

Build a Resilient Aftermarket Service Business

A deep dive into the state of aftermarket service, the opportunities of optimisation and how this can help manufacturers thrive in a state of economic uncertainty containing data and viewpoints from 500 service and supply chain decision makers, CIOs and CFOs





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The demands of customers and consumers are increasing. At the same time, we are battling higher direct and indirect costs, increased costs of transport and warehousing with more delays and disruption to the supply chain. The next two years are critical to this industry and we are more reliant than ever before on having strong support and customer relationships.

Service/supply chain decision maker,
agriculture, Nordics

Introduction

The events of the last few years have been turbulent, causing intense disruption to service organisations. With so much talk of economic uncertainty, skills and labour shortages, and bottlenecks in the supply chain, you'd be forgiven for thinking we're not out of the woods just yet. And while this may be true – as you can see from the quote given by a service/supply chain decision maker above – there are plenty of opportunities to navigate these stormy waters with a bit more ease.

The aftermarket service provided by industries such as automotive, construction and industrial equipment are fairly untapped for potential. It can often be an afterthought, with focus going into the initial customer relationship, sale and subsequent impact on revenue. This can mean that any aftercare service – managing existing assets, fixing faulty equipment, honoring warranties – can be inefficient, damaging to customer satisfaction and ultimately, cost the organisation resource and money.

In these recessionary times, can organisations afford to be operating an aftermarket service which isn't optimised? Can they afford to lose money because they do not have the spare parts to hand when they need it? Can they afford to lose top quality engineers because they are unable to support their day-to-day work with ease? Can they afford to lose customers because that engineer doesn't have what they need to make the fix, first time?

These questions, and more, are all something service organisations should be asking themselves. But above all, the question is – what opportunities exist for us in our aftermarket service?

This paper focuses on a recent quantitative research study, containing data and viewpoints from 500 service and supply chain decision makers, CIOs and CFOs working within service organisations across UKI, US, DACH and the Nordics. Industries include construction and mining, automotive, agriculture and industrial equipment, amongst others.

It explores:



The current landscape and wider macro factors facing service organisations



Challenges with different processes in the service lifecycle



Benefits to addressing those challenges



Future proofing and wider opportunities for service organisations.

Key findings

The current landscape facing service organisations

Service organisations are facing a myriad of challenges, with the impending recession, labour and talent issues and the cost of working capital most likely to have a significant or catastrophic impact on their ability to operate successfully.



95% agree that they are expecting to have to trade-off between the cost of parts and providing a good value to their end customers.



85% find meeting aftermarket service customer expectations often or always challenging.

The challenges



Almost all service organisations are challenged by their spare parts optimisation (99.8%), parts pricing optimisation (99.6%), service lifecycle management (99.6%) and technician/engineer enablement (100%).

Challenges most commonly fall under inefficiencies, a lack of technology and a lack of relevant or up to date data. These organisations also struggle with an inability to share knowledge effectively, with it being lost in multiple ways and not easily gained back through technology.

Only 24% consider themselves to be using a 'third generation' agile SaaS solution built specifically for the supply chain in order to manage their spare parts inventory.

Most (60%) are using manual or non-agile, custom-built solutions to do this instead.

95% agree that their organisation would prefer a service lifecycle management solution that is modular and enhances the current systems/platforms that they have in place.

Substantial improvement is required in reverse logistics (83%), warranty claims (87%) and the re-use or repurposing of faulty parts (88%).



But 96% can see that success will be driven by the promotion of a circular economy within their after-market service.

The opportunities

All respondents can see benefits to optimising their spare parts, parts pricing and service lifecycle management. They'd expect to see better customer experience, improved revenue/profit margins, improved scalability and flexibility, and greater sustainability among others.



Almost all service organisations have a plan to overcome economic downturn, and while most commonly they'll focus on reviewing existing processes for efficiencies (51%), half (49%) are adopting a modular approach for technology investments.



The biggest revenue/margin improvement opportunities are in the cost of expedited parts (48%) and warranty claims management (44%), followed by optimising the supply chain, correct pricing and sales of spare parts, and contract profitability (all 43%).

+10.5%

Expected average increase in profit, if organisations could invest in their desired operational improvements.



The current landscape facing service organisations

Globally, almost all organisations will be facing a raft of challenges over the next year and beyond

You only have to turn on the news to feel the intensity of discussions around recessions, inflation and economic instability. This reality is no different for service organisations. Add to that, the growing talent shortages in this space, supply chain volatility impacting their ability to meet service demands, and the ever-fluctuating working capital available to them and you could have a recipe for a very challenging time.

When specifically asked about macro factors that are likely to impact their organisations' ability to operate successfully, respondents were most likely to cite an economic recession as having a significant or even catastrophic impact on them (84%). This was closely followed by labour shortages (82%) and the cost of working capital (82%).

