







<p>Mark Taft, ABB Inc.</p>	<h2>The Shift to Service Selling</h2>
	 
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<h2>The Shift to Service Selling</h2>	
<ul style="list-style-type: none"> ■ What is driving the demand for services? ■ What are our Customers looking for? ■ What should you do? 	
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Why

Knowledge management gap

- Manufacturers no longer have the in-house expertise they once did
 - Shrinking workforce
 - Retiring engineers not replaced
 - 40% more retiring in next 10 years
 - Average age of ISA member today: 48
 - Their knowledge is not being captured
 - Fewer students entering the engineering profession



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Why

Knowledge management gap

- Reasons cited by ARC
 - Corporate Downsizing
 - Aging Workforce
 - Shrinking product lifecycles
 - Technology changes more rapidly
 - OTS (Off-The-Shelf) technology
 - Workforce must constantly learn how to use new technologies



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Why

Availability of new technology

- Not everyone is an early adopter
 - Rapid technology change
 - Customers don't have time to evaluate
 - Where do we start?
 - Slower adoption



Forget the “Gee Whiz”
New technology needs to provide some real
benefit to be justified

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Why

Renewed focus on core competencies

- Customers are re-evaluating what is “Core”
- Outsourcing more prevalent
 - Plant maintenance management
 - Automation system management and maintenance
 - Site management



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Why

Capital Project Implementation

- Flawless Execution
 - Risk sharing
 - Supplier has financial stake in project's success
 - Predictable project results
 - Schedule—easier to keep on track
 - Cost—budget process streamlined
 - Scope—understood from the beginning
 - Engineering resources are scarce



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What

Impact of these trends

- How do they influence customer needs and expectations?
- What product/service mix will result?
- What are your customers looking for?



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What

So much more than “Repair or Replace”

- Service has evolved to encompass so much more than traditional model
 - Includes many of these of non-core activities:
 - Site and maintenance management
 - Automation system management
 - Project management
 - Engineering services
 - Process application implementation
 - System integration



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What

Renewed focus on core competencies

- Each party has a stake in the success of activity
 - Partner manages non-core activities
 - KPIs to measure performance
 - Customer can focus scarce resources on improving core business
 - Everyone wins when this is successful

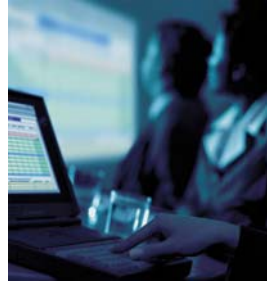


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What

Leverage Supplier knowledge

- Suppliers are current in latest technology
 - Minimize the learning curve
 - Identify features that solve specific problems
 - Recommend on how it can be applied for the greatest benefit

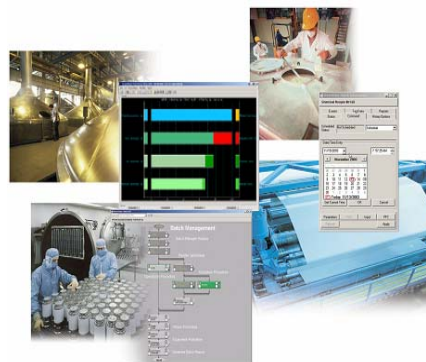


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What

Redeployment of Best Practices

- Customers need to use best practices to be more efficient
 - Pressured to squeeze more value out of their existing assets
 - Suppliers can help customers by sharing their *own* best practices
 - Also work with customers to identify and help them successfully repeat **their** best practices



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Embracing this shift

- What should you do?
 - How can you adjust your offering to accommodate this marketplace change?
 - External and internal factors must be considered



Opportunities

- Listen to your customers
 - What is “keeping them up at night?”
 - What would help their operations be more effective?
 - What problem areas do they have?
How can you help?



How can we make this shift?

- Get out of your silos
 - Work within company to integrate offerings
 - Collaborate with other suppliers to provide what customers want
- Innovative for efficient projects
 - Quicker
 - Lower cost
 - Better fit for purpose



Evaluate your service offering

- Does it follow the “just fix it” model?
 - Or are you already offering a more progressive service/product mix?
- Can you expand it?
 - Is there a way to offer more to your customers?
- Is there a way to make your product integral to a service offering



Identify the Barriers to Success

- Internal
 - Are silos keeping your people from working together?
 - Are there competing organizations?
 - Is your sales team on board with service based selling?
- External
 - Apprehension about the new/unknown
 - Unfavorable experience with past implementation
 - Budget constraints



Overcome your barriers

- Identify ways to overcome or work around these barriers
 - Education
 - Internal and External
 - Examples are key
 - Need to illustrate how this approach is successful and has delivered results
 - Share benchmarks, improvement metrics
 - Show how you can help them implement your product for great results



Opportunities

- Can you partner with
 - Your customer?
 - Other third parties?
- How can you make this happen?
- What combinations and collaborative efforts will create the best “Win/Win” scenario for everyone?



Above and beyond the box

- Value “above and beyond the box” is a key differentiator
 - Move from a “commodity” sale
 - Delivers best ROI for our Customers
 - Services cement more substantive supplier/customer working relationships



The next generation

- Closing the knowledge gap
 - The aging workforce issue still needs to be addressed
 - The situation is especially dire in North America
- Marketing engineering as a profession
 - How can we make engineering more appealing to high school and college students?
 - Make it the profession of choice
 - Pique their interest in math and science
 - Mentoring



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