ASSET & SERVICE DATA GRAVITY

Tuesday 16th October

UK Service Forum

GE Energy Connections, Strafford UK

Dave Hart
SVP Customer Success

Mark Homer
VP & Head of Global Customer Transformation

GE Digital – Predix ServiceMax

Global Customer Transformation

It's about helping you understand the **value of service**

It's not about replacing what you have, it's about showing you **what is possible**

It's not about a 'one off' encounter, it's about **being with you** through your journey

- Global market research provider
- Conducting multinational research for a range of clients, across a variety of industries
- Worked with ServiceMax from GE Digital across the full project cycle to deliver a robust data set
- www.vansonbourne.com

DEMOGRAPHICS

600 IT and field service decision makers, with responsibility for/involvement in field service management in their organisation were interviewed in April and May 2018, split in the following ways…

…country

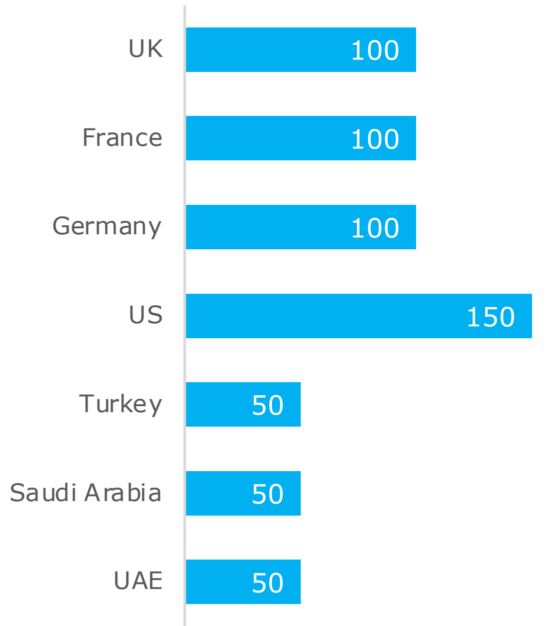

Figure D1: Analysis of respondent country, showing data for all respondents (600)

…respondent type

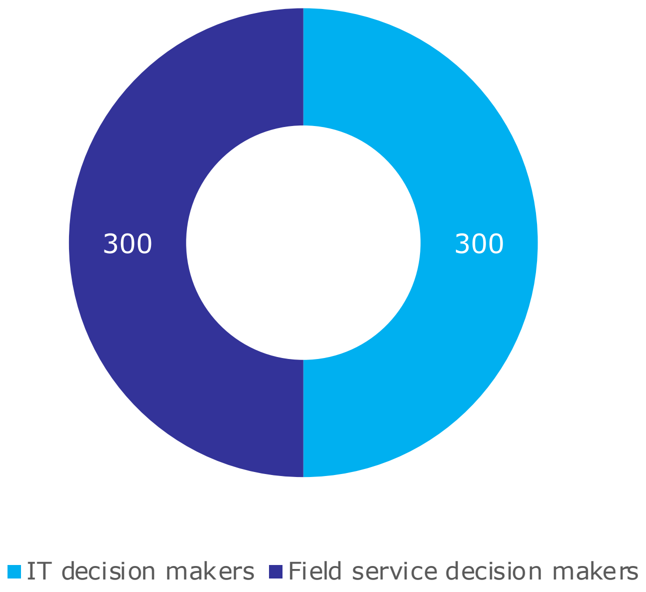

Figure D2: Analysis of respondent type, showing data for all respondents (600)

…sector

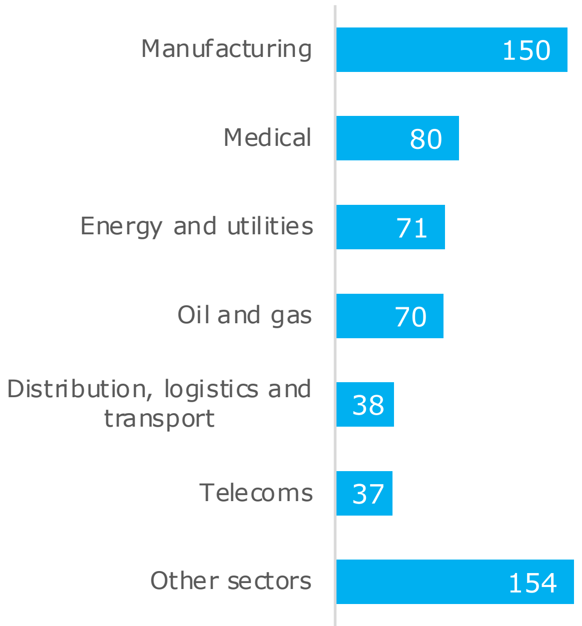

Figure D3: "Within which sector is your organisation?", asked to all respondents (600)

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DEMOGRAPHICS CONTINUED

Further demographic splits include…

…number of service engineers

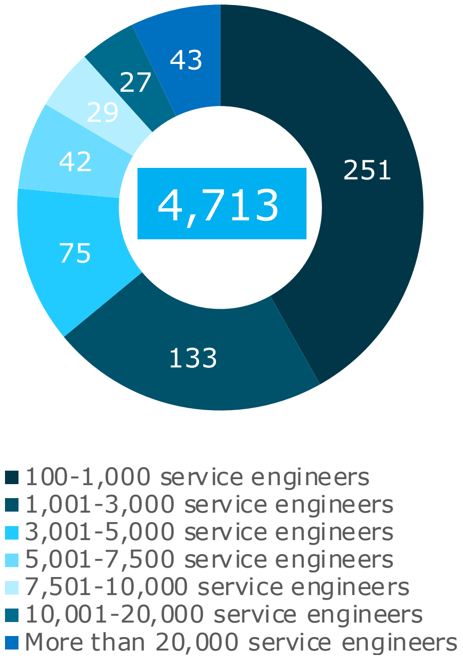

Figure D4: "Approximately, how many service engineers (including contractors) work for your organisation?", *asked to all respondents (600)*