Macro factors causing a 'significant' or 'catastrophic' impact on organisational operations

Economic recession/slow down	84%
Labour shortages/issues with attracting talent	82%
Cost of working capital	82%
Supply chain volatility/shortages	81%
Economic inflation/increased costs	81%
Margin erosion/profitability on pricing	81%
Currency fluctuation	80%
ESG/sustainability expectations	80%

However, sizeable impacts would be anticipated from all of these macro factors, highlighting the growing complexity of the landscape that service organisations need to be prepared to navigate.

Supply chain volatility and the impact on agility

Volatility within the supply chain can, and is, wreaking havoc on organisations. Volatility which many thought was a temporary symptom of the pandemic has proven its staying power and is impacting balance sheets, cash flow and even causing some organisations to rethink their entire inventory model.

Over eight in ten (81%) respondents consider supply chain volatility to have the potential to be incredibly disruptive, and 99.6% of respondents report impacts from it. Most commonly, these impacts are spending more time on supply chain management (53%) and increasing lead times of service delivery (48%). These will result in wasted time and effort and put a strain on the customer relationship. **Four in ten also report an effect on their ability to be agile, noting that they can offer fewer solutions and flexibility for the customer.**

This is an important impact as it highlights the delicate balance between the speed that the customer expects versus the speed that the organisation can provide. It can be assumed that organisations who are able to adjust business models quickly or utilise technologies to help meet aftermarket service expectations agilely are in a better position to adapt to changing circumstances and have more control over their supply chain generally.

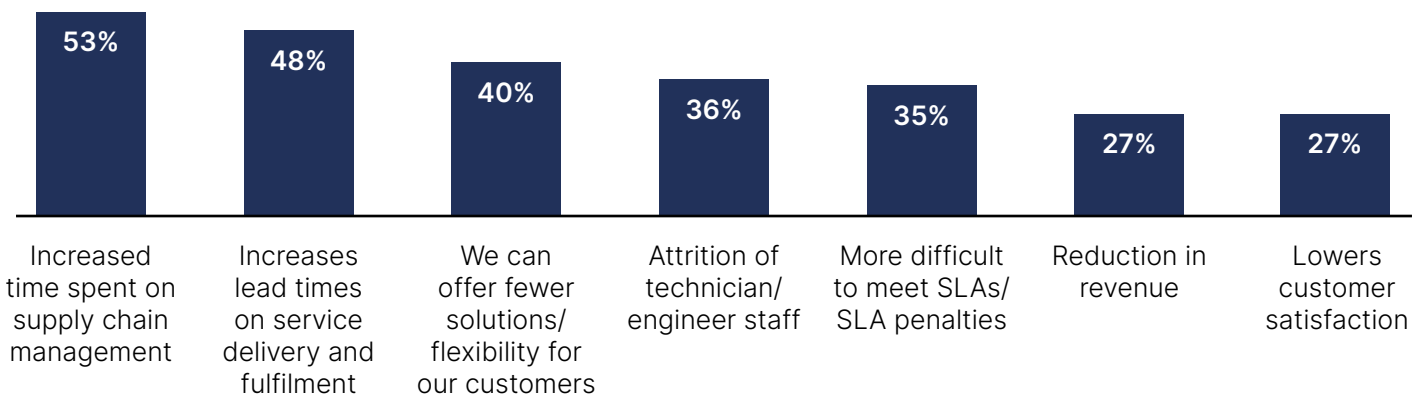
Highlighting the impact that the lack of advanced technology in this area can (and is) having, one respondent told us:

“Many of our functions are operating stand-alone. Integration and automation of operations and logistics is the only way to solve this. We probably need to redesign our supply chain from the ground up.”

Construction and mining respondent



Impacts of supply chain volatility/shortages



The 'trade off' facing service organisations

Meeting aftermarket service customer expectations is already proving difficult, with 85% of respondents who report that their organisation often or always finds it challenging to meet them.

Compound that difficulty with the various macro factors already mentioned, and we reach a precipice.

Regardless of which macro factors they are most likely to feel the impact from, or their reaction to different supply chain challenges, almost all (95%) organisations agree that they are expecting to have to trade-off between cost of parts and providing a good value to their end customers. Right now, the reality is that companies are adapting to higher costs, rising at a rate that no one would have anticipated a couple of years ago. In order to meet current customer service expectations, organisations would have to pay above and beyond what initial agreements and service contracts had outlined, but with tightening purse strings across the business, service is likely not going to be an area afforded much wiggle room. So, our bet is that while this trade off will happen, it will not fall in the favour of the customer.



Almost all (95%) organisations agree that they are expecting to have to trade-off between cost of parts and providing a good value to their end customers.



