

Win in the flat world

Service Performance Workbench A strategic differentiator

– Ritesh Arora, Venugopal G, Mitul Shah, Nishant Vaid

- *Do you struggle to measure Customer Retention or to analyze the impact of initiatives taken to improve it?*
- *Do you often wonder if seamless collaboration with Quality and Manufacturing would make Warranty Analysis more meaningful?*
- *Would you like to identify and actionize revenue-earning opportunities?*
- *Do you wish tangible numbers could be used in Service to effectively measure the performance of employees and channel partners, like in Sales?*
- *Are your action plans for Service across various departments effectively percolating to the last level in Field Service? Do you get to know about problems only much after they occur?*
- *Do you spend considerable time and effort forecasting Service Demand and Planning Capacity for the same?*

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Questions such as those posed above are a constant challenge for Service practitioners in the manufacturing industry. Increasing business complexities like shorter time to market, mergers and acquisitions and rising customer expectations demand that Service functions respond swiftly to these challenges. Organizations expect Services to contribute significantly to the top line as well as the bottom line even as product sales come under pressure and margins dwindle. To add to the woes, recessionary trends have already forced many channel partners to go out of business. In such turbulent times, manufacturing companies would do well to transform their service organization into a strategic differentiator.

An integrated view of Service Chain Management is vital for any performance improvement in customer delivery. Focusing on improving service performance across different Service functions helps in:

- Improving customer satisfaction and retention levels
- Enhancing service profitability
- Building a responsive Service Supply Chain
- Optimizing field service operations

The After Sales Industry Today

Organizations and the manufacturing industry at large have acknowledged the challenges in the After Sales function. Many organizations have a strategy to adopt one or more of the following: Business process improvement to unlock Service Chain potential, implementation of state-of-the-art solutions for their Service functions, Warranty cost reduction and improving quality, Extended warranty and contract management initiatives, Performance measures and associated incentives for employees and channel partners etc.

While these initiatives are heading in the right direction, the solution roadmap demands a holistic view of performance-related challenges across processes, people and technology.

Process Alignment

The SCOR™ Model (Supply Chain Operational Reference Model) published by the Supply Chain Council provides a robust framework for standardizing Manufacturing Supply Chains with industry-accepted process components and best practices. Very little has been done to create a similar reference framework for Service functions. However,

numerous versions of Service functions cater to various industry sub-verticals, making it difficult to successfully apply generic process boundaries across variations. Quite often, the Service functions operate differently in different geographies even for the same organization. Absence of a common process definition and the subsequent lack of an integrated approach to operations, design and management prevent organizations from deriving the full benefit of their service operations.

Organizational Structure

Service organizations (post sales) work closely with the Sales function for Channel Management, the Manufacturing function for Product Quality and the Vendor Development function for Parts. More often than not, siloed functions like Field Service, Parts, Technical Training, Warranty etc. exist within service organizations. There are several overlaps between functions/sub-functions, which are manifested in the same metrics being reported by different entities differently at different points of times. This results in impaired service delivery and poor service performance.

Technology Enablement

The After Sales function is compelled to operate in a diverse technology landscape. In many cases, the extended enterprise - the channel partners - operates as an individual entity with its own set of tools and applications. Although manufacturers pull essential data like warranty, the bulk of data still resides in their extended enterprise systems. The service applications have to interact with the applications of many departments, making service data consolidation difficult. The existing data analysis applications lack sophistication and are primarily used to report incidents post facto.

Infosys' approach to Service Performance Workbench (SPW)

Infosys looks at the Service Value Chain as an integral part of overall Supply Chain Visibility

This approach brings best practices from Procurement, Inventory Management and Demand Planning functions of traditional Supply Chains and applies them to Service Chains. This is done through a process framework, metrics organization and technology enablers.

