Empowering Service Excellence in Manufacturing
By Alex Roberts

Technology has been at the center of the United States' manufacturing resurgence over the past five years. Manufacturers' service departments, in particular, are seeing potential for rapid innovation.

The recent development of the Internet of Things (IoT) has brought with it a tidal wave of buzz. Connected devices that talk to each other? That sounds pretty futuristic and awesome, but manufacturers want more than pipe dreams, they want to know how they can leverage and get real value from IoT.

If we step back from a specific tech like IoT for a second, we can consider the big picture that executives are looking at. The biggest challenge facing manufacturers' service departments is to build personalized, on-demand service capabilities that lead to improved customer experiences, loyalty, and net new revenue. That's a mouthful, but it reflects the huge challenge service departments are currently facing.

Additional Challenges Facing Manufacturers' Service Departments

Recent research by Salesforce revealed that a majority of manufacturing executives don't have a "data capture" strategy to support their service departments. These executives reported issues with capturing, managing, and sharing data across their business, and there was a widespread hesitation when it came to incorporating new field service technology. Yet at the same time, 90% of executives believe in modernizing their service models to facilitate real-time service and enhanced field service performance.

The hesitation is not surprising, considering the data issues that lay at the root of challenges implementing service technology. Having good data, and making sense of it quickly, is foundational to providing the on-demand, personalized service that more and more customers are demanding.

Salesforce research has also indicated significant focus and investment of manufacturing executives on mobile, omni-channel, proactive service, sales and service alignment, and, most significantly, creating personalized customer relationships that drive revenue and act as a competitive differentiator.

Manufacturing executives realize that service revenue is beginning to creep up on product revenue, and 70% of them believe service revenue will surpass product revenue within 20 years. The global economy is flattening competition and commoditizing all types of manufactured products, and top notch service is where manufacturers will be able to create differentiation in the future.

The IoT Cloud

At Magnet 360, we believe the future is now. We understand that industries deluged with new technology facing a shifting revenue paradigm may have trouble evaluating, implementing and adopting new technologies. That's why our services are designed to empower our customers with enterprise technology that helps them navigate these transitions.

IoT Cloud stands out as the trendiest technology in manufacturing, and it can be a great enabler of the type of service that executives hope to offer. Now that IoT Cloud is an established piece of the Salesforce platform, Magnet 360 has been fortunate enough to launch some manufacturing clients on this bleeding edge IoT software and learn some valuable lessons along the way.

If you're not familiar with IoT Cloud, and why it's so critical to the IoT technology stack, here's a quick primer: The Internet of Things was originally just a bunch of devices enabled for connectivity, but the devices weren't connected to anything. Cisco, Jasper, and AWS built software that allowed for connectivity between these devices, and between the devices and central systems. Microsoft Azure and AWS built software to capture and manage that raw IoT data. But businesses still had no way to realize value from all their device data being captured and stored unless they built a custom expensive workflow engine. Enter Salesforce IoT Cloud.

Salesforce IoT Cloud changes the game for any manufacturer with connected devices. It allows manufacturers to combine their device data with customer data that's already on the Salesforce platform, and quickly develop business applications and automation driven by IoT data-enriched customer profiles. This last layer of the IoT puzzle, the app layer, is critical for achieving what executives want: proactive, personalized, automated, on-demand service for their customers.

Introducing Manufacturing Excellence in Service, with IoT

Magnet 360's new solution accelerator, Manufacturing Excellence in Service with IoT, is a robust solution that utilizes IoT Cloud to help manufacturers provide world class service. But this solution accelerator extends well beyond IoT. It leverages multiple products across the Salesforce platform to address the problem areas prioritized by manufacturing executives, including mobile, omni-channel, proactive service, sales and service alignment, and more.

In a nutshell, this solution accelerator helps create new service-driven subscription-based revenue streams for manufacturers. It combines IoT Cloud's smart-device data, with customer data on the Salesforce Platform to create business apps that enable proactive service for customers. The solution allows businesses to provide service for customers before they're even aware of issues, leading to a seamless and world-class service experience.