Syncron's view

If nothing else, the past several years have emphasised the need for agility both in process and technology to combat the macro volatility that has ensued. Companies across all industries are acknowledging the potential headwinds on the horizon and are making the necessary preparations to come out ahead of competition. Having said that, there are a wide range of factors that can absolutely create devastating impacts to company performance despite precautions which may have been taken already.

While companies can future proof their businesses to a certain extent, partnering with technology providers who provide solutions, outcomes and guidance vs. features and functions specific to industry and macro challenges can prove to be invaluable.

The role of technology providers continues to evolve further away from a vendor contractual agreement to a trusted advisor relationship. Success in the future can no longer be achieved through individuality, but rather more support is required from the trusted partners.

Companies often become weighed down by investing outside their expertise when partners can fill the void in a more effective manner. While building in-house IT solutions may seem more cost effective on paper, the journey to maintain and achieve the same value generally far exceeds the costs of what technology partners can provide. With the headwinds increasing in resistance, now is the time to play strengths on strengths to ensure value realisation occurs effectively across all parts of the business.

Challenges, areas for improvement and reasons to focus on **spare parts inventory and optimisation**

Handling spare parts can be a messy business. You have to procure the parts, decide on the right number to hold at any one point, move them to the correct locations when needed and store them safely and as cheaply as possible. And depending on your business, you have to do that for thousands of different consumables at any one time. The process is usually complicated, the costs are high and the ability to predict is usually pretty erratic at best.

But the reality for service organisations is that they have to hold spare parts and be prepared to quickly make a fix, or risk losing business to those who can.

Almost all (99.8%) surveyed service organisations report facing challenges around spare parts inventory planning and optimisation. These challenges typically seem to stem from inefficiencies – there are too many manual and paper processes (43%), too much red tape (and therefore delays) in the import and export process (42%) and stock distribution is incorrect (40%) or in the wrong place (39%).

One railway and shipping decision maker in the US told us that they hope to see “**decisions about sourcing [being] more sensitive to customer locations**” in the next 12 months, while a manufacturing decision maker in the US suggested that “**effective inventory location data helps enhance picking routes and enables great efficiency.**”

Challenges to spare parts inventory and optimisation

Too many manual and paper processes reducing efficiencies	43%
Too much red tape around imports/exports leading to delays	42%
Having an incorrect distribution of stock	40%
Misalignment between stocking facilities and customer locations	39%
Predicting/forecasting parts demand	37%
Low stock and inventory availability/working capital constraints	36%
Aligning SLAs with budgets	28%

Stock distribution in particular is exacerbated by a lack of data, and this is further highlighted by prediction and forecasting capabilities (37%) that are falling short as well. Another railway and shipping respondent in Sweden highlighted “foggy long-term demand forecasts” as something they hope to improve in their supply chain in the next 12 months.

One very likely reason for the challenges experienced in spare parts inventory is the systems to manage it in the first place. Typically, there is quite a low level of maturity when it comes to the technology being used to manage spare parts, with 29% who use mainly manual systems such as MS Excel or paper, versus just 24% who use third generation agile SaaS solutions specifically built for the supply chain. **Most organisations are using basic, non-agile solutions, meaning they will be unable to quickly change or make predictions about stock, likely losing them money in the process.**

Why is optimising spare parts important?

Given many service organisations are likely losing money by storing the wrong type or quantity of parts, or by having lead times that are too long to maintain customer satisfaction, it makes sense that there would be reasons why they’d want to improve how they optimise this function.

For the greatest proportion of respondents, it’s to improve revenue and profits (49%), highlighting the direct impact on the bottom line. A similar proportion would want to optimise this process to give their customers a better experience (48%).

Of course, these two benefits are intrinsically linked – the happier your customers are, the more likely that they will keep spending money with you.

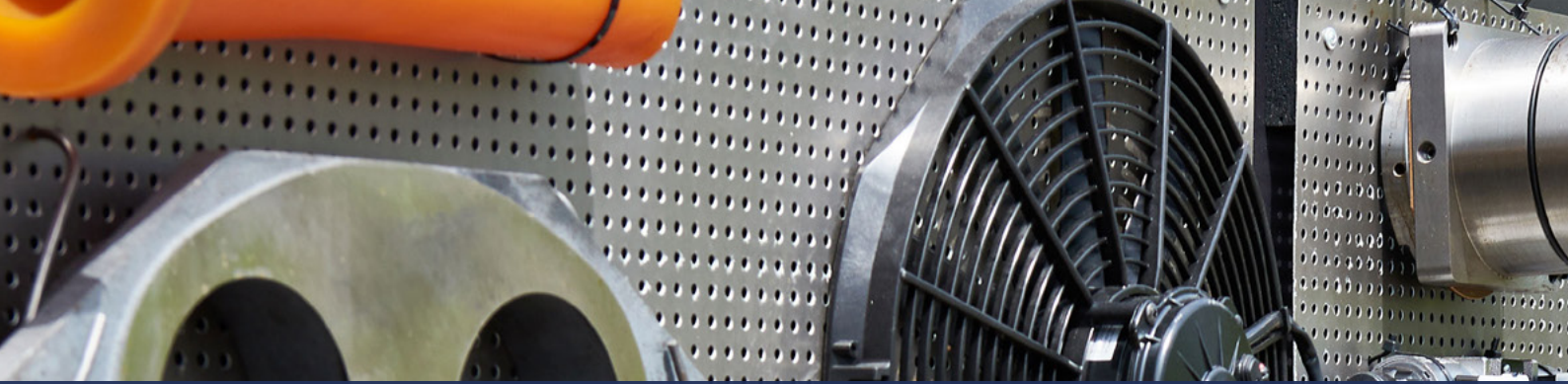
Further proof of this, is 96% who agree that they understand the link between optimising their parts inventory and making their contracts more profitable.

