Winning Strategies for Service Transformation and Growth

Executive Service Roundtable - 2022

MORE MOMENTUM
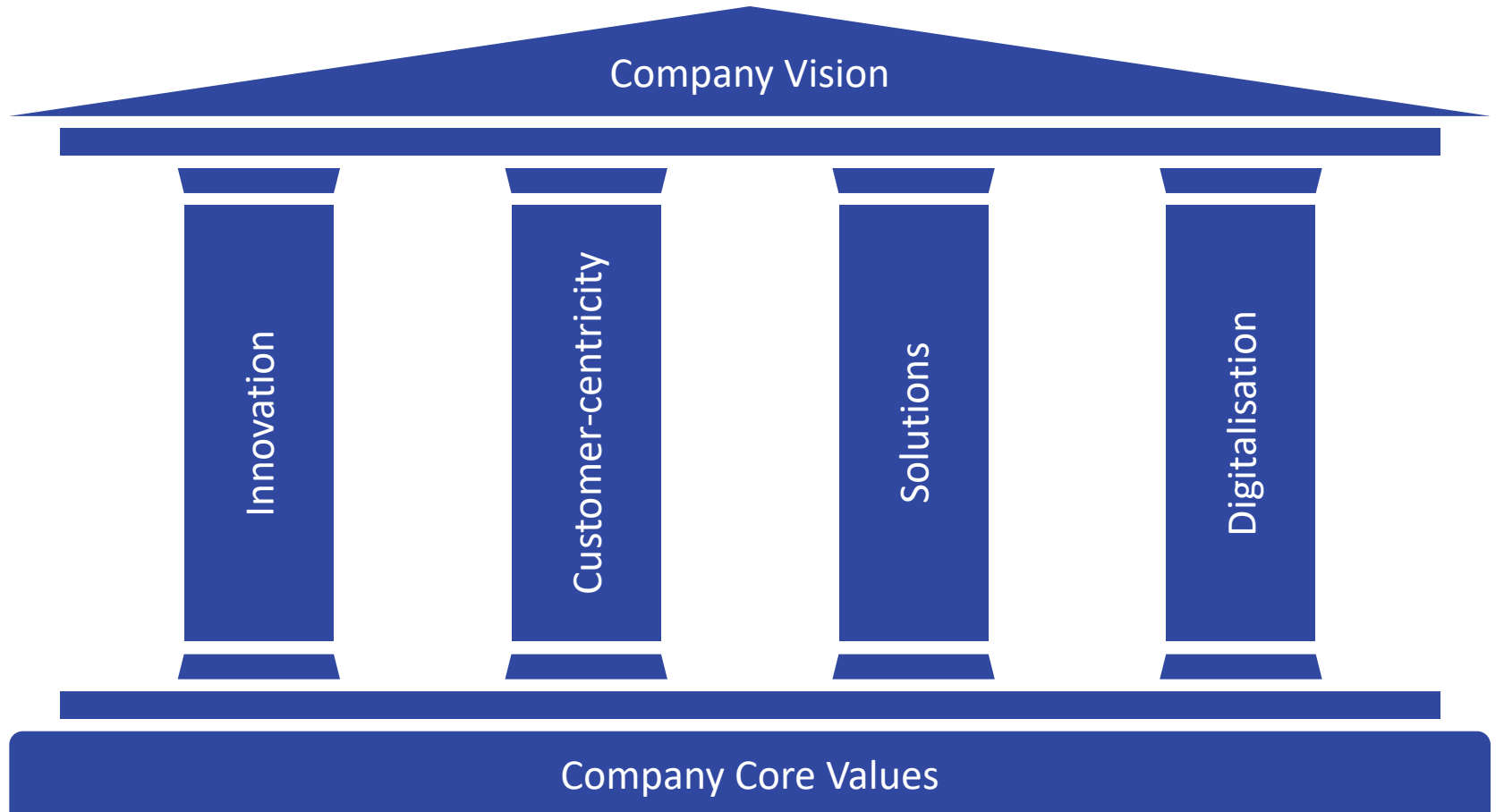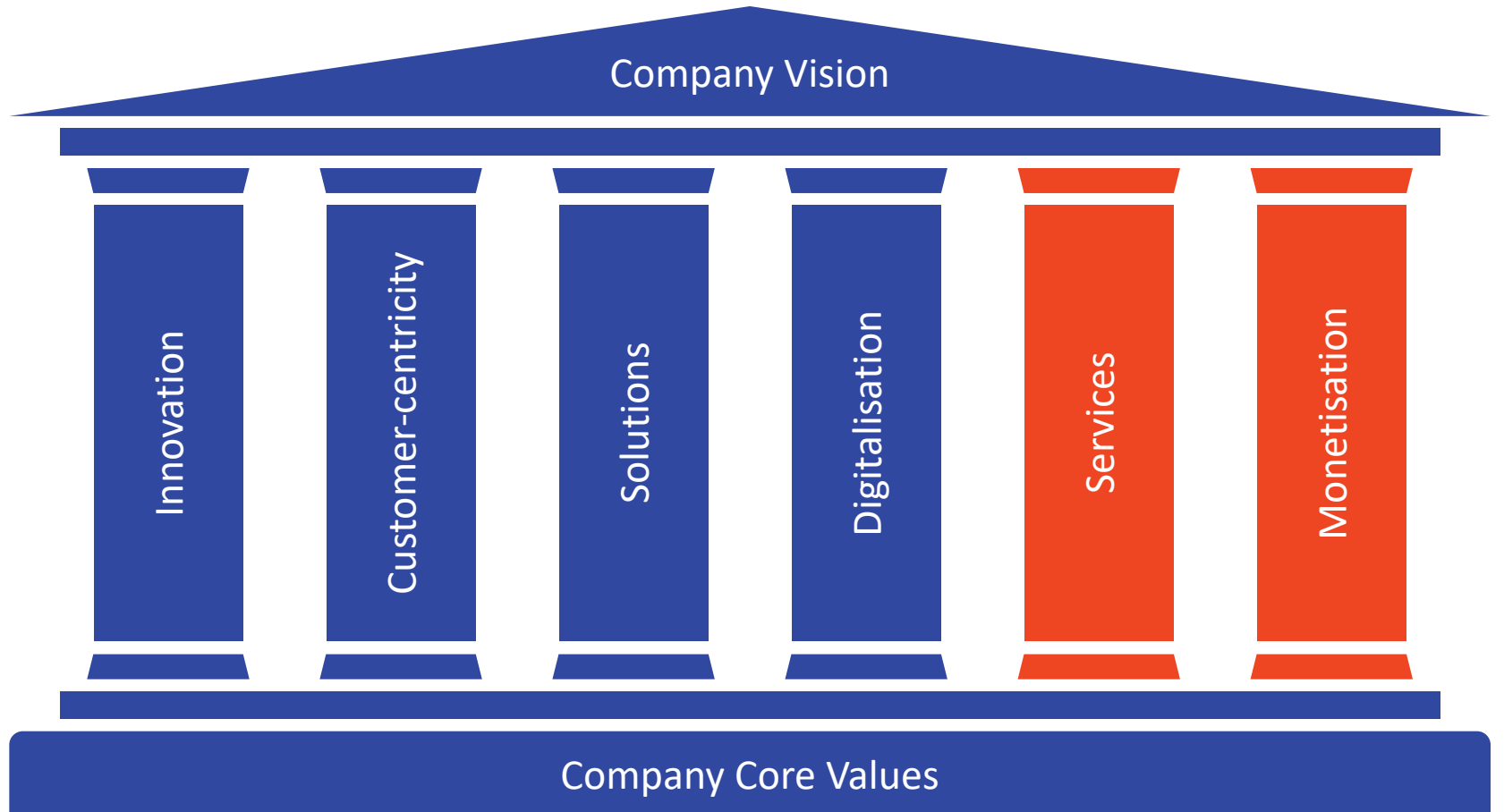*Service Community for Manufacturers*

