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Real-Time Data-Driven Service-Based

How Syncron's Service Lifeycle Management (SLM) Platform Can Help You Thrive in the New Aftermarket Economy

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THE TRILLION-DOLLAR AFTERMARKET OPPORTUNITY

In this eBook

We will explore this shift and demonstrate how you can start to move towards real-time, datadriven service-based business models.

Specifically, by learning to put data, AI & ML at the heart of everything you do in your aftermarket operation.

We introduce *Syncron Service Lifeycle Management (SLM)*, the only purpose-built, AIassisted aftermarket solution that is designed to optimize every aspect of your aftermarket business.

We will cover:

- \rightarrow Threats and opportunities in the aftermarket
- → The need to evolve to data-driven services
- → Why you can't unlock the value of your data
- \rightarrow How to unlock your data

→ Introducing SLM

- What it is
- How it works
- Key capabilities
- Unlocking aftermarket synergies
- AI & ML
- Technical benefits
- Business outcomes
- Customer stories
- \rightarrow Conclusion



Over the past few decades, OEMs and their distributors made billions from manufacturing and selling complex, high-value machines, equipment and industrial assets.

These businesses invested heavily in the tools, technologies and processes to support their manufacturing sales, e.g. cross-business ERP and CRM systems. And it worked!

But shifting market dynamics, changing customer preferences and game-changing technological innovations (*"Hello, Al!"*) are pushing the source of business growth further down the value chain.

Now, the *aftermarket*—rather than original equipment sales—is a critical source of new business value.

- \rightarrow High-margin parts sales.
- \rightarrow Predictable service contracts.
- \rightarrow Recurring revenues.
- \rightarrow Massive lifetime customer value.

2.5x^①

These are revealing themselves to be the new engines of business growth, delivering 2.5x higher margins than original equipment sales. The business potential of service-based aftermarket models is astronomical.

Airbus, for example, estimates that *"aircraft-focused lifecycle services represent the largest segment of growth...[with] a cumulative value of* **\$2.2 trillion** over a 20-year period."

The problem is that aftermarket players are nowhere near maximizing the value they can extract from this part of their business.

Why? Because they haven't made those same investments in data, tools and technology that they have done in the rest of their business.

If they do, they will unlock game-changing opportunities:

- Real-time, data-driven, service-based business models
- Deep customer understanding
- Intelligent automation scaled across your entire value chain
- Streamlined, interconnected and optimized business processes
- Incredible synergies between aftermarket functions

The aftermarket players that can unlock these opportunities will dominate the next twenty years.

THREATS AND OPPORTUNITIES IN THE NEW AFTERMARKET ECONOMY

Profound changes are shaking up the industry on many levels, threatening existing ways of doing business, but also offering powerful new opportunities for those bold enough to adapt and evolve.

Threats

Changing market dynamics

- \rightarrow Markets move faster
- → Increasing competition from abroad
- \rightarrow Inflation
- \rightarrow Supply chain disruption
- → Sustainability, regulation and compliance
- \rightarrow Fluctuating demand

Technological disruption

- → Widespread digitalization
- → Interconnectivity of systems
- → Need for speed and efficiency to deal with increasing complexity

Changing customer preferences

- → More options for customers raises expectations
- → Expectation of seamless, real-time customer experience
- → Preference for leasing over ownership
- \rightarrow Demand for transparency

Opportunities

Advanced data and analytics

- → Machine learning
- \rightarrow Artificial intelligence
- → Digital innovation

New service-based business models

- → Predictable recurring revenues
- → Higher margins
- → Get closer to the end customer

Differentiation from the competition

- → High-quality customer experience
- → Real-time, data-driven services

THE NEED TO EVOLVE TO DATA-DRIVEN SERVICES

In order to reap the benefits of these new trends and opportunities in the aftermarket, OEMs and distributors need to *evolve*.

The billions of potential dollars that are on the table are not accessible via the same old approaches and business models.

At the heart of this evolution is your data.

It is by seamlessly combining myriad data sets and drawing out the insights and connections between them that you will unlock the considerable potential of this shift.

New service-based business models rely on being able to:

- \rightarrow Incorporate many complex data variables from across your business
- \rightarrow Perform deep analysis
- \rightarrow Leverage the predictive power of AI and ML
- \rightarrow Automate business processes at scale

All of which is delivered in near-real-time to inform your services and business processes.