…number of individual assets

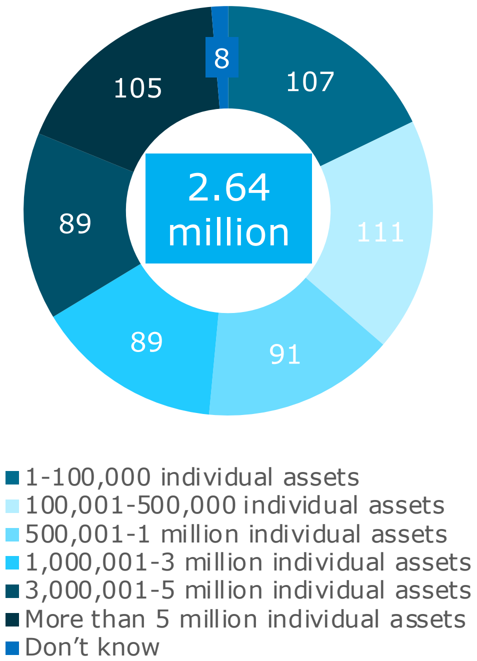

Figure D5: "Approximately, how many individual assets in total does your organisation have in operation at any one time?", *asked to all respondents (600)*

…number of employees

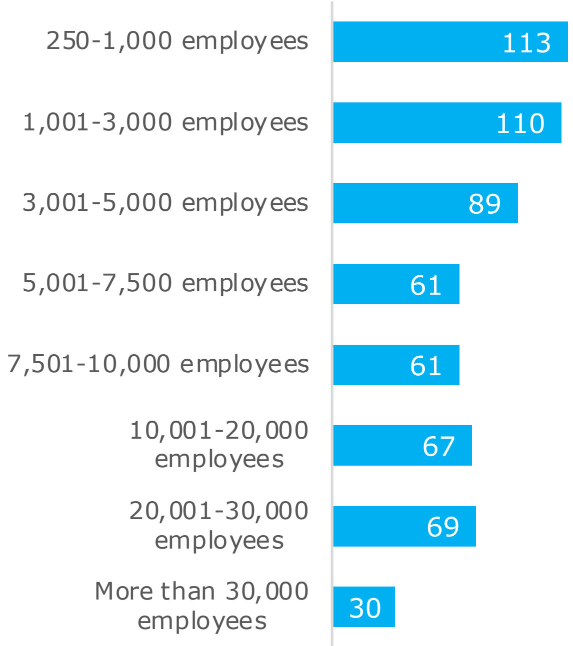

Figure D6: "How many employees does your organisation have globally?", *asked to all respondents (600)*

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DIGITAL TRANSFORMATION SOLAR SYSTEM

Supply Chain

- First Time Fix Rate
- Parts Availability
- Consumption

- Inventory Reduction
- Stock Visibility

- Predictive Parts (3D Printing)
- Inventory Insight
- Asset Liability Management

Commercial Marketing/Sales

- Contractual
- Upsell, Cross-sell
- Enhance Customer Experience (NPS)
- Best Practice, Product, Service Differentiation

- New Business Opportunities
- Metrics Collection
- Data Analysis & Insights

- Customer Usage & Engagement
- Business Impact Measurement
- Competitive Edge, Market Share

Asset – Performance/R&D

- Uptime
- Downtime (Planned & Unplanned)
- Productivity
- Compliance
- Health & Safety

- Operational Equipment Effectiveness (OEE)
- Product Enhancements
- Constant Feedback Loop

- Predictive Maintenance/ Condition-based Maintenance
- Total Through Life Cost
- New Products Built by Demand
- Technology Innovation (Machine Learning, AI, 3D Printing)

IT

- Cost reduction
- Operational Efficiency & Uptime
- Creating, Sourcing, Reacting

- Innovation & Differentiation
- Business Risk / Security
- Ecosystem of Third Parties

- Data Exploitation
- Business Outcome Focused
- Revenue Building

Field Service

- First Time Fix Rate, Mean Time to Repair
- Leakage (Warranty, Contract)
- Technician Productivity
- Uptime & Service Level Agreements

- Cost Centre to Profit Centre (Service-to-Cash Cycle, Service Contract Attach Rate)
- New Revenue Streams (As-a-Service)
- Collaboration & Mobilized Workforce

- Net Promoter Score
- Re-designing/Enhancing Maintenance Process
- Outcome Based Business Models

CXO

- Profitability & Revenue Increase (Monetization)
- Market Share, Differentiation & Brand Integrity
- Digital Innovation & Pace
- Skill Availability & Utilisation

- Digital Transformation
- Customer Behaviour
- M&A – New Business Consolidation
- Corporate Social Responsibility Impact

- Changing Business Models (As-a-Service/Servitisation)
- Regulation
- Leadership

Customer Success

- Customer Satisfaction & Loyalty (NPS)/Renewal Rate
- Service Level Agreements
- Trusted Advisor

- Business Value Realisation
- Proactivity
- Deeper Customer Understanding & Experience
- Revenue
- 360-Degree View of Client

- Text-Mining Customer Feedback
- Customer behaviour insight
- Value Based Metrics

MATURITY

Three areas of interest:

1: The move to servitisation
2: Current asset service data practices
3: The benefits of automating asset service data collection, aggregation and analysis

