

We like to share some practical Servitization industry examples. It gives a reflection about the possibilities, and there might be changes over time. By our research, we've noticed within manufacturing companies that approximately 5-10% of their clients might have an interest in Servitization offers (innovators, early adaptors). Excluded are Servitization concepts provided by for example; Netflix, Starbucks, etc. who know a large bunch of clients up to 100% which are using value-added services.

Within our workshops/projects, we further explain Servitization and included different (scientific) studies, but more important also practical cases. Earlier we mentioned the possible savings and new revenue growth within stages, but these frontrunners and their customers already experience the value of servitization services every day.

	'Power by the hour' Fully maintained aero engines by using the hour rather than by the unit. RR started in 1962 (viper engine business jets) with early Servitization milestones. Since 2018 RR generates 49% of its revenues by the provision of services. Long-lasting products need regular services and overhauls.
	'Cubic metres of coal mined' Heavy equipment remote tracking and monitoring services. Reduction up to 75% of operator driven events. ²⁰¹⁵ Performance and availability increased working and equipment time, reduced maintenance time and costs, increased overall performance, and fuel consumption.
	Deere has moved from selling AG machinery only to providing precision agricultural solutions based on machine learning and AI that helps farmers scan fields, assess crops, and eradicate weeds. Deere provides solutions for, Data,- Remote-management, Guidance, and Rate applications by 'Outcome as a Service'. ²⁰¹⁹
	By 'Tractor as a Service' AGCO provides more business flexibility, access to state-of-the-art equipment and services, with no annual financial surprises, and planning issues. By Tractor as a Service, the farmer is able to focus on yield. More and more farmers now want to 'buy what appreciates and lease what depreciates'. ²⁰¹⁷
	In the beginning Kaeser could only sell compressors to a customer. At this moment ²⁰¹⁹ Kaeser offers 'Compressed Air as a Service' Customers do not need to own equipment but can pay for a subscription service. Instead of investing in a complete compressed air system, all you pay for is the compressed air you actually use.
	First KONE could only sell elevators at a specific hotel chain. At this moment, KONE can Servitize their elevators by optimizing the movements in specific areas. ²⁰¹⁹ KONE may guarantee and verify how smoothly and conveniently movements are made. Results: Proactive identification of faults +60, Reduction in callouts -28%
	'Selling kilometers' Michelin will guarantee perfect tires for fleets – and bill you per mile. ²⁰¹⁹ Guarantee on diesel saving of 7% percent. They have reinvented their business – from selling tires to the outcome. Michelin developed a tire that could last 20% longer but was disappointed that they could rate only 6-7% higher prices.
	Airport Fire sale Please request the White Paper of your fleet, equipment, and requirements. Maximum performance and flexibility. Perfectly coordinated system solutions with Scientific resources included by the link below,
	'Winter control & repair' for loading machines. Execute interventions on-time (maintenance upgrades, etc.) for maximum availability. ²⁰¹⁸ Asset-management for fleets by re-use, modifications, or re-manufacture machines (product lifecycle).
	'Pay per wash' Laundry and ironing services. Laundry is collected and delivered clean within 48 hours/€25 p/m. Miele can produce less machines for households. The Dutch people throw away 1 million washing machines, dryers, dishwashers. 100.000 machines standing still for more than 90 % of the time.
	'Pay per lux' Delivered time for services. 50% reduction in maintenance costs. 25% longer than other conventional fixtures (project Schiphol Airport). ²⁰¹⁸
	'Outcomes as a Service' Remote monitoring and diagnostics for zero-downtime on locomotives, wind turbines, and jet engines. By integrating the underlying services with products customers want, you can create packages that are more valuable than their individual parts, while making them easier for the customer to use. ²⁰¹⁸

Servitization LabelBlue Product as a Service

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