Customer centricity

Digital transformation
of customers

From equipment manufacturer
to solution provider

Outcome-based services

Subscription models

Product-as-a-Service

Company Vision

Innovation

Customer-centricity

Solutions

Digitalisation

Services

Monetisation

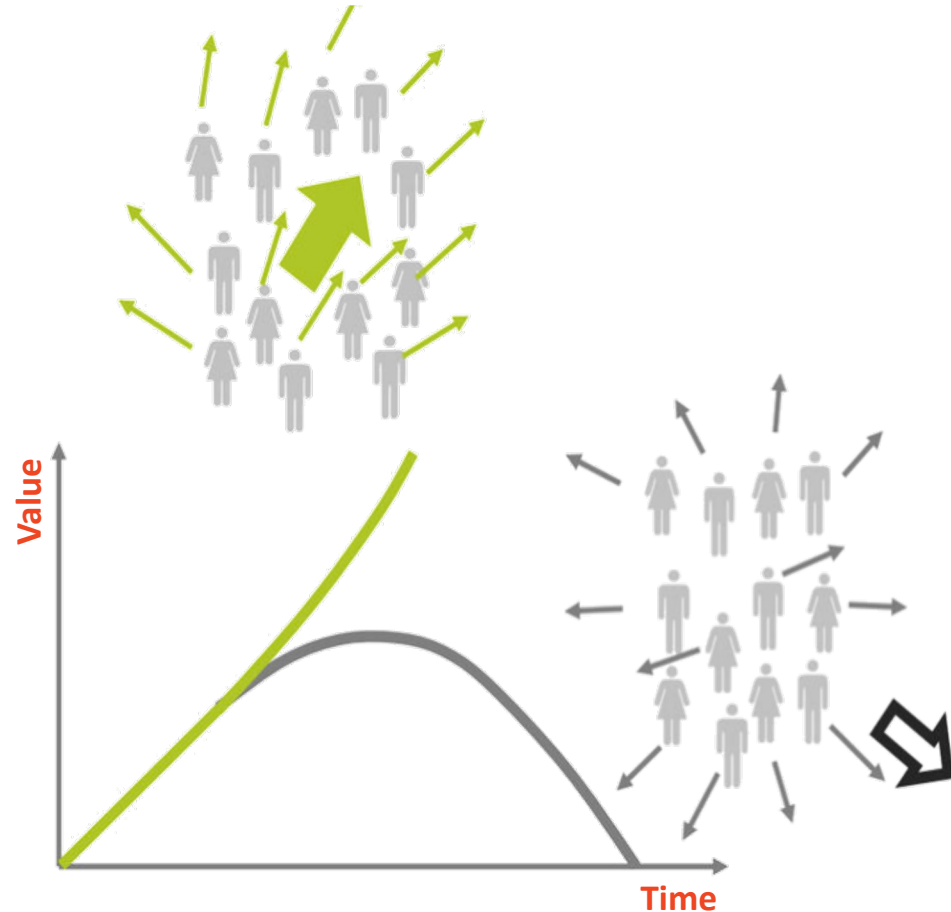Company Core Values

We need a strategic approach to succeed

Transition services services as operational function to a strategic business line

Service transformation

- Advanced services
- Data-driven
- Digitalisation
- Business integration

Uncertainty

Avoid doing a lot without results and winning

Driving service growth and transformation with WINNING service strategies

What exactly is a strategy to win?

How to successfully execute a winning strategy?

What are essential capabilities to develop?

moreMomentum Service Community

We empower and develop service leadership teams, management teams and development teams to accelerate their service transformation and growth.

As community, we develop, share and apply emerging models, practices and strategies about service business and business innovation.

