



SIGNIFIKANT

Signifikant Aftermarket Quarterly

July 2020

Digital Journey | Crisis Management | Aftermarket in the Agri
Business | Value Creation | Data Validation | e-Catalogues

Contents



Aftermarket is About People, Even in Unprecedented Times.....	3
A Systematic Approach to Creating Value.....	7
Keeping your Aftermarket Data Correct and Complete with Validation.....	10
Interview: Digital Transformation: Impact on the Agricultural Machinery.....	12
Electronic Catalogues: Digitizing your Aftermarket Offer.....	16
Events and News	20

[Author]

Lucian Pavel

*Klarwin Director of Sales -
Pall FTAP/Klarwin Water
Platform/Klarwin Technik*



Aftermarket is About People Even in Unprecedented Times

As Simon Sinek said, this pandemic is not an unprecedented time; the world knows tough times and various crises and always, some people and companies have succeeded to keep the focus and come out of the struggle stronger than before.

When we speak about machinery and equipment placed in remote locations, as water treatment equipment are, we need to consider that aftermarket activities are related to the people, technicians and engineers, who needs to go out, leaving their families and relatives in concern.

In times of turbulence, I've needed to communicate to my entire team that these events are not going to disrupt us. We have come out stronger and successful from the 2007-2010 crisis and, based on the skills I know that we have in the team, we shall have no problem

in performing our outstanding aftermarket activities. Thus, as before, in so called "normal times", I've focused myself and my team to be close to our customers, flexible enough to keep our equipment at maximum running time.

I have to say that we have not been in normal times since long, every year being disruptive in its own way. And maybe, being localized in East of Europe helps, as a continuous training for disrupting times; one year are the municipal mayor election, next year parliamentary election, then one referendum, and of course, presidential election.

This playground with lot of instability has taught us that the real value in our aftermarket business. The biggest disrupter in this time, somehow my enemy in my leadership work, was mass media,

with its speed of communicating the number of Covid-19 deaths. I've seen this hit my team member's morale and had to quickly assess where the problems were and how I could take control.

During my years of business development on several lines of business, from automotive and primary metals to refinery and landfills, I've had discussions about the markets and customers, many times debating about the business with municipalities and state own companies. In this Covid time, the work to spread the business between municipalities and private customers has paid off, as municipal businesses like waste management and water treatment had to continue, being of critical importance, special in pandemic situation. Thus, we, being involved in environmental services, had the chance to continue our aftermarket work on the field, under special pandemic conditions.

Building the Team's Morale and Trust

Bearing in mind the high penalties for incorrectly filled documents, I've taken on the responsibility for filling the trip papers according Internal Affairs Ministry rules, in order to provide confidence to my team members.

I've also documented all the safety measures present in our kit of safety equipment, with our full-face masks with multiple pollutants filters being more protected than most others.

In parallel, I've established a task force with my Inside Sales Team to actively look for safety equipment for our suppliers, just to be covered as we don't know for how long this pandemic will limit our activities.

With trust strengthened further, I've pressed my sales team for the execution of the contracts in progress without delay. This was important for the team to realize that business is as normal (as can be), and to give to the aftermarket team the continuity for their services.

Communicating with Customers

The situation in Italy and Germany, gave us the possibility to react from early February and order for stock consumables and spares, while maintaining a good dialog with all suppliers about our strategy, in order to have as less as possible delay in our services. It gave us the possibility to keep the business running while other industries had started to struggle, e.g. automotive, general industry.

With this background, we formulated a message



of trust and continuity, which was set as an automatic reply for all communication received by e-mail for one week. Every customer was thus informed that we are available for them, with no reduced capacity and no deviation from normal services.

Being on the Field

The 2 months of lock-down put a stress over accommodation facilities, needed for our field service executives out on the field. We then looked for home caravans and as this business was also somehow dead, we had good options to rent home caravans for our Klarwin Technik team, with more than decent facilities to eat and sleep.

For us as a team but for our customers as well was important to see that we will not stop because of any crisis, at least we will do our best to continue, because this is the aftermarket job, a job where you care about your customer through your people.

While a lot of praise was given to the medical sector, we felt that aftermarket sector is in need of similar praise, as nothing would really move without these people leaving their comfort zone to keep the machines running for all kind of critical jobs.