1: The move to servitisation

2: Current asset service data practices

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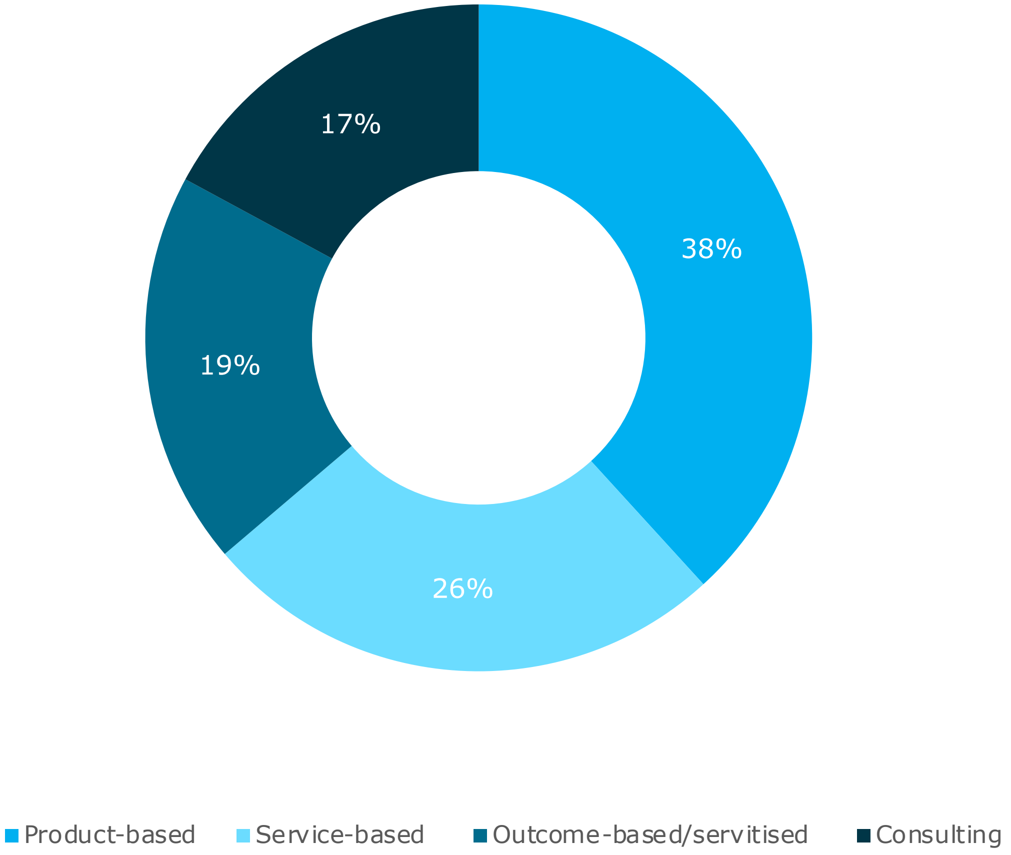
CURRENT BUSINESS MODEL



Surveyed IT and field service decision makers would only categorise **19%** of their organisation's **current business model as outcome-based**, on average

Figure 1: *Analysis showing the average proportions of respondents' organisations' business models that would fall into the above categories, not showing "Other specified categories" (0%) and "Don't know" (0%), asked to all respondents (600)*

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CHANGING BUSINESS MODELS

The vast majority **(95%)** of respondents, whose organisation does not currently operate a 100% outcome-based business model, state that their organisation is **currently working towards** moving some or all of its products and/or services towards such a model, or is **planning to in the future**

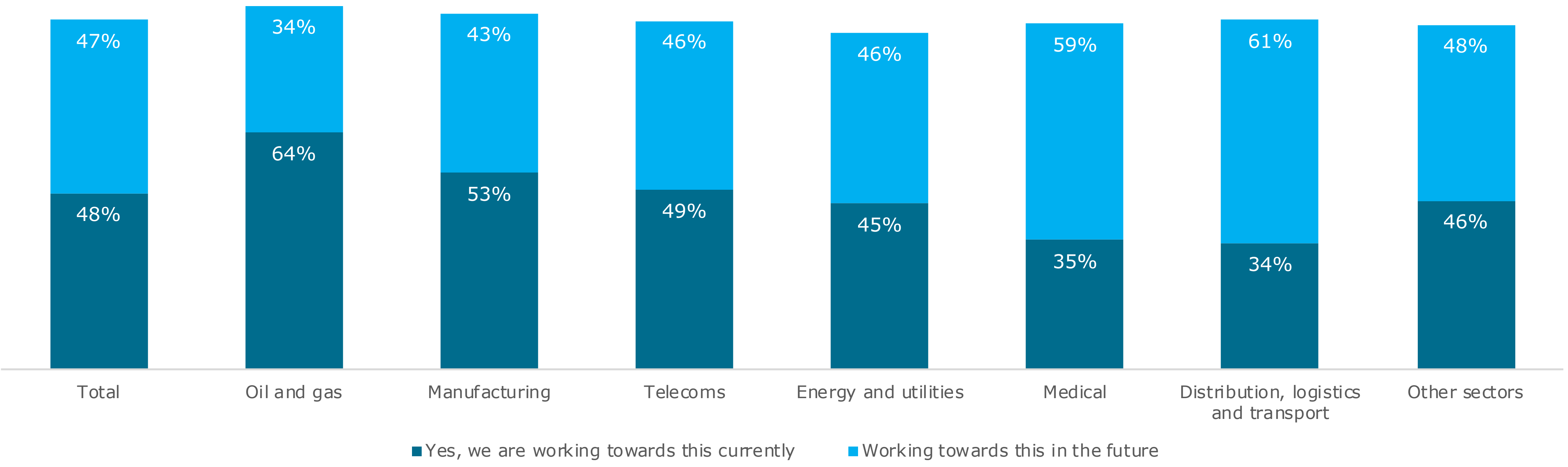

Figure 2: *Analysis showing the proportion of respondents who report that their organisation is currently working towards moving some or all of its products and/or services towards an outcome-based or servitised business model, or is planning to in the future, split by sector, asked to respondents whose organisation does not currently operate a 100% outcome-based/servitised business model (597)*

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COMPETITIVE BENEFIT

Manufacturing = 86%

Telecoms = 86%

Oil and gas = 84%

Distribution logistics and transport = 84%

Servitisation will make my company more competitive than ever before

82% agree

Medical = 80%

Energy and utilities = 79%

Other sectors = 79%

Figure 4: *Analysis showing the percentage of respondents who agree with the following statement: "Servitisation will make my company more competitive than ever before", split by sector, asked to all respondents (600)*

Over eight in ten **(82%)** agree that **servitisation will make their company more competitive** than ever before

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1: The move to servitisation

2: Current asset service data practices

3: The benefits of automating asset service data collection, aggregation and analysis