Activities are

- Community meetings and events
- Service Transformation Benchmark
- Service Academy

The Executive Service Roundtable

Every month

Short and to the point

Participants choose topics

Practitioners only

Agenda

1. **Presentation to catalyse the discussion**

2. **Insights from the Service Transformation Benchmark**

3. **Discussion**

Driving service growth and transformation with WINNING service strategies

What exactly is a strategy to win?

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Playing to play versus Playing to WIN

Most companies play to play and do similar things like their competition

This will all be fine, until:

- One (new) competitor starts competing to win

- Disruptive changes come into play

- Market matures

Strategy ≠ Strategic Planning, and you need both.
However, most focus on (strategic) planning without a strategy.

Strategy	(Strategic) Planning
• Doing the right thing	• Doing things right
• How to generate value and differentiate	• How to get there and how to use resources
• Making choices	• Planning activities (road map)
• Define vision	• Achieve milestones
• Clear goals	• Clear deliverables
• More fuzzy to manage	• More straightforward to manage

A Strategy is an integrated set of feasible choices to gain a competitive advantage, while navigating constraints and uncertainties

1. Where do we want to play?

2. How will we win?

3. Which capabilities must we have or develop?

4. Which management practices do we need to support the strategy?
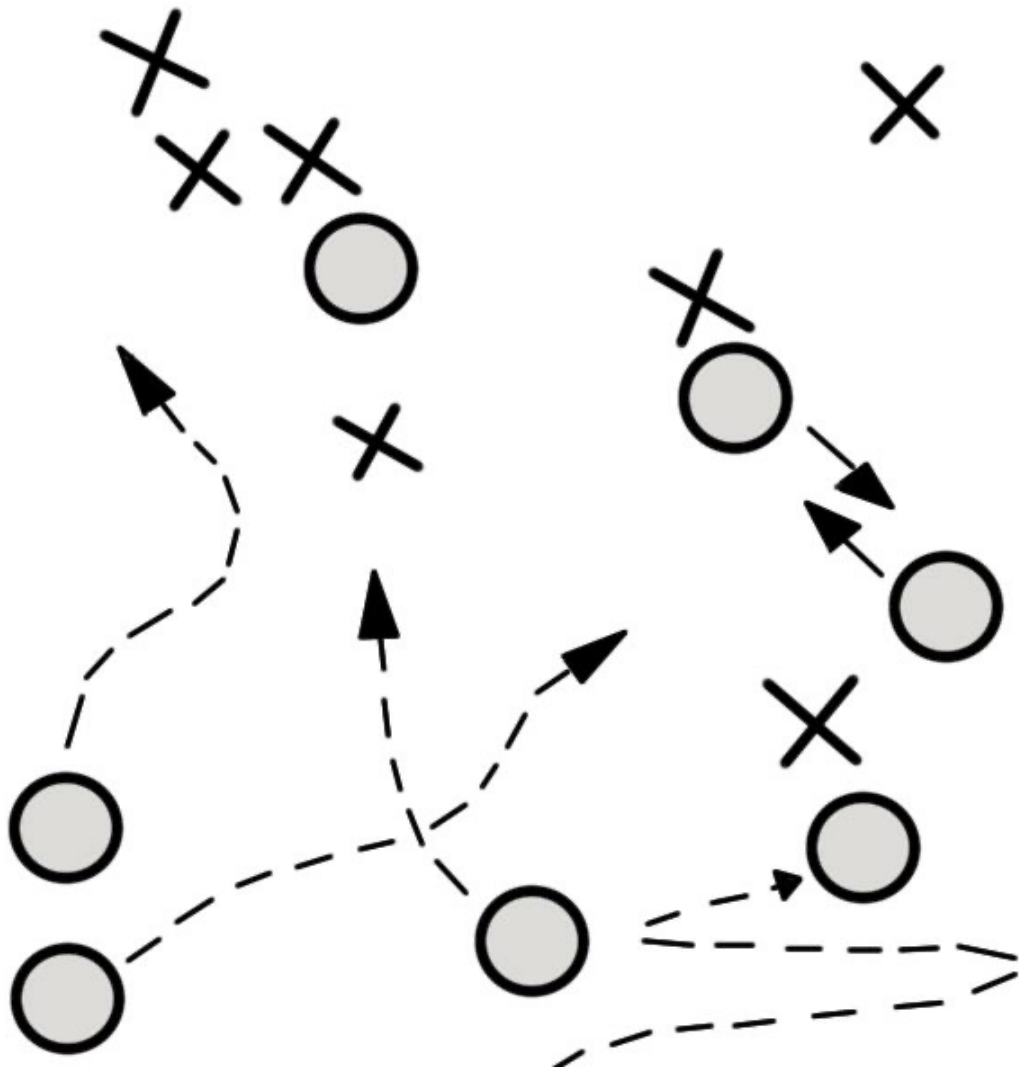
Where to play?

Which categories?

Which customer's problems?

Which geographies?

Which segments?

Which channels?

How to win?

Serve specific needs the best way

Differentiators

Competitive advantages

Leverage (new) core strengths

Expand the market

Price?