And technology has a huge part to play in this optimisation. As one respondent puts it:

“Implementing advanced technology has improved inventory management. Having real-time data helps us understand market trends. This in turn helps [us] maintain optimum inventory levels, which in turn reduces waste and unnecessary storage costs.”



Agriculture respondent



Syncron's view

Spare parts inventory and optimisation are key factors in driving revenue growth and preserving capital, but it's also just as important to have the right aftermarket parts planning solution to enable superior outcomes in inventory management. A well-implemented solution can provide real-time visibility into inventory levels and demand trends, allowing businesses to make informed decisions about how much inventory to carry and where to allocate resources. This can help minimise downtime, increase customer satisfaction, and improve overall efficiency.

In addition, the right inventory planning solution can help businesses avoid overstocking or stock shortages, which can tie up valuable capital and negatively impact customer satisfaction. By having accurate, up-to-date inventory data at

their fingertips, businesses can quickly and effectively respond to customer needs and requests, reducing downtime and increasing productivity. This not only helps preserve capital but also provides businesses with the resources they need to invest in other areas of their operations, such as research and development, marketing, and employee training.

Often companies overestimate the capabilities of production planning solutions and their effectiveness in aftermarket parts planning. Given the volatility of the consumer, asset utilisation and distribution channels, it's critical to ensure the right solution is implemented to support aftermarket demand patterns. Unlocking this capability can lead to business evolution including servitisation via Equipment-as-a-Service.



Challenges, areas for improvement and reasons to focus on...

parts pricing optimisation

In an unpredictable economy where supply chains are volatile, accurate parts pricing can be a sure-fire way of making sure a business is maintaining high value. And while it does ultimately boil down to the basic principle of supply and demand, there are so many facets that can, and should be considered in order to best optimise parts pricing.

But as with spare parts, almost all (99.6%) respondents report challenges that their organisation faces in this area.

Again, inefficiency plays a key part, with half (50%) who say there are too many manual processes in place, which again, is compounded by 42% who cite a lack of recent data about parts value as a cause. Relevant, up to date data is the only way to ensure accurate decision making in parts pricing, and this challenge probably goes some way to explain why so many also struggle with predicting the value/volume of aftermarket service needs (36%) and balancing prices of high value vs. high quantity parts (36%) (both of which feed into the effectiveness of their spare parts inventory more generally).

Challenges to parts pricing strategies and optimisation



Surveyed organisations are most likely to face challenges with parts pricing because they lack the agility to react to real-world volatility (38%), and competitive intelligence (38%); both crucial for making decisions effectively and quickly. With an ever-moving marketplace and impacts coming from currency fluctuation and supply chain shortages, these are gaps organisations need to bridge in order to remain competitive in their parts pricing.

Why do organisations face challenges around parts pricing strategies and optimisation?



Why is optimising parts pricing important?

Getting parts pricing right has the potential to see a huge financial benefit to a service organisation, with over half (55%) who would want to improve parts pricing in order to improve revenue/margins. For similar proportions the benefit to sales and customer loyalty (51%) and customer experience (50%) would be a reason, with 44% who believe it would give them a competitive advantage.

As with spare parts inventory optimisation, there are tangible benefits to be had as a result of focusing on parts pricing. Currently, there is still plenty of room for improvement and greater optimisation in this area for most organisations, but the reward is there if they are able to do this successfully.



Over half (55%) of respondents would want to improve parts pricing in order to improve revenue/margins.



A white bus is shown from a low angle, with a large blue semi-transparent overlay covering the middle section of the image. The overlay contains white text. The bus's front end, including the headlights and a yellow license plate, is visible at the bottom of the frame. The sky is blue with some clouds.