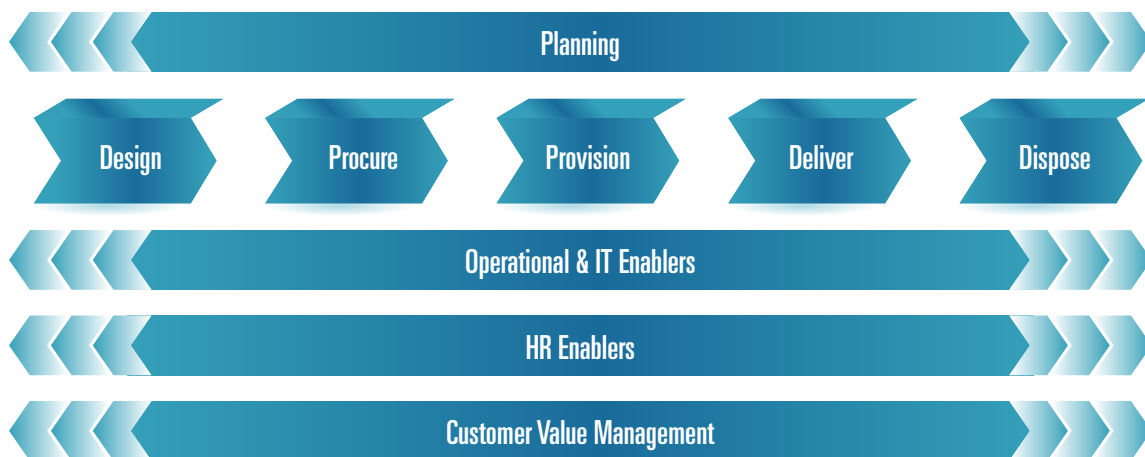
Infosys' Service Supply Chain Framework

Real value in the Service organization can be realized only if there is a common and unambiguous view of the Service Chain. This necessitates the division of Service functions in a structured manner so that business roles, functions and processes can be clearly articulated and a consolidated view of the Service Chain presented.

The Infosys Service Supply Chain Framework is a reference-able framework that can be adopted by manufacturing organizations to streamline their processes. The functions are arranged at three levels: L0, L1 and L2. Overall service planning is at the L0 level process. Each L1 process forms the parent umbrella or 'Functional Area' comprising of several L2 processes.

Performance Measures Definition

Only when the process framework is in place can the performance measures for each L2 be defined comprehensively. The targets against each measure should be mapped to the respective units/departments/ personnel within the Service function organizational structure. Subsequently, the targets need to be distributed till the last level.



Infosys' Service Supply Chain Framework

The important Key Performance Indicators (KPIs) are assigned weightage according to their priority and are organized as Balanced Scorecards. The scorecards are typically defined for a financial year and the KPIs or weightage assigned are revisited after the stipulated period. These scorecards could be for a specific function like Warranty or could span across the Service function. Pre-announced incentives are attached to the Balanced Scorecard. Usually these are given to dealerships or franchisees to improve their performance.

Technology Considerations

Certain key technology capabilities are essential to deploy KPIs and scorecards successfully across the Service Chain and ensure improved service performance.

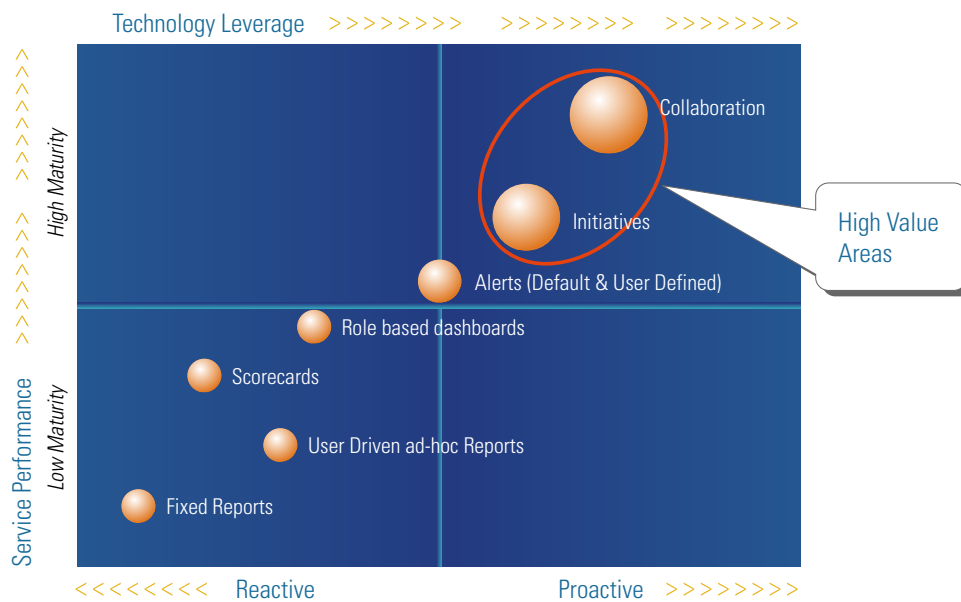
- **Data Integration:** Ability to integrate with the varied applications landscape is critical. Integration could range from passive (ad-hoc) to real-time.
- **Advanced Analytics:** Users should be able to access a KPI dashboard and receive alerts for their personal user profile. Additionally, users should be able to drill down, slice/dice, perform scenario-based