Winning with value versus price

Attracting and retaining best talents without engaging in the salary-battle

High employee benefit is

Salary – Willingness-to-Sell

(minimum expected salary)

Willingness-to-Sell decreases as perceived value and attractiveness increase

WTP — CUSTOMER DELIGHT
PRICE — FIRM MARGIN
COST — SUPPLIER SURPLUS
WTS

Example: SKF

From a provider of bearings

To a maintenance and smearing company for markets in which bearings are critical

Example: Hilti

From a tools-provider

To a fleet management provider for the larger construction companies
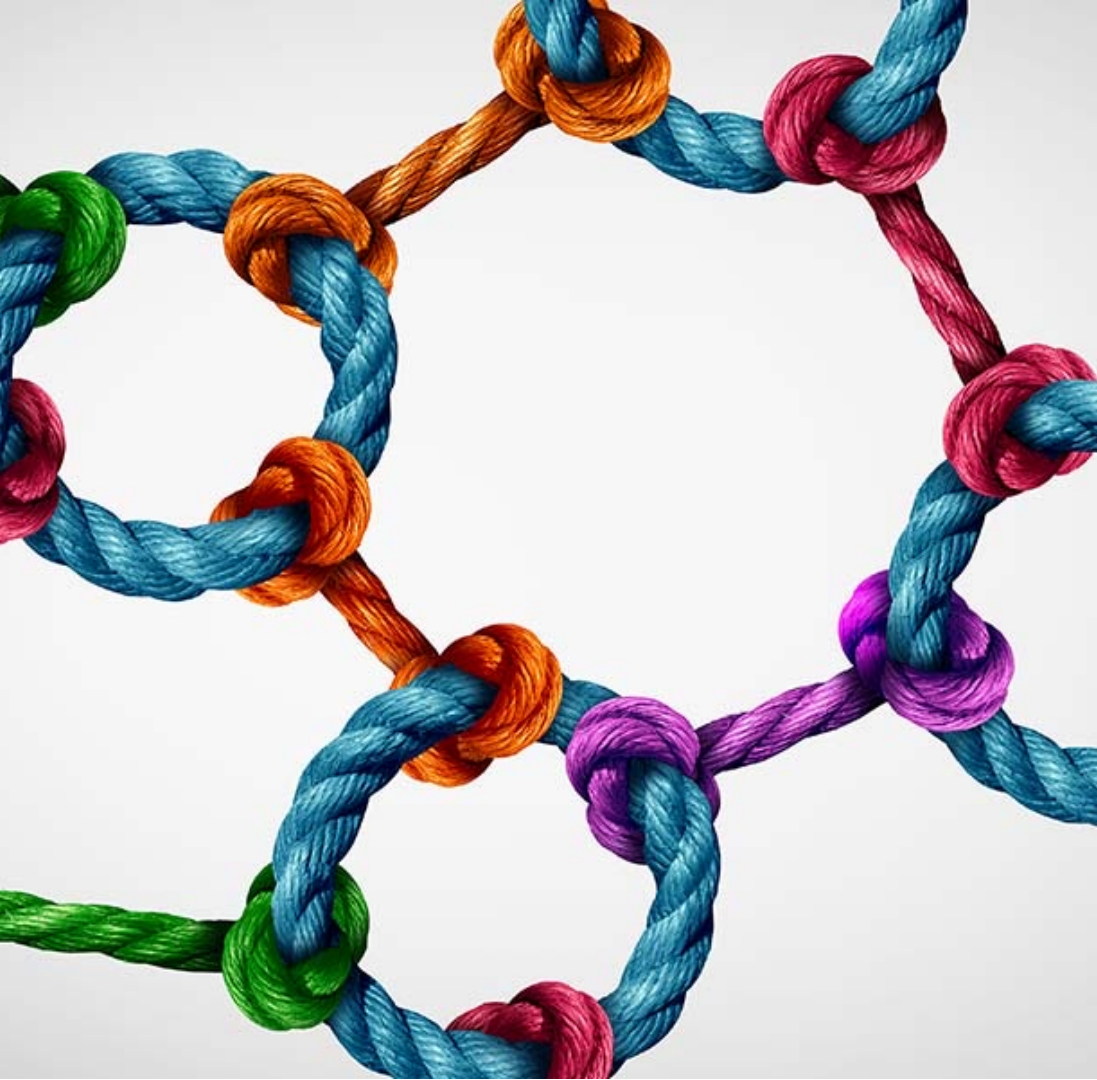
Example: Marel Innova