Syncron's view

Navigating current market conditions and preparing for future fluctuations can become an impossible task when organisations have limited visibility across their parts portfolio. While there's significant financial benefit to having more control over spare parts pricing, manual processes and limited data hinder a sophisticated optimised approach.

Dedicated technology solutions targeting the aftermarket space as well as guidance from trusted subject matter experts with access to relevant data including competitive insights is key to successfully pricing parts in a volatile market.

Transitioning from inflationary to deflationary cycles has many challenges but the right solutions can provide service organisations the leverage needed to turn these into competitive differentiators resulting in increased revenue and better margins.

Unlocking the data insights needed to effectively price spare parts inventory and support current business models will create a foundation for success. Once success in current business models is achieved based on growth targets, these same strategies can be leveraged to rapidly bring new business offerings to the market.

service lifecycle management

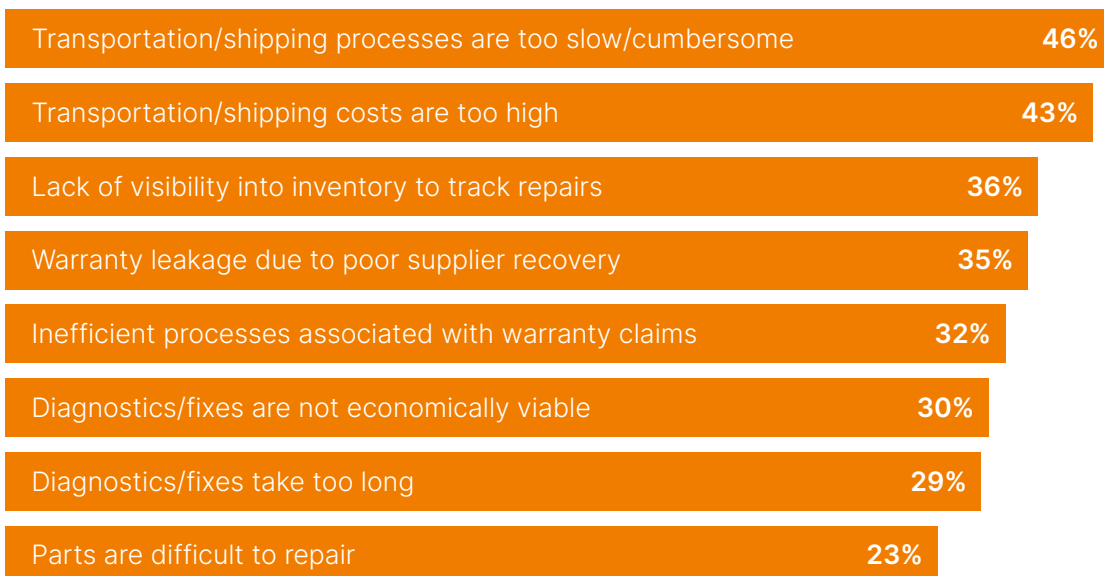
The service lifecycle is an all-encompassing term, including supply chain management and parts inventory, pricing and after-market service. It covers everything across an assets’ entire lifecycle, from product sale through to end of life. Once again, almost all (99.6%) surveyed organisations face challenges with service lifecycle management.

There is plenty of improvement to be had in key areas of successful service lifecycle management. **Reverse logistics for example – a practice which moves goods from customers back to the manufacturer for repair, refurbishment or warranty claims – requires some or even vast improvement for 83% of surveyed service and supply chain decision makers.** Even higher proportions report needing improvement in warranty claims (87%) and the reuse or repurposing of faulty parts (88%). The latter of these is also the area where the highest proportion of respondents report vast improvement is necessary, indicating that this is the least mature area of the reverse logistics process.

How much opportunity for improvement is there in...	None	Little	Some	Vast
...Reverse logistics	4%	13%	44%	39%
...Warranty claims	3%	9%	51%	36%
...Reusing/repurposing faulty parts	2%	10%	40%	48%

However, when looking at the reasons why these processes need improvement, it typically falls down to the logistics (or economic viability) of getting the parts back to the relevant place, rather than the specific fix itself.

Reasons for requiring improvements to reverse logistics/warranties and/or repurposing parts



The most likely barriers to reverse logistics processes are slow and cumbersome transportation and shipping (46%) or high costs of transportation and shipping (43%). The least likely barrier is the parts themselves being too difficult to repair (23%). This suggests that organisations are stuck at the first hurdle when it comes to reverse logistics, and that if they could improve their ability to get the right part back to the right location (or if it was financially worth the effort of them doing so) then they'd be able to increase their circular economy and sustainable impact.

Deep dive on sustainability

A growing area of focus for organisations around the globe, regardless of industry, is the impact they are having on the planet. Organisations operating in service and supply chain industries have an even bigger part to play than most, given the huge carbon footprint they produce each year. While not a key reason for optimising any parts of their aftermarket service, greater sustainability is a welcome by-product of the optimisation of both service lifecycle management (33%) and the spare parts inventory (39%).