But the siloed, disconnected, heavily manual approach that most aftermarket businesses take simply doesn't cut it anymore.

And there are a whole set of hurdles that are stopping them from being able to move forward and evolve.

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You need to shift your **business** model from delivering reliable equipment and parts on a cost-plus model... ...to providing real-time, integrated, data-driven services on a value-based model.

5 REASONS WHY YOU CAN'T UNLOCK THE VALUE OF YOUR DATA

There are several major data-centric challenges that prevent OEMs and distributors from evolving into real-time, data-driven, service-based business models.

It's too complex

New business models require vast amounts of data from multiple sources, including internal (ERP, CRM, IoT) and external (market, competitors, prices), as well as powerful analytical and predictive capacities that can be executed in nearreal-time. Traditional approaches struggle to cope with this complexity.

It's too siloed

In many aftermarket operations, information systems are siloed—with separate databases, tools and platforms resulting in limited visibility. Without a holistic view of the data, it's a struggle to grasp overall performance, make informed choices, and to coordinate different aftermarket services.

Lack of data skills

Data analytics professionals are hard to find and extremely expensive, which makes wrangling with the new levels of data complexity that are emerging even more difficult. And getting it wrong can cause more harm than good.

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It's too manual

Currently, many aftermarket operations are carried out manually. This worked in the past, but today, this human-centric approach is too limited. There are simply too many decisions and processes to execute. It just isn't scalable enough.

Lack of appropriate tooling

Many OEMs and distributors still rely on outdated legacy systems that are not designed for the aftermarket, nor equipped to handle modern data demands. These systems complicate data integration and processing, leading to inefficiencies and increased operational costs.

So long as these data demons have not been slain, then the door to lucrative new business models will remain firmly closed!

HOW TO UNLEASH THE VALUE OF YOUR DATA

The value of your data grows exponentially the more connected and available it is.

The value is not in the *data per se*, but in combining datasets, analyzing them to draw out insights and then scaling appropriate actions across your entire business.

At Syncron, our solution to this challenge was to create what we call a *Service Lifeycle Management (SLM)*. This puts your data at the heart of your business.

This empowers your business to:



10x, 20x or even 50x the business value of your data



Improve decision making with total visibility of your operation



Enable high-margin business models



Streamline technological complexity by consolidating data and tools



Optimize the customer experience

In the next sections

In the next sections, we will explore how SLM can help you to evolve towards aftermarket excellence.



SYNCRON SLM: THE AFTERMARKET SYMPHONY ORCHESTRA

SLM is a purpose-built, integrated, data-driven solution that connects your aftermarket functions and supercharges them with powerful analytics, AI and ML.

SLM offers best-in-class tools for all aftermarket functions, along with an integrated cloud interface that brings all your teams onto the same page.

It allows you to manage your entire aftermarket service through one integrated solution. At the same time, it connects your valuable data across all SLM functions, provides AI/ML insights and intelligence supported by automated workflows to rapidly make decisions and take actions.



These individual points solutions are integrated together so that you benefit not only from each solution, but can coordinate them to deliver *powerful synergies*.

For example, connecting your parts planning and pricing functions so that you can lower the prices on parts that aren't selling to clear dead stock.

Think of the SLM like a symphony orchestra.

Each function of your aftermarket business is an individual musician. Even though they can play well individually, the overall impact is messy, disconnected and inharmonious because they aren't effectively coordinated with each other.

SLM is the orchestra conductor who has the *big picture vision*, coordinating the musicians perfectly with each other to transform their separate performances into a cohesive, harmonious whole.

SLM creates a Service Lifeycle Management by putting your data at the heart of everything you do to optimize operations, enable high-margin service-based business models, and streamline the customer experience.

SLM: HOW IT WORKS

Every aspect of SLM is purpose-built and optimized for the aftermarket, meaning that it is designed to seamlessly augment your existing setup, simplifying and consolidating your technology and processes, while making them many times more powerful.

Here are the main components and features that make it work.

Connect once, deploy multiple solutions

Syncron uses SmartBlox Technology to make individual point solutions modular and flexible. Once you have on-boarded one solution (e.g. parts pricing), you can bolt-on other solutions without having to go through a whole new implementation cycle.

Integrate your business processes

SLM integrates the myriad business processes across your aftermarket ecosystem to ensure that different service components work harmoniously, leading to faster and more efficient operations.