STRUGGLES WITH ASSET SERVICE DATA

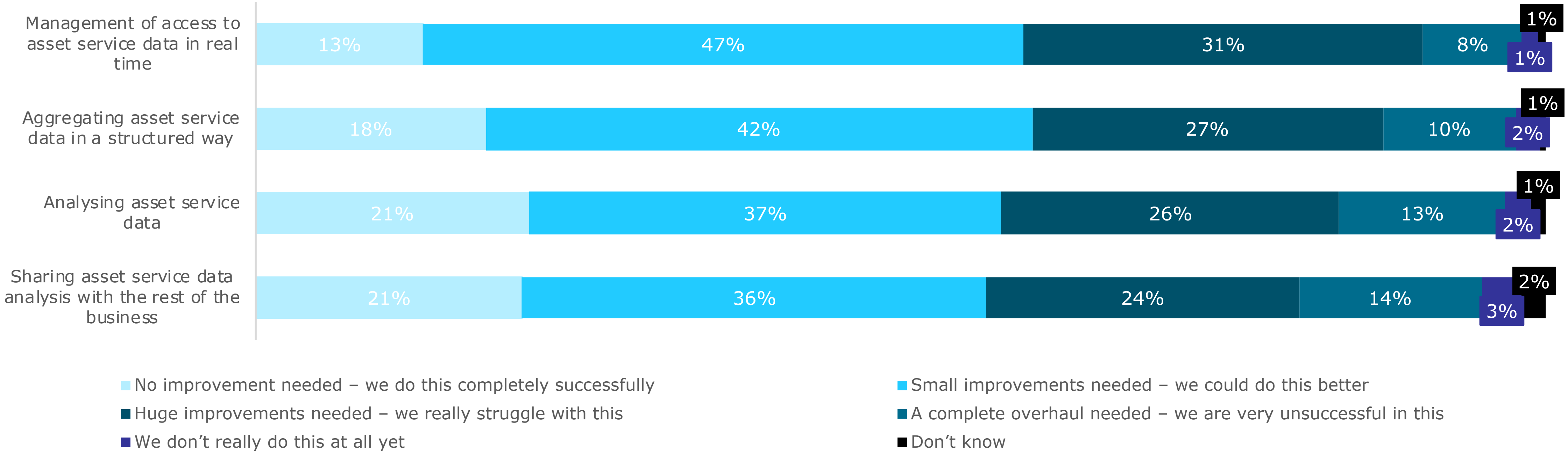

Figure 5: "Where do you believe your organisation is concerning how it handles the following aspects of asset service data?", *asked to all respondents (600)*

Only around two in ten respondents report that there is no room for improvement in their organisation when it comes to aggregating **(18%)**, analysing **(21%)** and sharing **(21%)** asset service data – fewer still **(13%)** report the same for management of access to asset service data in real time

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TRUST IN ASSET SERVICE DATA

Only **50%** of respondents report that they or other service leaders in their organisation **completely trust the asset service data** that they have access to (fig. 6)

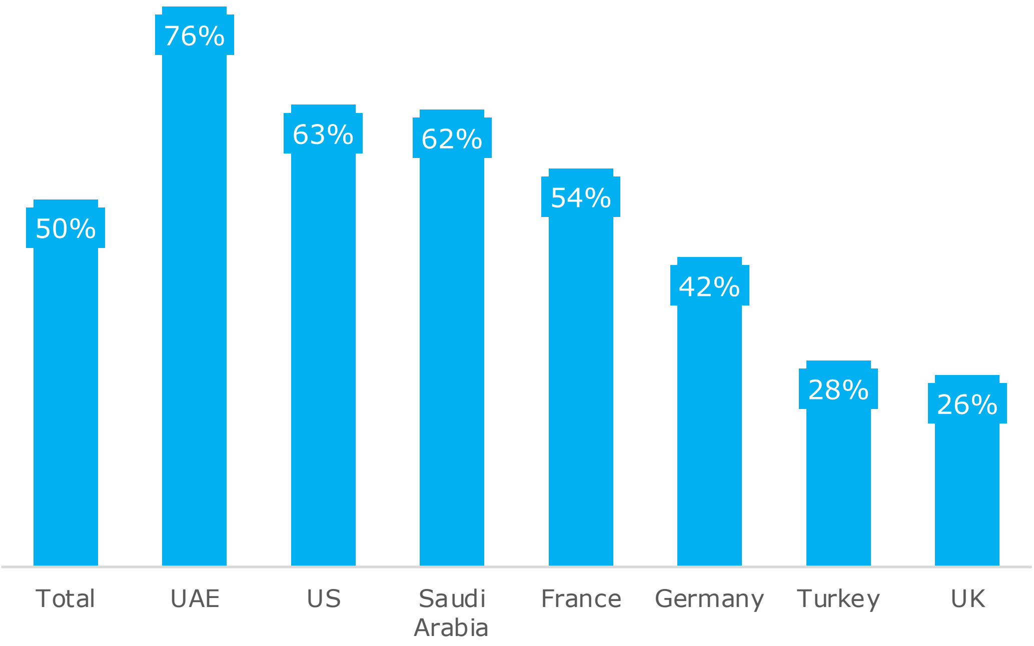


Figure 6: *Analysis showing the percentage of respondents who report that they or other service leaders in their organisation completely trust the asset service data that they have access to, split by country, asked to all respondents (600)*

Figure 7: *Analysis showing the percentage of respondents who agree with the following statement: "Service asset data should be central to strategic decision making", asked to all respondents (600)*

COLLABORATIVE WORKING

A minority **(22%)** of respondents believe that the **IT and field service functions in their organisation work together completely effectively** to achieve the goal of better data utilisation