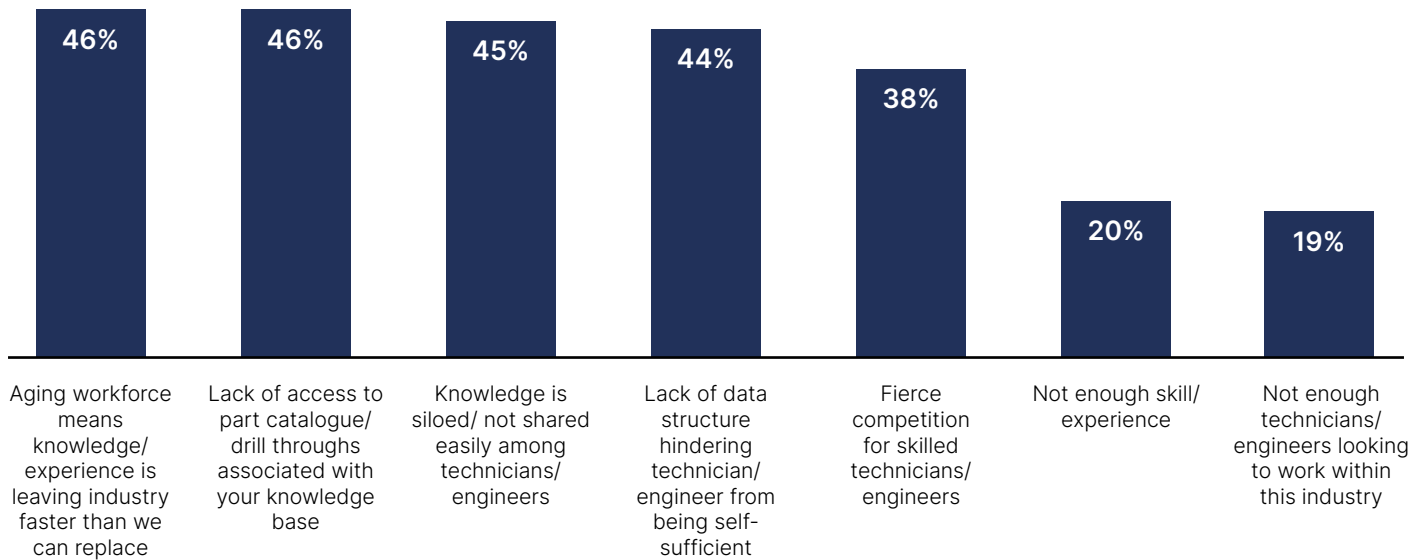
Having stronger reverse logistics capabilities or being able to accurately predict the placement of parts first-time can have huge impacts on sustainability. **These organisations also recognise the financial impact that can occur as a result of focusing on sustainability – 95% agree that prioritising sustainability within the supply chain will enable profitability.**

Reading between the lines, boosting profitability by improving sustainability in the supply chain (and beyond) suggests a desire to see a circular economy approach. This approach encompasses the whole manufacturing and supply chain cycle, designing parts to be built using reusable materials, utilising them fully during their lifecycle and then recycling or repurposing them into usable parts once more – reducing waste, cost and the impact on the environment. Almost all surveyed organisations are on board with this approach; 96% agree that success will be driven by promoting a circular economy within their after-market service.

What issues exist with technician and engineer enablement?

A huge but often overlooked area for service organisations is the wellbeing of their technicians and engineers. But post-pandemic, in a time of remote working, great resignations and the relatively newly termed 'quiet quitting', overlooking how happy field technicians and engineers are could be to an organisation's detriment.

Issues with technician/engineer enablement



The most likely enablement challenges for surveyed organisations is knowledge leaving the industry faster than it can be replaced because of an aging workforce (46%), and a lack of access to part catalogues or drill throughs (46%). These issues are compounded by the perception that knowledge is siloed and not easy shared among technicians and engineers in general (45%). So if you have older staff, who have spent decades honing their skills and experience, retiring and leaving the industry with very specific knowledge at their fingertips, and you don't have the technology or systems in place to handover that information before they do leave, then you have a massive gap in information occurring. **It is likely to be information that can be gleaned from somewhere but could mean hours spent sifting through handbooks or troubleshooting manually.** This concern is validated by 51% of respondents who believe the issues they face with staff enablement is due to an inability to search reference materials effectively.