Common data lake

At the core of SLM is a common data lake that brings together data from across your business to inform decisions and to feed into data analytics, AI and ML. In this way individual point solutions can be coordinated and synergies maximized.



Harmonized UX/UI

A key feature of SLM is its harmonized user experience (UX) and user interface (UI). This ensures a consistent and intuitive interface across all solutions, making it easier for users to navigate and utilize the solution effectively.

Common BI layer

SLM incorporates a unified business intelligence (BI) approach, providing comprehensive insights across all service processes. This common approach helps in aligning data analysis, enabling informed decisionmaking, and strategic planning across all divisions and channels.

Integrate with your existing tech stack (CRM, ERP etc.)

SLM supports seamless integration with thirdparty applications through a common integration framework. This facilitates the incorporation of existing tools and systems especially your CRM, ERP and so on.

SYNCRON SLM: THE AFTERMARKET SYMPHONY ORCHESTRA

The SLM Cloud offers a comprehensive suite of capabilities designed to optimize aftermarket services and enhance operational efficiency.

These key capabilities ensure that the right part is available at the right place and time, supported by the right technician with the right skills and data, at the right price, and under the right contract.

Field service &

technician enablement Support and enable technicians with an on-demand solution to troubleshoot, search, and order parts, ensuring efficient and effective service delivery.

Warranty

Streamline warranty processes to reduce costs, increase sales, and improve product quality through efficient management and automation.

Contract pricing

Optimize outcome-based contract pricing to drive positive customer outcomes, generate new revenue streams, and increase profit margins.

Parts pricing

Automatically calculate and optimize parts prices based on demand, geography, competitors etc., evolving beyond 'cost-plus' models to value-based models to maximize profitability.

SLM Cloud Uptime Proactively identify anomalies and predict part & product failures

syncron

Linked business processes across solutions Common data lake Common SmartBlox [™] architecture Common Al/ML engine Common UX





Reverse logistics & depot service

Drive dynamic supplier recovery and core part returns for refurbishing and remanufacturing, reducing logistics emissions, and promoting circular inventory planning strategies.

Dealer parts planning

Optimize parts availability to downstream distribution and dealer networks, delivering the perfect balance of customer satisfaction, revenue opportunities, and parts carrying costs.

OEM parts planning

Optimize the service supply chain and parts availability within the OEM's global network to efficiently and sustainably provide optimal service outcomes.

UNLOCKING AFTERMARKET SYNERGIES

In the rapidly evolving landscape of aftermarket services, SLM stands out by unlocking powerful synergies between individual point solutions to drive incremental ROI.

This enables you to break down the siloes and use the interconnections between your business functions intelligently to create *massive business value*.

This is where the orchestra comes to life, with the strings combining with the brass and percussion to deliver a truly unified experience.

You can manage your entire aftermarket service business through one integrated solution.

As you integrate each part of your aftermarket business, new synergies become available and the compound benefits grow *exponentially*.







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Driving substantial incremental customer ROI beyond individual solutions



TOP 10 SYNERGISTIC USE CASES

The power of this approach is best demonstrated with clear examples. So here are ten deeply impactful synergies that SLM can unlock.



PARTS PLANNING + PARTS PRICING

Margin- or demand-based inventory optimization

Automatically stock higher-margin and/ or high-demand parts to boost revenue

Set up minimum margin levels below which items are no longer stocked in order to reduce the costs of overstocking items with low/negative margins.

PARTS PLANNING + PARTS PRICING

Excess / obsolete stock mitigation

Quickly create (automated) sales campaigns to clear excess and obsolete stock

Identify low-selling stock and define pricing logic rules to keep adjusting the price until the stock has been cleared.

PARTS PLANNING + PRICE

Seamless parts ordering for planners and technicians

Planners and technicians can use a single portal to order new parts knowing stock and price information is up-to-date

Enable your people to understand what parts are in stock and at what price so they can order the right part quickly, without having to speak to someone else or trigger the purchase of a new part if it's out of stock.

FIELD SERVICE + CONTRACT PRICE

Use service history to optimize contracts

Use data from service history, 360 product data and maintenance record to enhance the accuracy and value of service contracts

Tailor service contracts to the needs of each piece of equipment and each client to provide better service for the customer and more accurate pricing. For example, equipment with a history of frequent breakdowns can have contracts that include more frequent preventive maintenance checks, ensuring better uptime and performance.