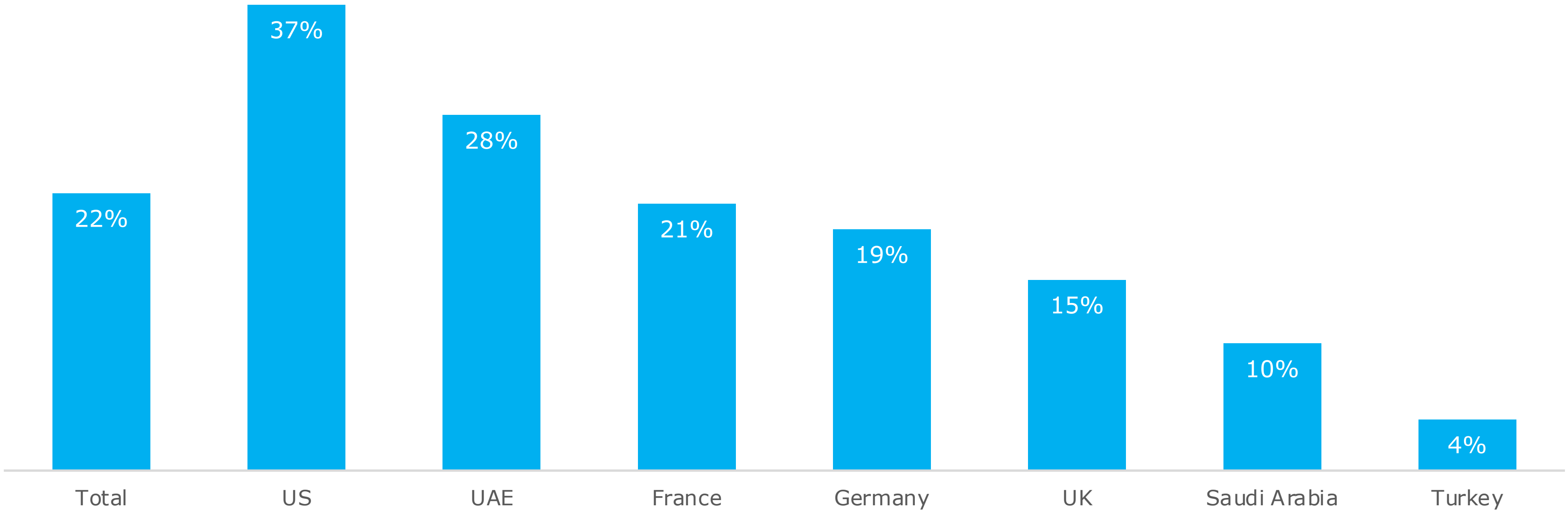


Figure 8: *Analysis showing the percentage of respondents who report that the IT and field service functions in their organisation work together completely effectively to achieve the goal of better data utilisation, split by country, asked to all respondents (600)*

INTERNAL STRUGGLES

Over three quarters **(77%)** of respondents agree that the pace of data intelligence digitally collected by their organisation's assets is **outpacing the skills** of those responsible for using the data

> The pace of data intelligence digitally collected by my organisation's assets is outpacing the skills of those responsible for utilising the data

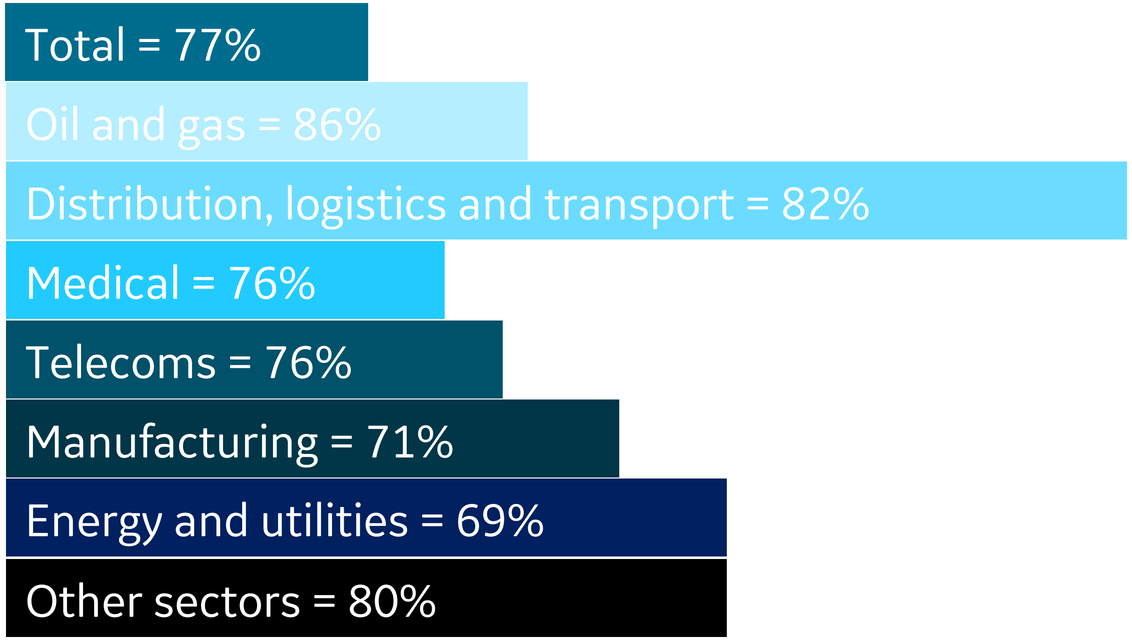


Figure 9: *Analysis showing the percentage of respondents who agree with the following statement: "The pace of data intelligence digitally collected by my organisation's assets is outpacing the skills of those responsible for utilising the data", split by sector, asked to all respondents (600)*

1: The move to servitisation
2: Current asset service data practices
3: The benefits of automating asset service data collection, aggregation and analysis

THE POTENTIAL USE OF ASSET SERVICE DATA

The majority **(84%)** of respondents believe that the **successful utilisation of asset data can positively impact all areas** of the business