Additionally, over two in five (45%) believe that the reason they struggle with service staff enablement is due to outdated technology that does not appeal to the next generation which is pertinent given we're seeing high concern around staff retiring and taking their experience with them – **if there is no change in the technology that facilitates engineers and technicians to do their role successfully, will that impact the number of new recruits coming into the industry?**

There is also a causal relationship to explore between the inability to search reference materials effectively, having outdated technology in general, and not having enough time per job. While it is cited as a reason by only 19%, it is important to consider whether there is a turning point for an engineer who is unable to find the information they need for the fix quickly, and who then decides to simply replace the whole unit before they run out of time to repair it. What is the economic (and sustainability) impact of those brand-new parts vs. fixed parts if the engineer were able to find and digest easily the instructions, they need to make the repair?

Why is optimising service lifecycle management and technician/engineer enablement important?

Optimising the service lifecycle management capabilities of an organisation should be a priority when you consider the vast benefits that can be seen. Surveyed organisations felt that customer experience (43%), technician and engineer satisfaction (40%), revenue/margins (39%) and technician and engineer utilisation (39%) could all be improved by focusing on optimising this process. These benefits are all intrinsically linked – if you can better utilise the service staff you have, then you can do more with less, positively impacting the margins. Similarly, if you are struggling to hire or retain skilled service staff, then keeping the existing ones happy and well utilised will benefit you greatly.

But in order to do that, **facilitating an easier way in which service staff can work on a day to day basis is crucial, and technology which is going to bridge the knowledge gap between engineers and technicians will play a huge part** in this facilitation. And half the battle is also in communication, with decision makers recognising the impact on service technicians and engineers. One industrial equipment respondent in Germany told us that **“improving dialogue between supply chain workers and all stakeholders”** is a focus for them over the next 12 months.



Syncron's view

Service leaders are faced with enormous challenges every day, from both internal and external customers. With new initiatives around every corner, it can easily become overwhelming, and value can be lost in the chaos of multitasking. The truth is as a service leader, you don't need to solve world hunger from the start, but rather just begin by putting food on the dinner table. The same approach should be taken as organisations transform process and technology.

This section touched on several topics that are front and centre across all industries. As service leaders, it's critical to prioritise what your organisation and company require to be successful.

- A circular economy with returns management, warranty claims and repair/refurbishment can not only save your company money and increase revenues, but also decrease your carbon footprint. However, it's not an easy transformation to build out the resources to manage the returns and repair work that needs to be complete to re-sell the parts. The ROI needs to be evaluated closely and a change management plan clearly laid out.
- Sustainability is a non-negotiable for companies going forward yet speaking with many service leaders the general consensus is that design and production is taking responsibility to meet the carbon reduction targets for the company. While this may be true today, Syncron believes it's only a matter of time before priorities flow downstream to service organisations and leaders can get ahead of the curve today. Appropriate planning and execution of carbon reduction plans specifically aligned with aftermarket operational improvements can mitigate any risk of financial burden as companies become more sustainable.
- The most important part of your business, your people, are starting to leave either from retirements or seeking new opportunities. This creates huge knowledge gaps as identified in the data with respect to enablement of the technicians or engineers. Technology can't fill these voids without the help of the people so it's critical that your workforce see themselves in the tools that are used every day, so they want to share and adoption increases, ultimately increasing quality and productivity.

Future proofing and opportunities

Considering the widespread expectation of various macro factors impacting service organisations significantly in the near future, it is reassuring that all do have a plan in place to overcome the economic downturn. Reviewing existing processes and making efficiencies is the most common approach (51%), likely because it should be the fastest, cheapest option for businesses to explore. Beyond that though, 49% plan to adopt a modular approach to technology investments moving forward, preferring to build on their existing systems rather than make huge financial decisions in a time of economic uncertainty.

In fact, regardless of the concerns service organisations are facing right now, 95% of respondents agree that their organisation would generally prefer a service lifecycle management solution that is modular and enhances the current systems and platforms that they have in place. Traditionally, service is not usually a business area where budgets are focused on transformation, and so it seems that many organisations prefer to take a slower, steadier approach to technology adoption.

This is underlined by the response from one decision maker in Sweden who told us that they want to:

“...improve the resources, the management system, the technology. [But] complexity is a real danger and we need to be careful not to “bite off too much”. The speed of change has to be gradual and measured over a reasonable timeframe.”