analysis, and apply modeling and optimization functions on the KPIs.

- **Action/Decision Support:** Advanced analytics is effective when used with closed loop workflow. For this, organizations must facilitate the ability to actionize on insights derived from a deep analysis of KPIs. This also involves a structured drill down to do a root cause analysis of non-performing KPIs.
- **Collaboration:** This is a very critical element as it addresses the challenges arising out of organization silos, geographical spread and non-uniformity of data. It is often found that enterprises fail to successfully run improvement programs because their goals and concerns are not communicated effectively and in a timely manner to the right participants.

Infosys' Service Performance Workbench (SPW)

SPW is a powerful web-based collaborative analytics and performance management tool for the After Sales Services



Service Performance Workbench – Value Graph

enterprise. It provides a 360° view of the entire Service function. Its key features are:

- Incubates Infosys' Services Supply Chain Framework
- Powered by a comprehensive KPI and Scorecard repository
- Provides user-customized views through a role-based dashboard
- Supports Exception Management through alerts and root cause analysis
- Enables proactive assessment and monitoring and takes counter measures using actionable insights
- Provides objective-based inter-departmental and peer-to-peer collaborative features - white boarding, annotation, sharing, feedback and comments

SPW Product Description

The product is based on Microsoft Technology. Not only does the product leverage Microsoft's Business

Intelligence (BI) components like SQL Server, Performance Point Server and SharePoint Technologies, but it also integrates all the components and utilizes their best features. It enhances BI capabilities by adding additional features like Initiative, Collaboration and User personalization over the existing Microsoft BI Suite. These improve the user experience and help make the intelligence actionable.

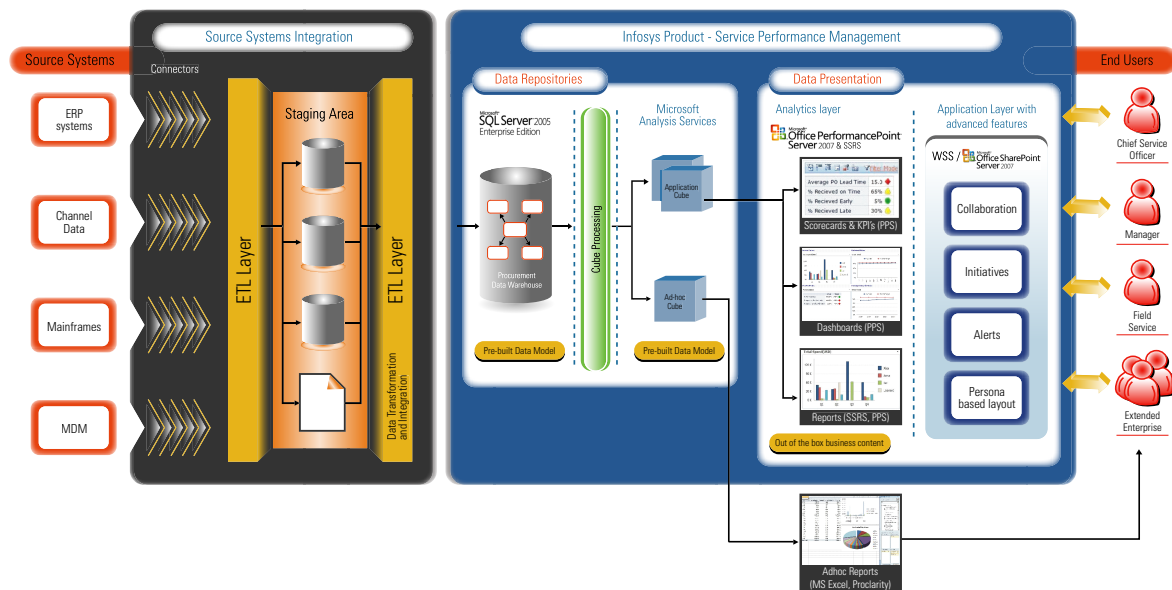
An integrated data model with out-of-box pre-packaged, customizable KPI/Metrics reduces the time taken for implementation.