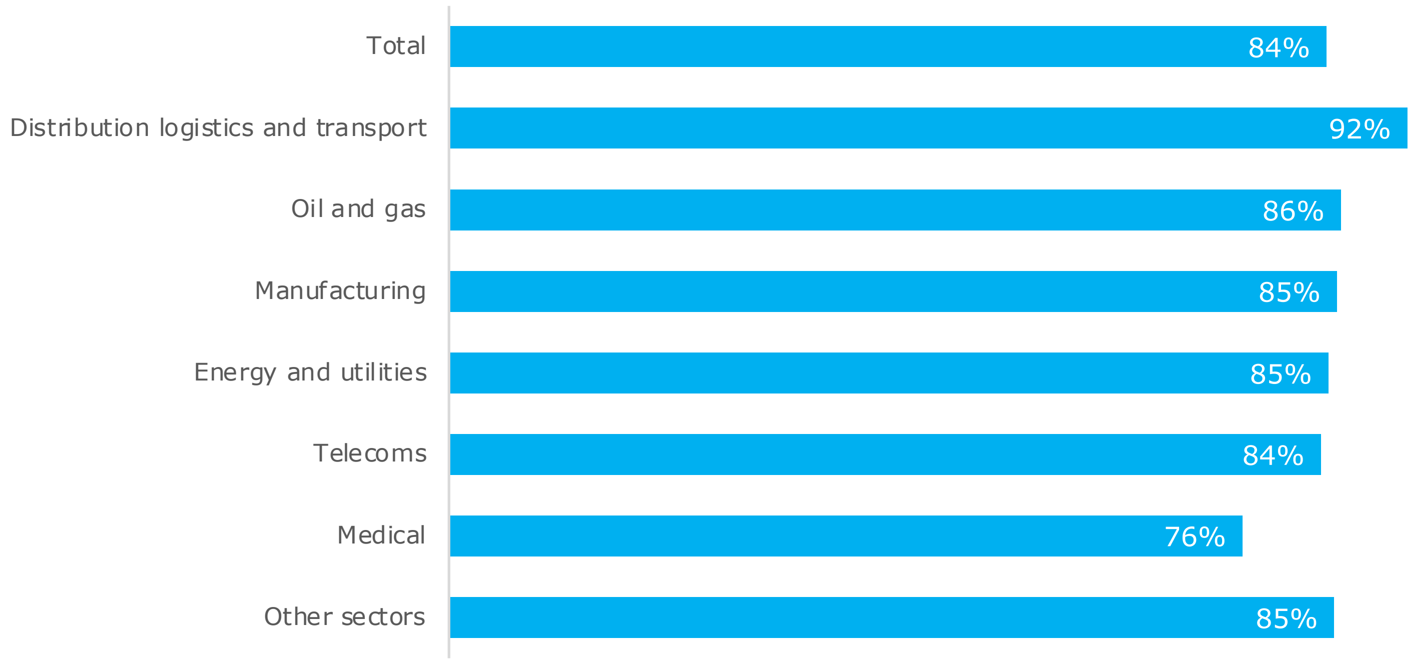


Figure 11: *Analysis showing the percentage of respondents who agree with the following statement: "The successful utilisation of asset data can positively impact all areas of the business", split by sector, asked to all respondents (600)*

REVENUE INCREASES

On average, respondents estimate that the automatic collection, aggregation and analysis of asset service data and using this process to drive new marketing, sales and financing models can **increase their organisations revenue by 14.15% over the next 12 months**

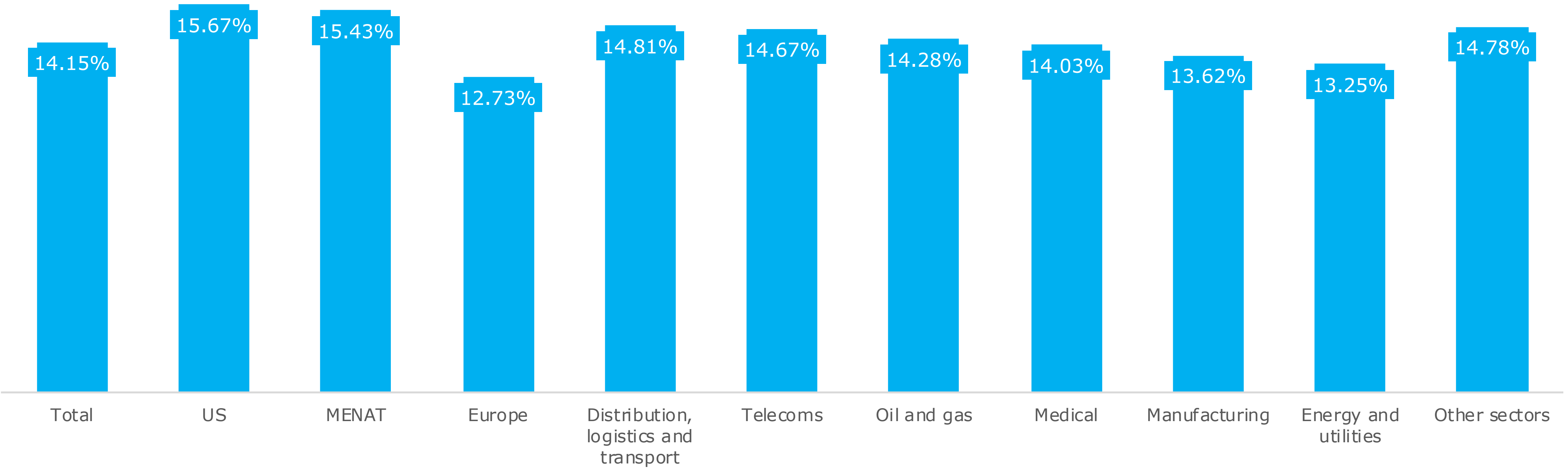


Figure 12: *Analysis showing the average percentage by which respondents estimate their organisation's revenue will increase over the next 12 months as a result of automatically collecting, aggregating and analysing asset service data, and using it to drive new marketing, sales or financing models, split by region and sector, asked to all respondents (600)*