Agriculture respondent



Plan for overcoming economic downturn



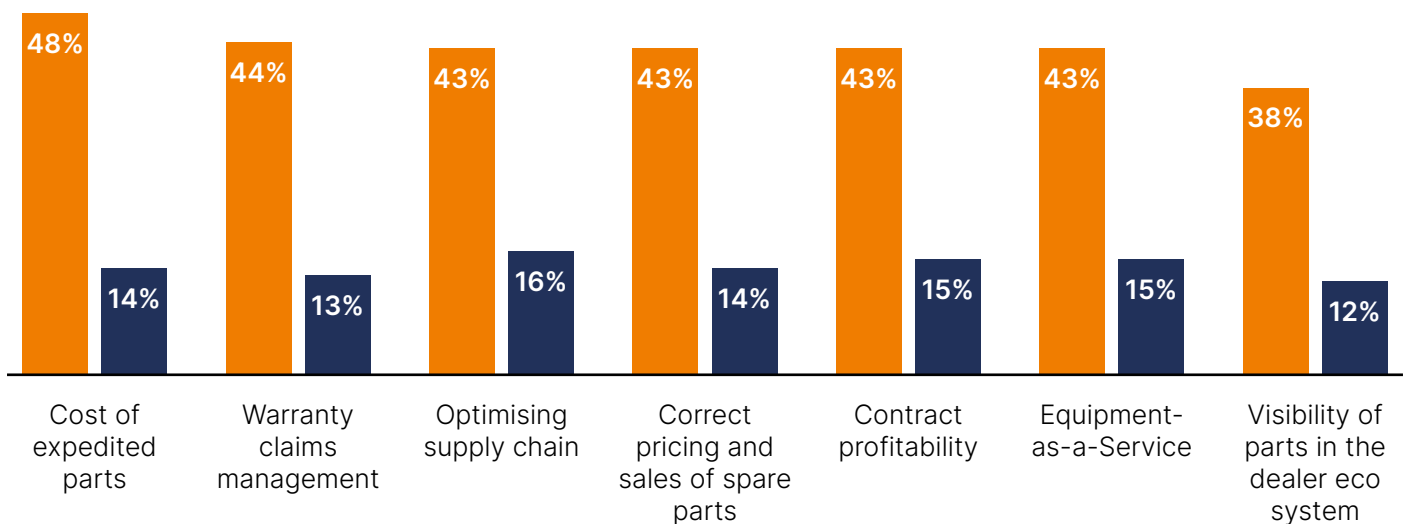
What are the biggest revenue and profit opportunities?

While it seems like service organisations are preparing to weather a storm, there are still plenty of opportunities for the taking.

The most likely area to be considered ripe for opportunity by respondents is in the cost of expedited parts (48%), followed by warranty claims management (44%). Just behind this are three more areas – supply chain optimisation, the correct pricing and sales of spare parts, and contract profitability (all 43%).

Biggest revenue/profit opportunities

■ Combination of responses ranked first, second and third
■ Responses ranked first



Huge amounts of improvement are possible in all parts of the service lifecycle and optimising any of these could result in a stronger competitive position, happier customers and a positive impact on the bottom line. In fact, if organisations were able to invest in their desired operational improvements, they would expect to see an average profit increase of 10.5%, highlighting that optimisation in spare parts, parts pricing and service lifecycle management generally would be incredibly fruitful for an organisation.

Conclusion

Services organisations are facing multiple macro pressures that they need to weather in the near future; economic disruption, talent shortages and supply chain volatility are all expected to have a massive bearing on the successful operations of these businesses. But the solutions that many have in place for spare parts, parts pricing, service lifecycle management and technician enablement are already unfit for purpose – full of inefficiencies and relying on outdated or irrelevant data.

The good news is that most recognise the importance of optimising these different solutions, and can see serious benefits to the customer, the staff and the business in doing so. These benefits include meeting sustainability expectations, and counteracting labour attrition and retention issues.

But there is a difference between recognising the opportunities in service and supply chain optimisation, and actually doing something about it. Right now, the world is turbulent and businesses are being rightly cautious in their investments – for our surveyed organisations, it's about baby steps, and not overwriting the whole system in one go.

While all have some semblance of a plan to overcome the economic downturn, a modular approach to technology seems to be key and points to the fact that these organisations don't want to make huge wholesale changes at a time of uncertainty. They need a provider who can do that for them, while educating them on the huge benefits they can expect from optimisation of their spare parts, parts pricing and service lifecycle management.

Methodology

Syncon and Field Service Associates commissioned independent technology market research specialist Vanson Bourne to undertake the quantitative research that this report is based on. They interviewed a total of 500 respondents in November and December 2022, from 4 regions: UKI (100), US (200), DACH (100) and the Nordics (100).

Respondents were service and supply chain decision makers, CIOs and CFOs from a range of service industries, including construction and mining, agriculture, automotive and industrial equipment. Respondents taking part came from organisations with a global annual revenue of more than \$250 million.



Synchron helps manufacturers and distributors capitalise on the new service economy by optimising aftermarket profitability, increasing customer loyalty and enabling the transition to servitisation. Synchron aligns all aftermarket services with its Connected Service Experience (CSX) cloud platform, helping companies differentiate themselves through exceptional aftermarket experiences while driving significant revenue growth. The world's top brands trust Synchron, making it the largest privately-owned global leader in intelligent service lifecycle management SaaS solutions. For more, visit synchron.com.



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