Must-have capabilities

Examples

- Prescriptive maintenance

- Remote service

- Digital and data capabilities

- Performance management for customers' operations

- Deep customer insights

- Business innovation capabilities

- Software development & maintenance

Process

People

Technology

Culture
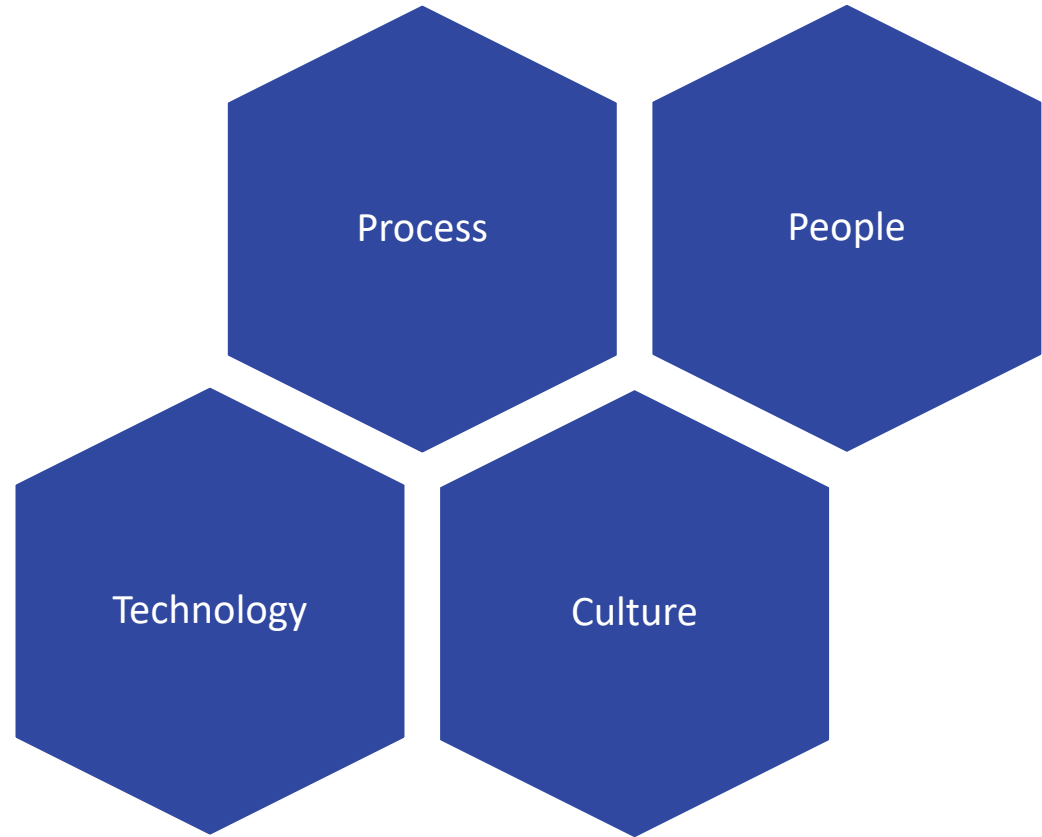
Management systems

Examples

- Decision making

- Resource allocation

- Competence management

- Recruiting and retention of employees

- Strategic buy-in for service

- Strategic service management capabilities

Driving service growth and transformation with WINNING service strategies

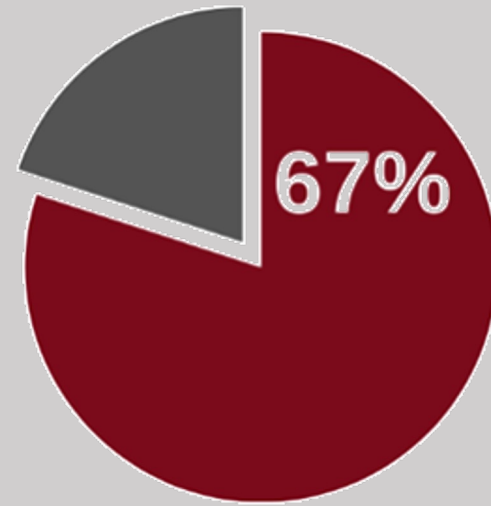What exactly is a strategy to win?

How to successfully execute a winning strategy?

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Strategy formulation versus Strategy execution

Probably our traditional ways of differentiating strategy formulation and strategy execution do not work.
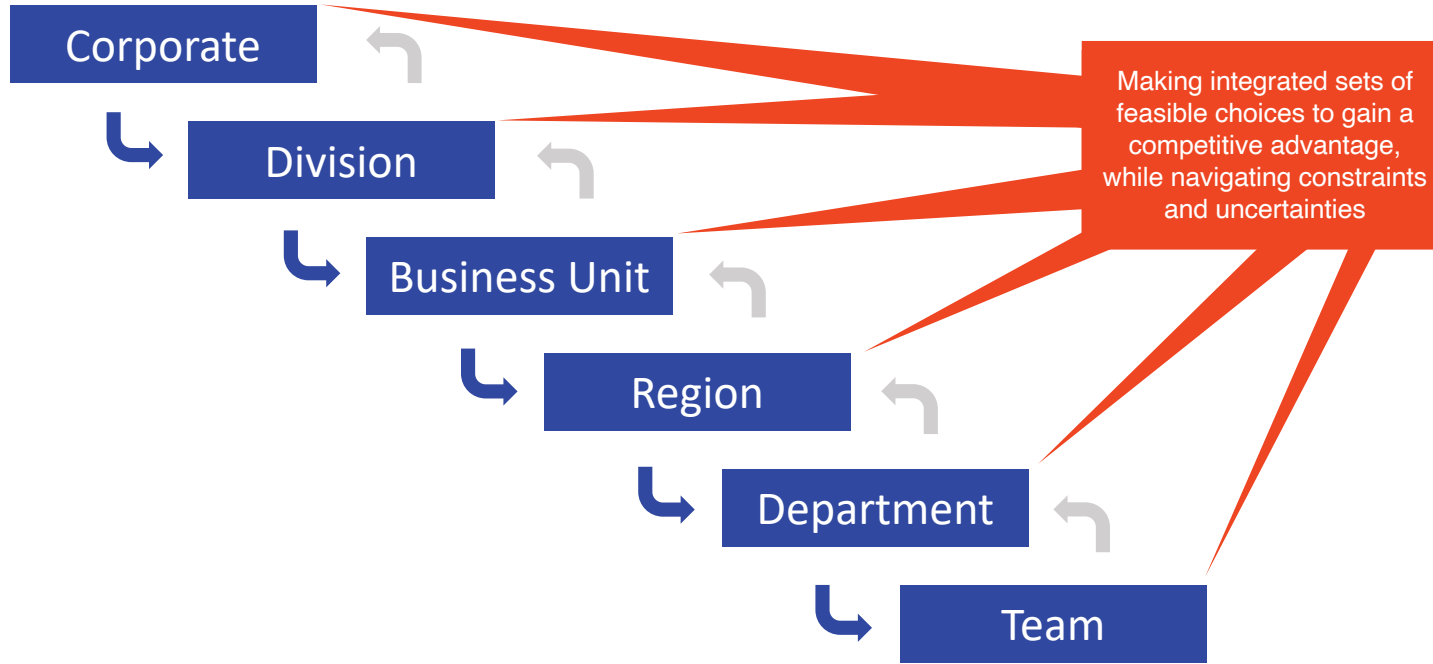

67%

Of business strategies fail due to poor execution

Source: Harvard Business Review

However, if strategies succeed,
it was due to a great strategy

Strategy is everyone's job, not only that of top management and a strategy team

Corporate

Division

Business Unit

Region

Department

Team

Making integrated sets of feasible choices to gain a competitive advantage, while navigating constraints and uncertainties

Driving service growth and transformation with WINNING service strategies

What exactly is a strategy to win?

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What are essential capabilities to develop?