DECREASED OPERATIONAL COSTS

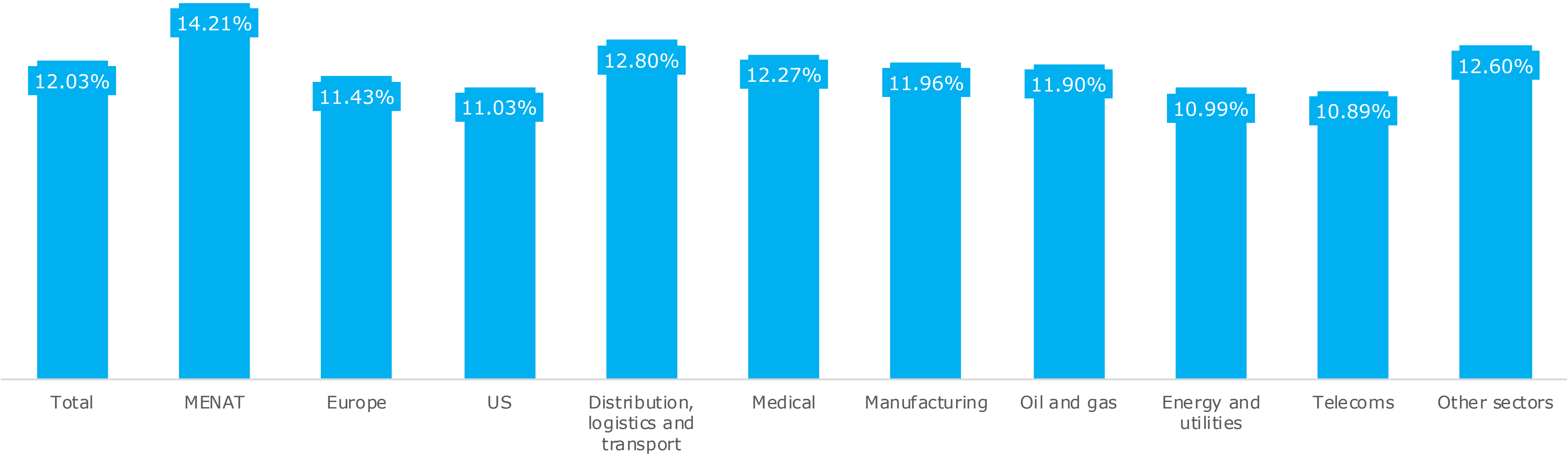


Figure 13: *Analysis showing the average percentage by which respondents estimate their organisation's operational costs could decrease over the next 12 months as a result of automatically collecting, aggregating and analysing asset service data, split by region and sector, asked to all respondents (600)*

Respondents believe that the automatic collection, aggregation and analysis of asset service data could **decrease their organisation's operation costs by as much as 12.03% over the next 12 months**, on average

RETURN ON INVESTMENT

"For every $1 spent, we'd expect a return of…"

$ 4.44

Figure 14: *Analysis showing the average return on investment that respondents' organisations expect on every $1 spent ensuring that they can automatically collect, aggregate and analyse asset service data, asked to all respondents (600)*

For every **$1 invested** in ensuring that they can automatically collect, aggregate and analyse asset service data, respondents anticipate that their organisation would **expect a return of $4.44**, on average

REMAINING COMPETITIVE IN INDUSTRY

Approaching **nine in ten (87%)** respondents believe that the automatic collection, aggregation and analysis of asset service data **will positively impact** their organisation's **ability to remain competitive in their industry**

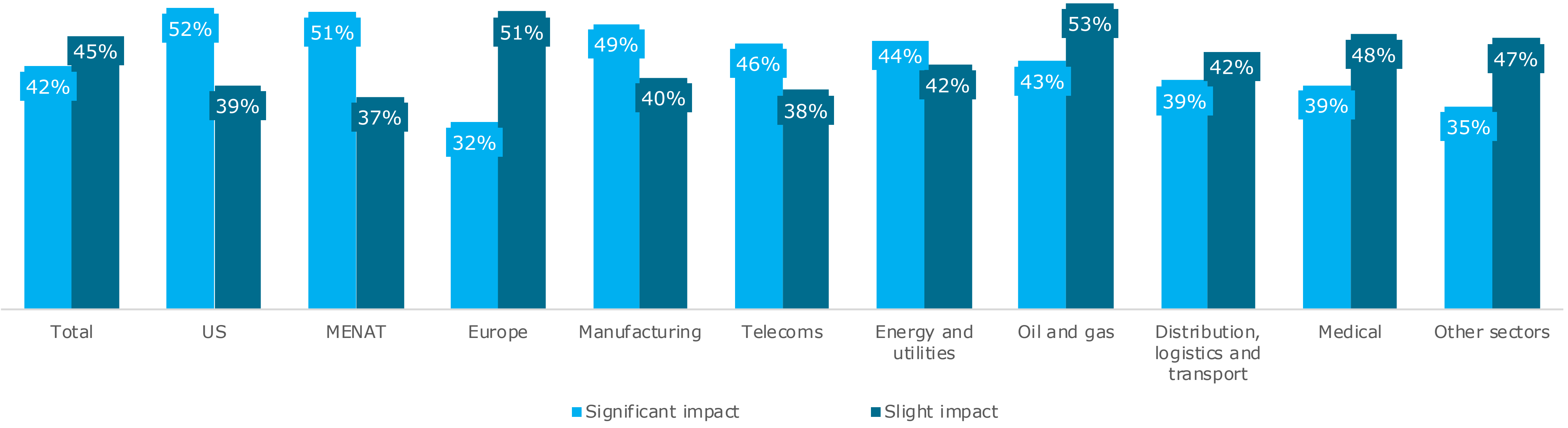
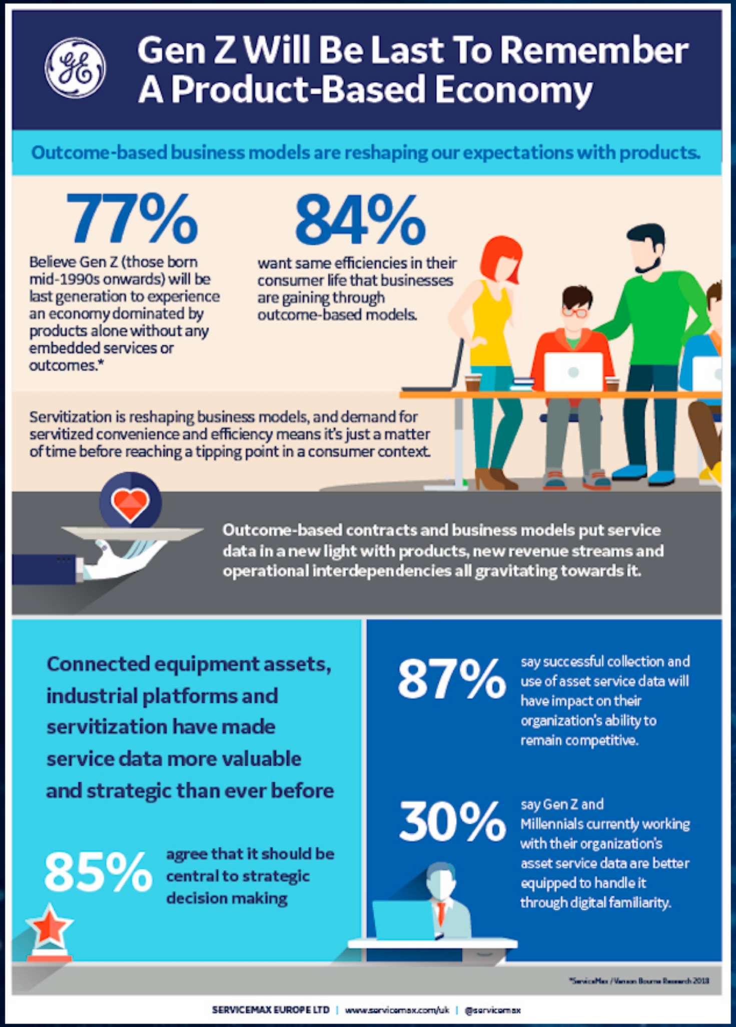


