



Opportunity is knocking loudly in service management. As margins on traditional product sales shrink, manufacturers are looking at their service organizations to develop new revenue streams and drive sustainable growth. Once considered a cost driver or even a “necessary evil,” the aftermarket parts and service business now represents a huge potential for growing profits, strengthening customer loyalty, and creating competitive advantage. SAP® Service and Asset Management provides the tools you need to manage service as a strategic line of business.

SERVICE MANAGEMENT

Service Management: A Growth Frontier

Service Excellence Builds Customer Loyalty

Service interactions with your customers determine to a large extent how they feel about your products and your company. Excellent service strengthens brand affinity, opens the door for selling aftermarket products, and encourages satisfied customers to promote your brand – resulting in increased revenue from follow-up sales and new customers. On the other hand, service that fails to meet customer expectations erases all goodwill, ruins opportunities for aftermarket sales, and even worse, creates unhappy customers who will disparage your products and your company and deter new customers.

Pioneering a New Way of Doing Business

The opportunity for service is there, and it is growing. U.S. Department of Commerce figures suggest that consumers and businesses worldwide spend more than \$1.5 trillion each year on spare parts, maintenance, and repair services.

Some companies are trailblazers in this new growth frontier, tapping into the value potential of the service boom. To join these pioneers, you need to think about the business of service management in a more comprehensive way – as one that operates service as a strategic line of business, positions service as a competitive differentiator, and maximizes the service contribution to the bottom line.

But service is a complex business enterprise that involves multiple people, departments, suppliers, and partners spanning a wide range of capabilities, geographies, and other logistical factors.

Consumers are demanding faster response to their needs. Service delivery costs are rising. Management and boards of directors are demanding that service generate a significant portion of revenue and profits.

And service is people-intensive. Empowering your people is the only path to service excellence. Employees and service channel partners need immediate, reliable, simple access to an integrated knowledge base that provides complete customer information, installed base information, service history, and problem resolution data – anywhere, anytime. Equipped with the tools they need, your people can consistently please customers, and that's the key to competitive differentiation.

A Service Management Solution at the Lowest TCO

SAP delivers a complete business solution for all the important facets of your service operations. Powered by the SAP NetWeaver™ platform, SAP offers the only completely integrated, end-to-end solution for managing all financial and operational aspects of a service organization, providing the tools and integrated information you need to manage service as a strategic line of business.

The SAP® solution eliminates the need for implementing, learning, and maintaining disparate and often incompatible systems that must be linked by multiple costly interfaces. As an integrated solution for service marketing, call center, service delivery, spare parts, and billing and financial reporting, the service management solution from SAP provides the lowest total cost of ownership (TCO).

SAP gives you the ability to continuously monitor, analyze, measure, and improve all aspects of your service business. In short, SAP provides analytical tools that will help you be proactive, not reactive, by spotting trends, revealing potential problem areas, and highlighting financial concerns in each of the following key functional areas.

Service Sales and Marketing

SAP Service and Asset Management helps your service sales and marketing professionals accurately target sales opportunities and close as many new service contract orders as possible. They can:

- Proactively monitor equipment warranty, maintenance agreement, and service-level agreement (SLA) expiration dates
- Identify customers whose equipment is not covered by service contracts
- Discover opportunities to extend service contract sales by servicing competitive equipment
- Boost sales efficiency by offering self-renewing service contracts that require little or no administrative help
- Automatically notify customers about impending contract expirations and enable them to easily renew online
- Create marketing campaigns for sales of additional aftermarket products and services, such as parts and supplies, retrofits, upgrades, and so forth

Service Contract Management

The SAP software lets you:

- Define and implement SLAs with flexible terms and conditions that satisfy customer demands
- Precisely track and record service contract revenue recognition
- Accurately monitor service delivery performance against SLA commitments to avoid potential penalties
- Proactively turn expiring contracts into renewals for a continuing revenue stream

Customer Service and Support

- The service management solution helps you improve customer service levels and cut costs of handling incoming calls. Your call center staff can:
 - Retrieve complete customer information, including service history, installed base data, entitlement and warranty information, and accounts receivable and collection records
 - Access a problem resolution knowledge base to resolve customer issues quickly and efficiently
 - Quickly identify entitlements for incoming service requests
 - Receive and fulfill customer requests for service spare parts and aftermarket products and supplies

- Customers can access the Web to log service requests, follow up on existing requests, tap into a knowledge base for help resolving their own problems, place orders for parts and supplies, and more.

