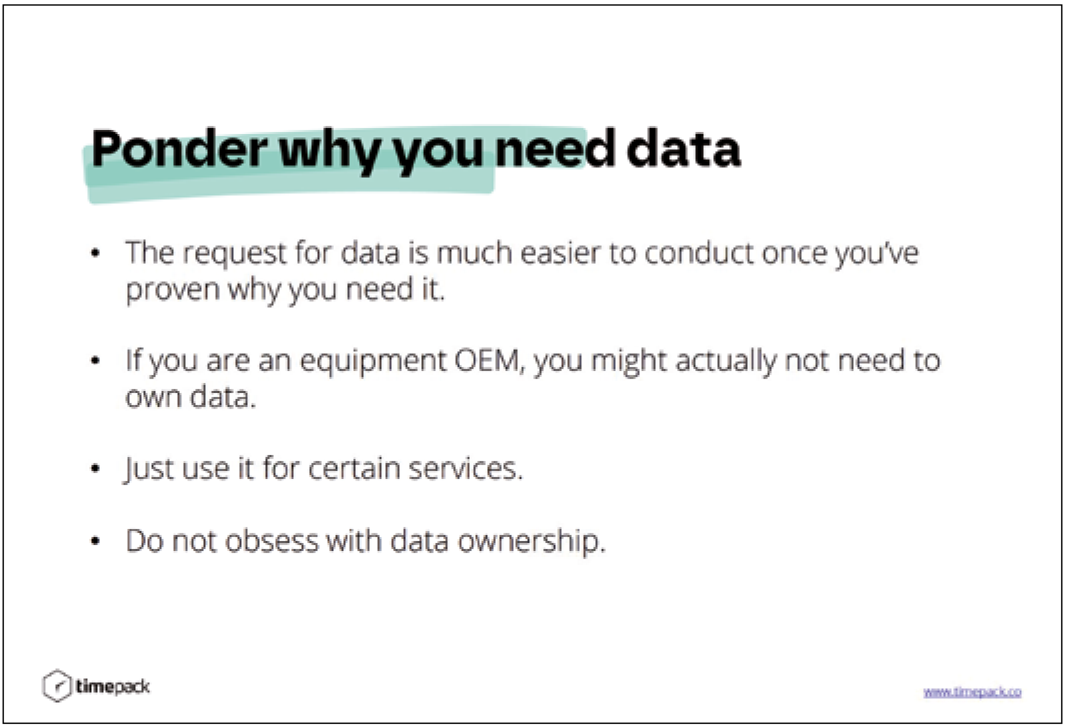
Ponder why you need data
• The request for data is much easier to conduct once you've proven why you need it.
• If you are an equipment OEM, you might actually not need to own data.
• Just use it for certain services.
• Do not obsess with data ownership.
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