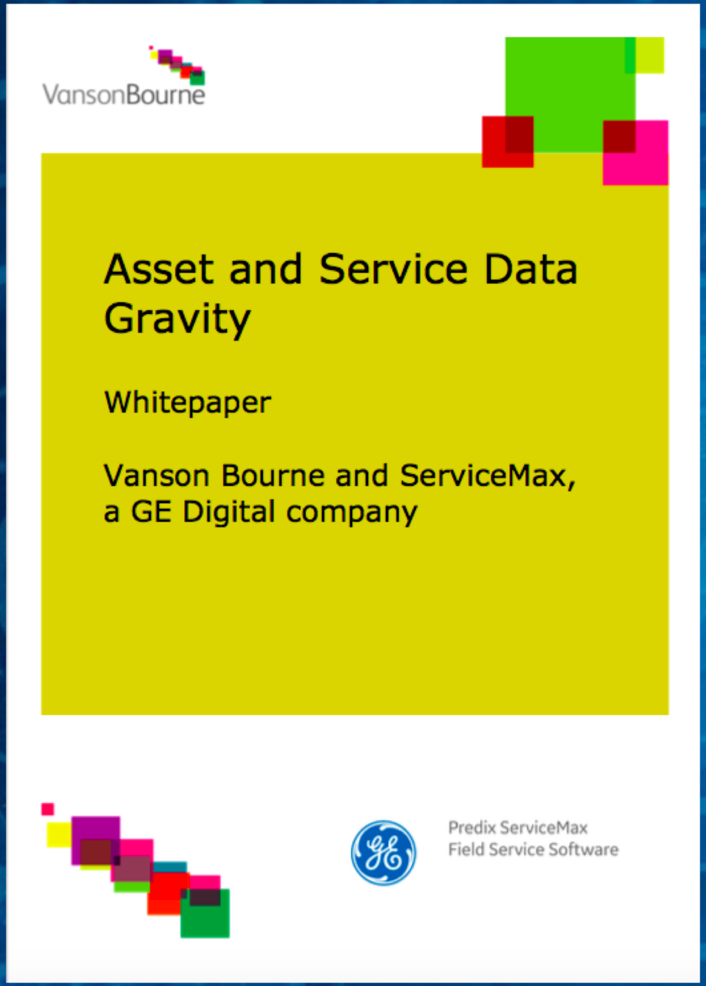
Figure 15: *Analysis showing the percentage of respondents who believe that automatically collecting, aggregating and analysing asset service data will have a significantly or slightly positive impact on their organisation's ability to remain competitive in their industry, split by region and sector, asked to all respondents (600)*

VALUE OF ASSET SERVICE DATA

Figure 16: *Analysis showing the percentage of respondents who agree with the following statement: "The more asset service data is used, the more value it brings to the organisation", asked to all respondents (600)*

Approaching nine in ten **(86%)** respondents agree that the **more asset service data is used, the more value it brings** to the organisation

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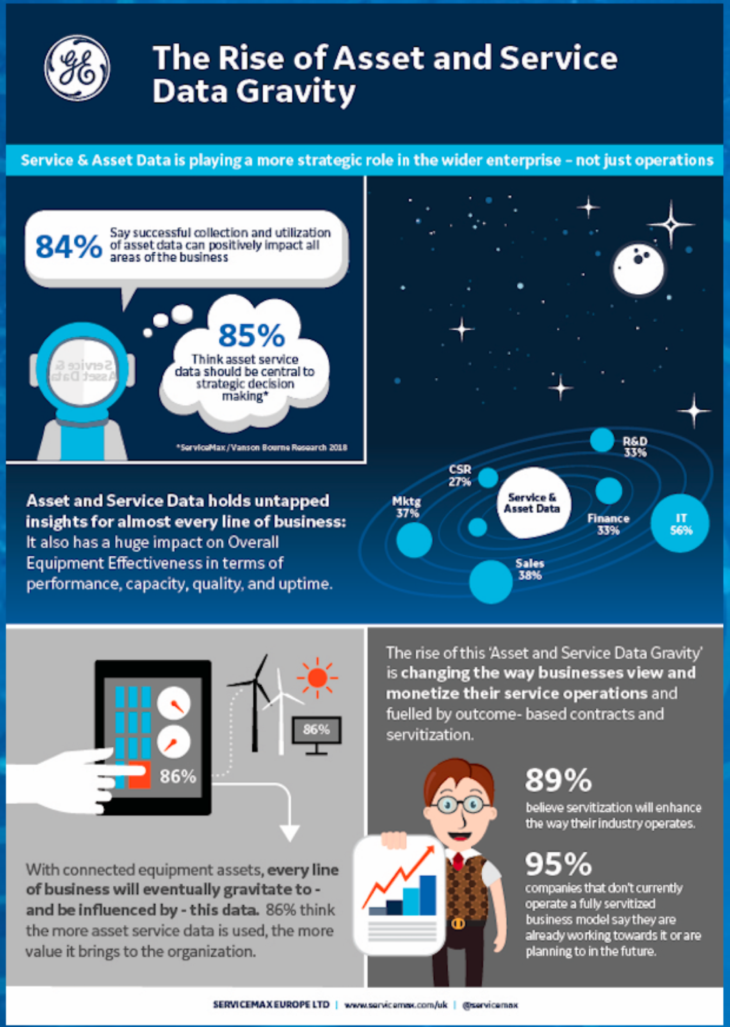
Asset and Service Data Gravity

Whitepaper

Vanson Bourne and ServiceMax, a GE Digital company

Predix ServiceMax
Field Service Software



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Q&A