SPW Business Benefits

SPW helps service practitioners achieve their key business objectives through a comprehensive set of KPIs. It is powered by a robust platform that enables "real action" on poor-performing KPIs with the help of advanced analytics and collaboration. The benefits can be classified broadly under 4 categories:

1. Customer Life-Cycle Management

- Enables higher customer satisfaction levels



SPW High Level Architecture

- Improves customer retention resulting in higher revenues
- Tailors SLAs to customer feedbacks and needs

2. Service profitability

- Optimizes service operations and reduces service costs
- Allows new revenue streams through innovative service contracts and product bundling
- Identifies and utilizes cross-sell/up-sell opportunities

3. Quality Management

- Improves service quality, reduces repeat visits for the same defect
- Enables major improvement in product quality and reduction in warranty costs through collaborative warranty data analysis between Service, Quality and Manufacturing functions

4. Service Network Management

- Allows demand forecast and capacity planning for the Service functions
- Helps efficient performance management of the extended enterprise like distributors, dealers and service centers

Infosys SPW Differentiators

Infosys differentiates its SPW product in the market through its domain thought capital and unique platform features.

- **Domain differentiation:** The product leverages the Infosys-defined Service Chain Framework and a comprehensive, pre-defined set of 100+ KPIs, 200+ metrics, 40+ dashboards and 40+ scorecards. Additionally, the product platform imbibes industry best practices.
- **Platform differentiation:** The platform enables "real action" through its capability to set up initiatives in the system. It also enables collaboration within the organization and with the extended enterprise of dealers and service centers.

Further, the platform provides business users the freedom to define their own views, customize dashboards and generate ad hoc reports.

Conclusion

Infosys' integrated approach-based SPW product is tailored for a high return on investment (ROI) for the Manufacturing Supply Chain Function. The product is modular in nature and Infosys product and domain consultants can develop a comprehensive benefits-driven implementation roadmap. Further, Infosys is uniquely positioned to consult, customize, license, implement, and maintain the product as a single entity with low total cost of ownership.



About the Authors

Ritesh Arora is a Principal with Infosys Consulting Services and is aligned to the Manufacturing practice. Ritesh has close to 13 years of industry and consulting experience with major automotive OEMs in the field of Service Supply Chain - Channel Performance Management, Warranty and Extended Warranty Management, Designing Service Products, Customer Relationship and Service Profitability Projects. He has also helped major Japanese OEMs in designing their service processes, KPIs, management reports, balanced scorecards and dashboards.

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Mitul Shah is a Senior Associate in Retail & CPG practice at Infosys Consulting. He has extensive experience in developing Supply Chain Strategy and Supply Chain Analytics Solution for global players. He has hands-on experience in various logistics operations in Supply Chain across industries like FMCG, Apparels, Auto ancillaries, Cement and Retail. Mitul has been a key member of the core group who introduced Supply Chain Risk Management component in SCOR 9.0. He is a regular speaker at numerous International conferences and has published his views in many International Journals. In 2008, he was awarded by Supply Chain Council for "Outstanding Contribution to Global Supply Chain Excellence". Mitul is a certified CSCP, Six Sigma and SCOR professional.

Nishant Vaid is a business analyst with Infosys' Manufacturing Business Unit. He has handled projects for manufacturing OEMs with a focus on business intelligence and reporting implementations. He also has extensive experience with manufacturing supply chains comprising areas like supply chain collaboration, service supply chains and enterprise performance management.

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