The solution enables a host of revenue driving business processes, including:

- Automatically upselling customers to new subscription-based service tiers
- Using IoT Data to proactively service, upsell and market to customers at the ideal times

- Creating scalable IoT-driven business apps and automation by connecting customer data in Salesforce with product data in IoT Cloud
- Providing resellers with intelligent datasets and tools to sell smarter products to their customers

This is a powerful solution we have built, which can change how a manufacturer provides service to its customers and increase the revenue managers can drive from service related activities that were once looked at as cost-centers.

Conclusion

Magnet 360 works as a trusted partner to maximize the value our clients get from investments in new technology like IoT Cloud. We are always on the cutting edge of technology trends, and we observe how these trends trickle down into enterprise and commercial businesses across all industries.

In a few years, software like IoT Cloud will be seen as a key breakthrough in the empowerment of service departments. Magnet 360 is excited to be a part of that journey with our clients and to help them achieve service excellence in a strategic and cost effective manner.

RESEARCH

Root Problems:

- Products will make less money as service takes a bigger share of the revenue pie.
- Technology to provide better service is abundant, but managers are often struggling with core issues like data capture, management, and sharing.

Typical Industry Challenges (hurdles / risks / drivers)

- Long product lifecycle
- Capital intense

Solutions:

- Introduce Ideal Solution
- Introduce Accelerator as ideal solution
- Explain how it addresses root problems
- Explain how it addresses typical challenges

Industry KPIs for Service:

- Report from Sep 2016 - 291 customer service professionals in manufacturing
    - www.salesforce.com/Research

- Technology is flattening the competitive landscape and driving prices down, making it easier for Manufacturers to win (or lose) customers. More than 80% of business buyers say that technology has made it easy to take their business elsewhere.
- At the same time, the importance of on-demand personalized care and real-time interactions is increasing, and will lead directly to increased customer loyalty*. Winning customers is not enough. Manufacturers must provide ultra-responsive, seamless, personalized service experiences to retain their customers.
- The business challenges (upselling, more revenue per customer, more customers) are the same as they've always been, but the changing technology landscape has brought with it an array of new potential solutions to address and get ahead of those challenges.
- Trend is toward service personalization. GE sets a standard through OnStar which provides location and preference based experiences.
- Mindset shift: Customer Service transforming from a cost center to an engine for growth
- **Service Investment:** Product differentiation is losing ground to customer experience as a competitive differentiator. Over 65% of service teams have increased their budgets the past two years.
- **Customer Relationships:** Manufacturers (71%) are focusing heavily on creating deeper customer relationships and (63%) on personalized interactions.
- **Proactive Service via IoT:** 2015 - 2016 saw a 119% increase (up to 58% of respondents) in service teams leveraging IoT. While the promise of IoT has fallen short of expectations in the consumer world, in the B2B world IoT is a critical piece of infrastructure to provide proactive and personalized service. Nearly 99% of respondents plan to leverage IoT for product/component issues within the next 12-18 months (if they aren't already).
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- **Alignment between Sales / Service, Access to the Same Customer Data:** 69% of manufacturers' sales and service teams have shared metrics, and the same percentage of service team's actively identifies new opportunities for sales. Service teams are now empowered to find new business, and are enabled to find the right opportunities for customer by having access to a shared set of customer data.
- **Mobile Apps:** While providing service reps in the field with apps is becoming standard (78%), the value those apps can deliver is dependent on how real-time, and how quickly, they can facilitate service. Nearly a quarter of all manufacturers felt that mobile apps were critical to providing fast, personal service, from anywhere, at anytime. However, less than half (46%) of field service agents can access customer data while offline.
- **Omni-Channel:** Knowledge bases, customer portals, online forms, live chat, mobile apps, social, etc. These communication channels are now expected by customers, and 65-70% of manufacturers are moving to enable this type of service infrastructure.

- **Key Stats:**
  - Over 65% of manufacturer's service departments play a strong role in business strategy and are viewed as revenue generators. That still means 35% view their service departments as cost centers.
  - Over 90% are investing in technology training and believe their workforce is well equipped to use these technologies
  - Only 41% have a data capture strategy, and only 19% have an IoT Strategy
  - Nearly 90% of executives believe in modernizing their service models to facilitate real-time service, as well as increasing field service performance, yet at the same time almost half are hesitant about incorporating new field service technology
  - Over 70% of manufacturing executives believe that in 20 years products will be loss leaders and services will be a bigger piece of revenue