Installed Base Management

- SAP helps you manage your installed base information more effectively.
 - Sales professionals can accurately track all installed base equipment data to expand sales of upgrades, aftermarket products, and supplies.
 - Call center people, field service and depot repair technicians, and service managers all have access to accurate, up-to-date installed base data.
- Precise installed product information (such as exact equipment location, configuration, options installed, and revision levels) facilitates reliable and quick repairs, and drives “up-sell” opportunities.

Warranty Claims Management

- Experts estimate that nearly 10% of all service is inadvertently given away on products that are no longer covered by warranty – representing significant revenue leakage. The SAP service management solution helps you to prevent revenue leakage by:
 - Correctly identifying if equipment is covered by warranty at the time a service call is initiated
 - Accurately tracking warranty information and expiration dates
 - Precisely tracking warranty repair activity, customer claims, and return material authorizations (RMAs)
- Management can capture, analyze, and track warranty service costs so warranty reserve accounts can be properly established.
- Sales and marketing people can turn expiring warranties into new contract sales opportunities.
- Service managers can file and track claims against original equipment manufacturers (OEMs) for repairs done on equipment covered by OEM warranties.

Field Service

- Field service excellence means getting the right people with the right skills, tools, and parts to the right job at the right time. To optimize the efficiency of your field service technicians and improve their productivity, SAP’s service management capabilities provide remote access anytime, anywhere to:
 - The most up-to-date information about service history, equipment configuration, and entitlements
 - Spare parts availability across the entire service network
 - A comprehensive problem resolution knowledge database
 - The latest technologies, such as wireless communications, voice recognition capabilities, radio frequency identification (RFID), and intelligent devices that facilitate diagnostics and speed problem resolution times
- Service managers can track travel time and expenses, diagnostic and repair hours, parts usage, and other service call data in order to measure the efficiency and cost-effectiveness of their operations and identify problems and trends for immediate correction.

Depot Repair

The SAP service management solution helps you:

- Keep an active repair depot running smoothly by giving managers advance visibility into incoming returns so they can plan and prioritize workload
- Keep expenses under control by enabling management to track and analyze total repair costs
- Expedite repair times and improve depot repair quality by enabling technicians to:
 - View complete and accurate configuration data and repair histories
 - Troubleshoot and repair items efficiently by accessing a problem resolution knowledge base
 - Know when and how to apply engineering and safety changes and other upgrades

Service Parts Management

Next to field service technicians, service parts inventory often represents the largest cost in service delivery. SAP service management capabilities help control costs by enabling inventory managers to:

- Instantly view parts availability at all locations throughout the entire service network
- Accurately track serialized inventory
- Provide optimal parts availability while minimizing inventory costs
- Identify obsolete and slow-moving inventory for reallocation when and where appropriate
- Establish optimum spare parts inventory levels and costs through accurate planning and forecasting

Financial Management

Our service management solution helps you to effectively track operational and financial performance by enabling service and financial executives to:

- Analyze profitability at a macro or micro level – from the total company perspective, or even down to an individual contract or piece of equipment
- Recognize revenue accurately and on time, and correctly forecast future contract-related revenue
- View revenue vs. costs at a glance and identify which contracts, customers, services, and equipment are profit leaders or loss laggards
- Accurately track and report on service financial factors to ensure compliance with regulatory requirements, such as Sarbanes-Oxley

Complete Integration of Your Entire Service Business

To take advantage of the vast new opportunity frontier for service, your IT systems must support seamless integration of all critical business processes into a single information platform. SAP recognizes service as a complex and integrated business process. We provide the complete functionality, collaboration capabilities, and analytical tools needed to effectively manage an integrated service business. For more complete details on service management solutions from SAP, visit our Web site at www.sap.com

Service management solutions from SAP are powered by the SAP NetWeaver platform – the open integration and application platform that provides the best way to integrate all systems running SAP or non-SAP software. SAP NetWeaver unifies integration technologies into a single platform and is preintegrated with business applications, enabling change and reducing the need for custom integration.

About SAP Service and Asset Management

The SAP Service and Asset Management solution helps companies control all business processes involved in the installation, maintenance, repair, overhaul, reliability tracking, spare parts management, and de-installation or decommissioning of assets, equipment, and facilities. Designed for OEM service providers, third-party service providers, asset owners, and all appropriate service network partners, SAP Service and Asset Management helps companies manage these business processes:

- Service management
- Enterprise asset management
- Service parts management
- IT asset and service management