PARTS PLANNING + PARTS PRICING

Optimize parts pricing based on demand forecasts

Adjust parts pricing dynamically based on demand forecasts and market conditions

Reduce stockouts and the costs of excess inventory by adjusting parts pricing on the basis of predicted demand patterns

PARTS PLANNING + WARRANTY

Inventory management for warranty campaigns

Ensure that you have enough parts in stock for recall campaigns and track these from end-to-end

In the event of a product recall, launch a campaign to ensure that every single piece of equipment has been successfully recalled and automatically ensure you have the right parts in stock at the right location.

CONTRACT PRICE + FIELD SERVICE

Contract Management with Pricing

Link contracts to the services and products they cover to ensure profitability

Register service plans to specific products so that claims can be assessed in relation to entitlements and policy terms. This data informs the profitability of contracts, helping contract managers develop profitable terms.

WARRANTY + FIELD SERVICE

Contract for preventive maintenance through extended warranty

Integrating warranty management with service execution to offer comprehensive preventive maintenance plans within warranty contracts

Preventing equipment failures by scheduling maintenance before it breaks, reducing downtime for your customers, increasing their loyalty to your business, and reducing warranty claim costs.

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DEALER PARTS PLANNING + PRICE

One-stop-shop for dealers for placing orders

Streamlined ordering of any item for dealers to reduce lead times

Dealers normally have to use multiple solutions to order products that aren't actively in stock with an OEM. By integrating an OEM parts catalog into Syncron Price, dealers can accelerate the ordering of any part without having to go through multiple steps.

ALL FUNCTIONS

End-to-end visibility of service operations

Gain visibility into every corner of your aftermarket operation and track key KPIs

Access all key information in one place to track key metrics across the business, identify opportunities for improvement, and leverage AI-based recommendations.

Parts longevity

SLM: AI & ML

The most transformative feature of SLM is the embedded machine intelligence.

It is a powerful enabler and radical force multiplier that transforms human capacities in astonishing ways.

Unlike traditional systems, AI can handle essentially unlimited data, providing comprehensive insights that align all business decisions with real-time information. This holistic approach ensures that every strategy, from parts planning to customer support, is informed by accurate, up-to-date data.

TS PLANNING

The sheer speed, accuracy, and scale of Al means it can deploy thousands of individual calculations and optimizations across your whole business in a way that would simply be impossible for a human team.

And the overall impact of these changes is astonishing. They compound across your business, resulting in 10x, 20x or even 50x ROI gains.

You can learn more in our eBook *AI* & *ML* In *The Aftermarket: 30 Game-Changing Use Cases*, where we explore a wide range of powerful use cases for machine intelligence across every aspect of the aftermarket.

SLM: TECHNICAL BENEFITS

Beyond the immediate improvements to each aftermarket function, SLM delivers a range of holistic technical benefits across your entire operation.



1. Improve coordination and decision-making

Align information, insights and actions across your entire aftermarket operation.



2. Scale intelligence and automation

Leverage machine intelligence to eliminate manual work while increasing speed and accuracy.



3. Optimize business processes and customer experience

By improving coordination and automation you can optimize processes at massive scale, while delivering a joined-up and coherent customer experience.

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4. Streamline technology and operations

Reduce risk and technical complexity by consolidating data and tools and making them easier to use. **Connect data across functions:** bring together all relevant data (even combined with your ERP and PLM data) for analysis and to fuel Al

Unified data view: comprehensive view of the entire service lifecycle, providing real-time data and insights to improve decision-making at a business-wide level

Holistic visibility: integrate various functions to replace operational siloes with end-to-end visibility and control

Automate workflows: make common business processes quick and friction free

Automated decision-making at scale: leverage AI to automate complex decision-making processes across every point of your operation

Enable rapid experimentation: proactively deploy experiments to optimize processes and develop profitable new business strategies

Faster, more efficient, more effective service processes: e.g. streamlined repairs and claims processing

Organizational agility: enable rapid response to changing market conditions

Consistent customer experience: ensure a coherent and connected experience across all touchpoints

Simple integration and data management: quick deployment and easy data management, allows for seamless integration with existing systems

User-friendly interface: natural language UX makes it straightforward for anyone to query data and use it to do their job more effectively

Consolidate vendor landscape: simplify vendor management and reduce costs by consolidating various solutions into a single, unified system

SLM: BUSINESS OUTCOMES

The core benefit of SLM is that it helps you to evolve into the new aftermarket economy.