A few essential capabilities for strategic management

Bringing the outside in

Strategic thinking, beyond business-as-usual

Developing new insights

Having insightful conversations (internally and externally)

From the Service Transformation Benchmark

Summarised

Multi-level capability model as backbone

Capabilities (Level 1 of 3)	Develop Services & Solutions	Generate Revenue	Deliver	Manage Customer Accounts	Innovate the Business	Manage the Business	Strategic Management
Spare & Wear Parts							
Product Lifecycle Services							
Operational Solutions							
Integrated Solutions							

Service Business Models

Comparing performance and maturity

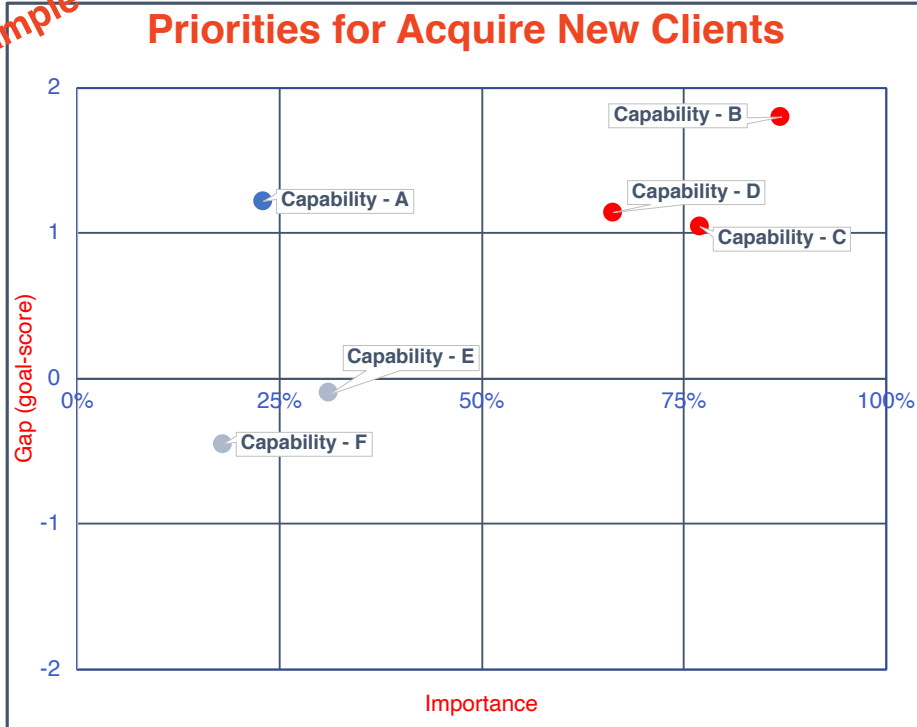**Benchmark of Performance Levels for 'Commercial Success'**

Comparison of Sample Company 3 against the benchmark
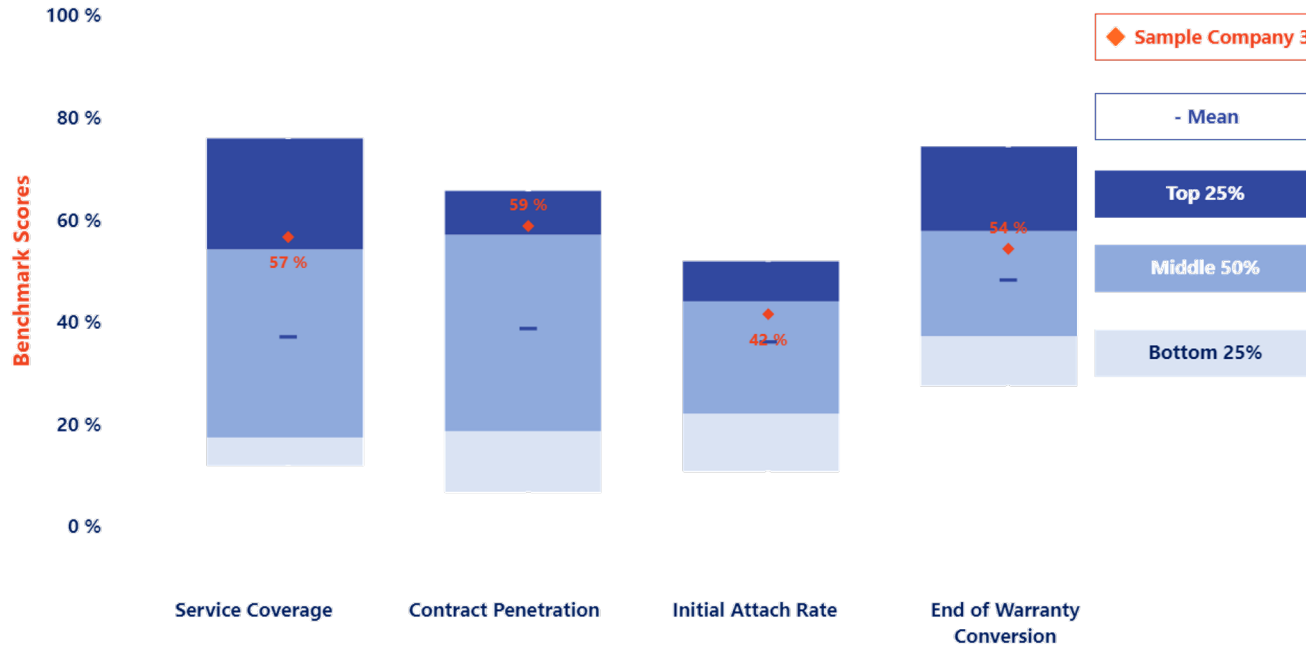
This graph is an example, displaying random dummy data. As such, it does not represent any actual insights.
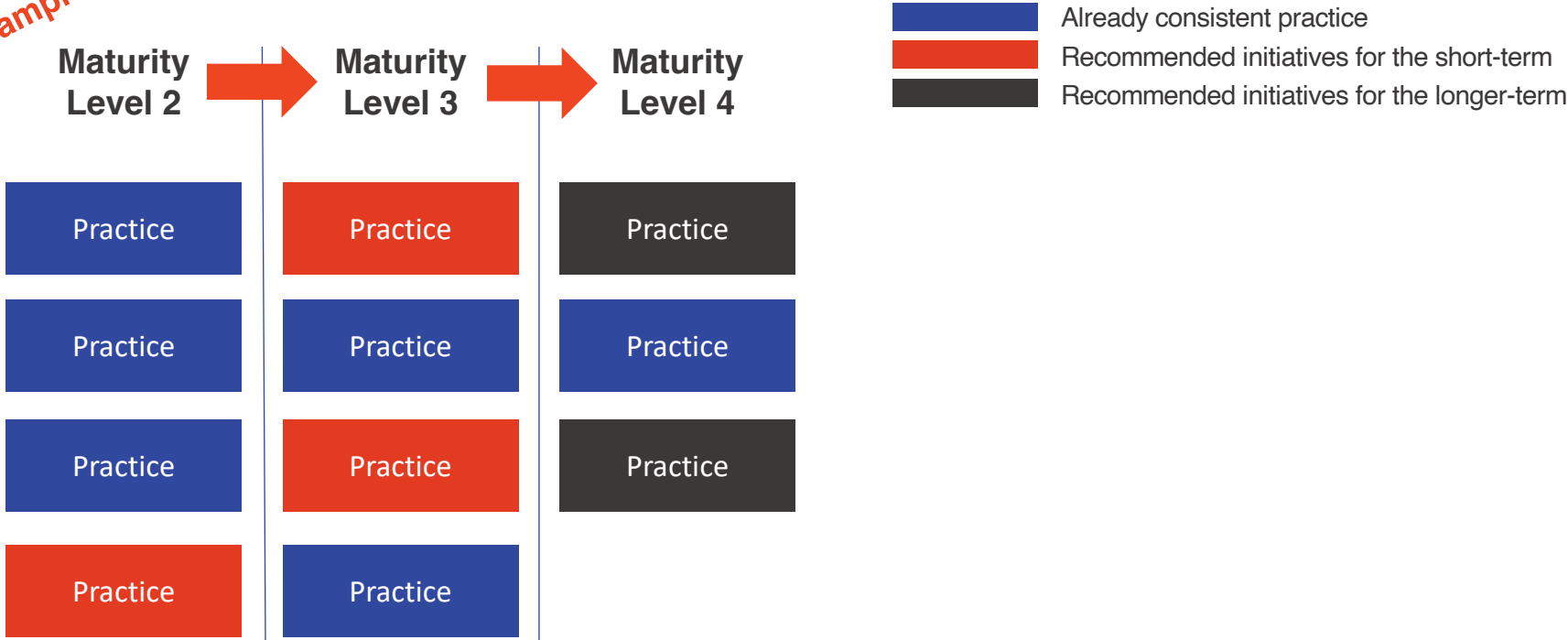
Suggesting your priority matrix

Sample

Priorities for Acquire New Clients

- **Recommended priority** (red)
- **Address if capacity is sufficient** (blue)
- **Maintain maturity level** (light blue)

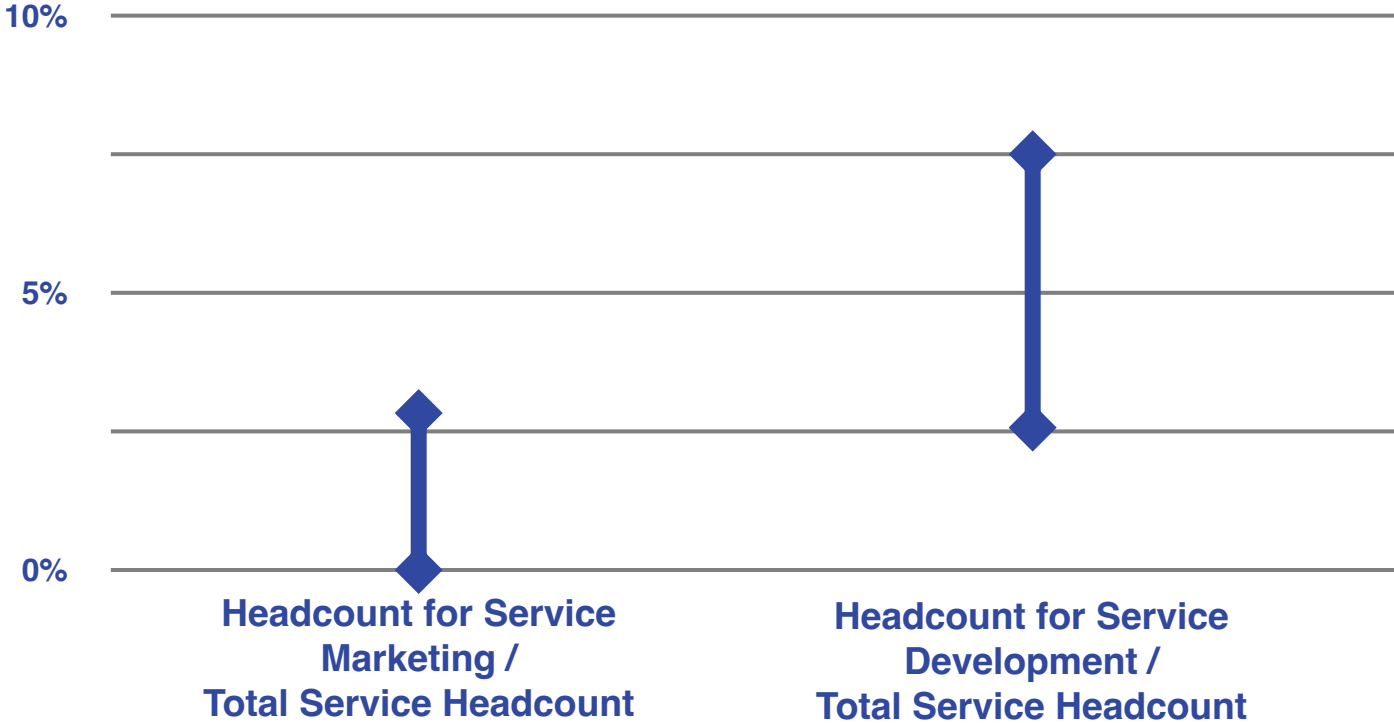*This graph is an example, displaying random dummy data. As such, it does not represent any actual insights.*