First and foremost by becoming a force multiplier for the value of your data.

Most businesses are just skimming the surface of what they can do.

SLM helps you to put data at the heart of every touchpoint in your aftermarket operations to make your operations many times faster and more accurate.

It changes how you understand and run your global business, helping you to transform the challenges of complexity and fragmentation into *powerful business opportunities*.

It means you can now manage the complexity of your data to unlock innovative, high-margin business models.

And it represents the foundation of a real-time, data-driven, service-based aftermarket operation.



This high-level benefit trickles down into a series of powerful business outcomes across three categories.



1. Maximize aftermarket revenue, growth and profits

Turn data into insights and then scale appropriately across the business to optimize existing processes and open new revenue streams.



2. Enhance customer experience, satisfaction, and lifetime value

Differentiate your business and stay ahead of the competition with a best-of-breed customer experience.



3. Improve decision-making and consolidate tech stack

Make your technology simpler and easier, while making data insights more available to senior leadership and the business. Maximize margins and minimize losses: leverage machine intelligence to optimize prices and contracts

Leverage synergies to create massive business value: combine point solutions (e.g. parts pricing and inventory management) to drive incremental ROI

Compound ROI: with each additional points solution (and new synergies) that you on-board the benefits increase exponentially

Enable high-margin service-based business models: shift to more reliable and profitable revenue streams by leveraging the analytical and predictive power of AI and ML

Increase customer loyalty: provide a coherent and consistent customer experience, faster and better services, and more accurate cost assessments

Increase customer lifetime value: secure customer retention by providing improved and personalized services

Get closer to the customer: enhance engagement by understanding customer needs and preferences through integrated data analytics

Reduce complexity and risk: simplify operations by integrating various functions into a unified system, reducing errors, and inconsistencies

Embed machine intelligence at scale: utilize AI to automate complex processes, improving efficiency and accuracy across operations

Focus on core competencies: et Syncron handle the complexities of data, allowing your team to concentrate on strategic activities and core business functions

Raise data visibility to senior leadership: provide comprehensive insights and analytics to leadership, enabling informed and strategic decision-making

Outsource complexity and simplify tech stack:

streamline your technology infrastructure by adopting a unified solution, reducing the need for multiple disparate systems

SLM: CUSTOMER STORIES



Syncron helps AGCO increase productivity by

The challenges

- Provide a more automated, transparent process to increase brand loyalty
- Disparate system to inspect, repair, and maintain equipment hinder a great customer experience
- Need for a single seamless view in all regional languages globally

The solution

AGCO uses Syncron solutions to optimize their entire service experience value chain for their customers. They synergize the solutions across inventory, price and knowledge management to further visibility and coordination.



and distributors spanning 140 countries.

The business outcome

- Increased aftermarket business
- Increased productivity of the field technicians by 10%
- Monetize content that is currently captive within regional enterprises
- Now able to identify value drivers in pricing strategy
- Reduce publishing costs for regional languages

Electrolux

Syncron helps Electrolux increase productivity by





Electrolux is one of the biggest home appliance manufacturers in the world, with \$12bn+ revenues and over 50,000 employees.

The challenges

- Need to reduce working capital in Europe by improving inventory management
- Service info was inside firewall, unsearchable, w/o mobile access
- Goal to increase operating margins (return on net assets in excess of 20%)

The solution

Electrolux uses Syncron solutions as adjunct components to optimize their entire service experience value chain for their customers. They see synergy in the use of inventory, price, and knowledge management through further visibility and coordination.

The business outcome

- 25% inventory reductions and 10% availability improvements
- 9% increase in tech productivity – repair time and first-time completion
- Increase product services share value comprising service, consumables, and accessory sales
- Reduce support cost from improved access to knowledge bases

CONCLUSION: THE FUTURE OF THE AFTERMARKET

The future of the aftermarket belongs to those businesses that can transition to the new world of real-time, data-driven, service-based business models.

The SLM is designed to help you thrive in the new aftermarket economy by unifying your data and unlocking the value it contains to not only optimize every aftermarket function but to coordinate them for incremental ROI.

And the solution continues to evolve with the dynamics of the market and customer needs. We listen closely to our customers and are continuously updating our product roadmap to bring the most needed aftermarket features to market.



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Learn more www.syncron.com/SLM-platform/



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