Suggesting projects for your Road to Success

Sample

Maturity Level 2 → **Maturity Level 3** → **Maturity Level 4**

	Already consistent practice
	Recommended initiatives for the short-term
	Recommended initiatives for the longer-term

Maturity Level 2	Maturity Level 3	Maturity Level 4
Practice	Practice	Practice
Practice	Practice	Practice
Practice	Practice	Practice
Practice	Practice	

Little capacity for service & market development
From the Service Transformation Benchmark

10%

5%

0%

Headcount for Service
Marketing /
Total Service Headcount

Headcount for Service
Development /
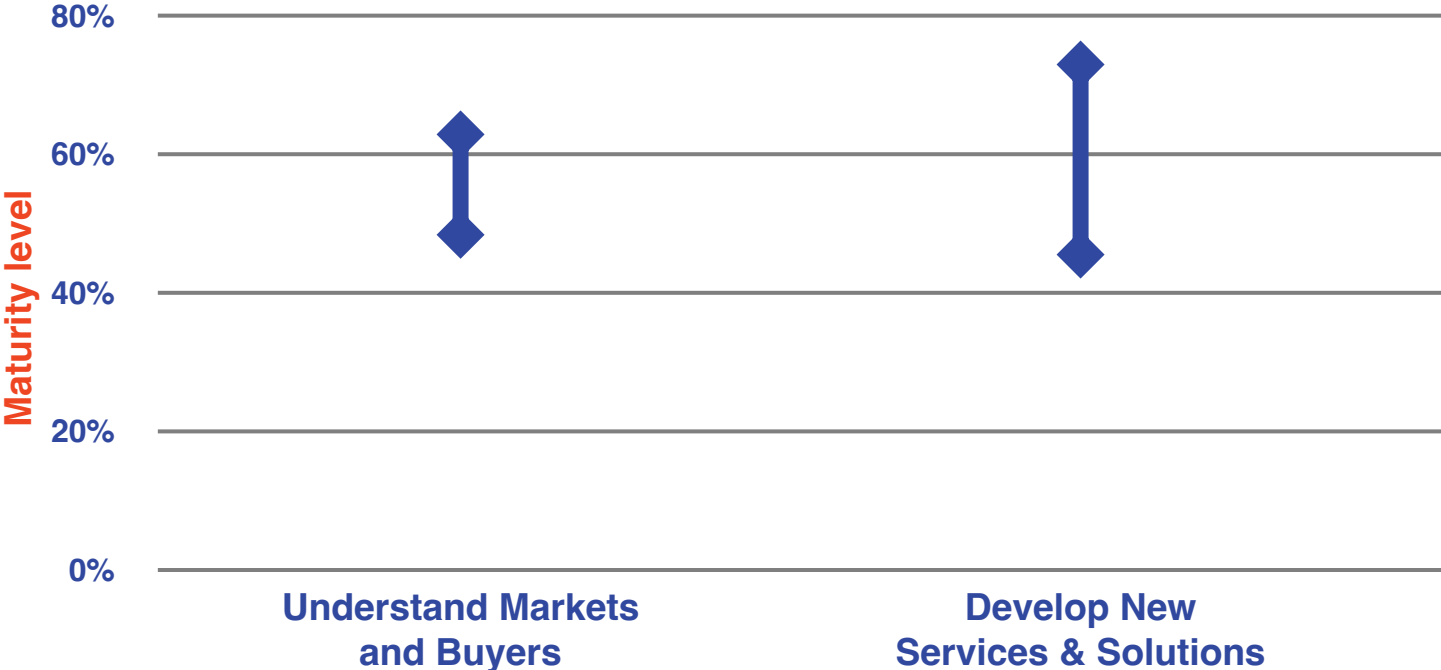Total Service Headcount

Limited capabilities to develop desirable services

From the Service Transformation Benchmark

Discussion topics

How do you develop and manage your strategy?

How do you drive execution of your strategy?

How do you develop strategy-capabilities?

Quick intro

Name

Position

Company name

Industry

Next Executive Service Roundtable

How to Monetise Advanced Services

November 23rd   **16:00-17:30 CET**   **/**   **10:00-11:30 ET**

November 24th   **10:00-11:30 CET**   **/**   **16:00-17:30 SGT**

Potential topics for following Roundtables:

You will receive

- Slides and recording of the presentation

- Invitation for next Executive Service Roundtable

- Information about the:
  - Service Transformation Benchmark
  - Service Community Peer Groups

Executive Service Roundtable

Exchange practices, insights, and experiences with like-minded peers in monthly online sessions of 1,5 hours

NEXT EXECUTIVE SERVICE ROUNDTABLE

Service Models in a Circular Economy

Join The Next Session

View Past Sessions

SHARE: f 🐦 in

Every month, the moreMomentum Service Community runs an Executive Service Roundtable to discuss a hot topic for service leaders and innovators.

How does it work?

- Participants of the Roundtable decide on the topics for next sessions.
- moreMomentum introduces the topic with a 20-30 minute presentation and shares relevant insights from the Service Transformation Benchmark.

www.moreMomentum.eu