Technology to our Aid

We took advantage of online communication tools, be it Teams or Zoom, to interact both internally and with customers. We can say with

pride that we learned new tools as well as overcame project continuity issues with creativity and smart engineering. This was aided in part by a multidisciplinary technical aftermarket team.



Where our projects with international suppliers involved foreign teams traveling we had the possibility to compensate with our team of technicians and engineers; the factories organized their goods for easier installation on site, the projects have been better explained online and, nevertheless, during installation, commissioning and start-up the Facetime and What's up video applications have allowed real time support.



Now, more than ever, our digital monitoring apps developed by our company "in house" have given us the possibility to communicate with our customers about real time performance of our equipment and our digital service reports were well received.



Hence, we have decided to put more effort in these apps making them even more useful for the service of our customers.

Over the years, companies and consultants are developing lot of apps, software and digital instruments for the aftermarket users, but during difficult or let's say, strange times, best resource remain in people. And where you have good people in your team already, develop them even better, as they could compensate even your customers' missing human resources.

This pandemic situation has shown that the future of aftermarket is more in direction of servitisation and less on the direction of developing instruments for customers to order easily online.

The polarization of know-how in the hands of the manufacturers is evident and the difficulty of customers having a big structure of specialists and still remaining profitable is more visible.

In Conclusion

These 2-3 months of pandemic times has shown that people, not only medics, have to be praised and for the aftermarket business these remain the most important resource. The period was not easy for sure, with 16+ hours of working per day, but was definitely the time to show that all lessons learned over the years of challenging aftermarket activity are there to help, and, maybe, aftermarket community, sometimes the cinderella of the business, was one of the best prepared for another unprecedented time.

What I've learned through this period of Covid-19:

- It is critical to design an important part of your business that is equipped to continue to operate even in war period
- Instruments of work in a globalized world might have troubles to operate when borders are closed and the company that created the tool is in a country heavily hit by the pandemic
- People are the most important asset, especially in difficult times; invest more in your people to give you more flexibility and independence in your work
- Your money and payments are in the hands of your customers, not in your panic, not in your isolation, not in your lock down; go out, fulfil the rules, be closer than before to your customer
- Don't expect to be praised too much for your performance, be happy that you have the chance to live as close as possible to the normality; for sure the this will pay off later
- Take the lead. Inspire people and lead your business through turbulent times; it's not the time to cry or look back
- Support of the aftermarket community with advice and good practices; being part of this community, attending the conferences organised by Copperberg, gives me the confidence needed

[Author]

Rohit Agarwal

*Founder and Value-Creator,
First Loop*



A Systematic Approach to Creating Value For your Aftersales Business

The aftermarket has been constantly bombarded with the word digitalization from the past few years. Digitalization in spare parts sales, in spare parts catalogue and the supply chain. Servitization of the whole value-chain, 3D printing of spares and using IoT devices to track them was initially brought about as concepts in the digitalization journey. These were meant to be the differentiators of the top-performers in the industry from the laggards. Today the buzz is all about accelerating digital transformation and taking the next steps with AI,

Big Data and predictive maintenance.

Are we missing something in the big picture? Is digitalization the end goal, the process or is it frame of mind? If there is everything ready for digitalization, why do we still have only a small number of companies that have been able to upgrade themselves while the rest are still trying to figure out where they should start? The current market crisis with the pandemic has added to the digitalization frenzy with the notion that companies

that have not started their digitalization, will be left way behind the rest.

In one of my previous articles, I had compared technology (and its usage, as commonly buzzworded digitalization) to the walls, ceilings, and decorations of a cathedral. It is utmost important to understand that foundation is the strategy, the people and the processes of the organization. These three decide the entire stability of the building, how big can the building be and how well it can withstand the external forces.



The most important step is to define your value proposition. Oxford languages define a value proposition as an innovation, service, or feature intended to make a company or product attractive to customers. In the context of the aftermarket, it would be to decide if your customer wants quick service, quality service or cheap service. In almost all cases, it can be only two of them that you can provide while still sustaining your business. The next steps will be all about figuring out where you are at and what are the challenges that are holding you from reaching where you want to be.

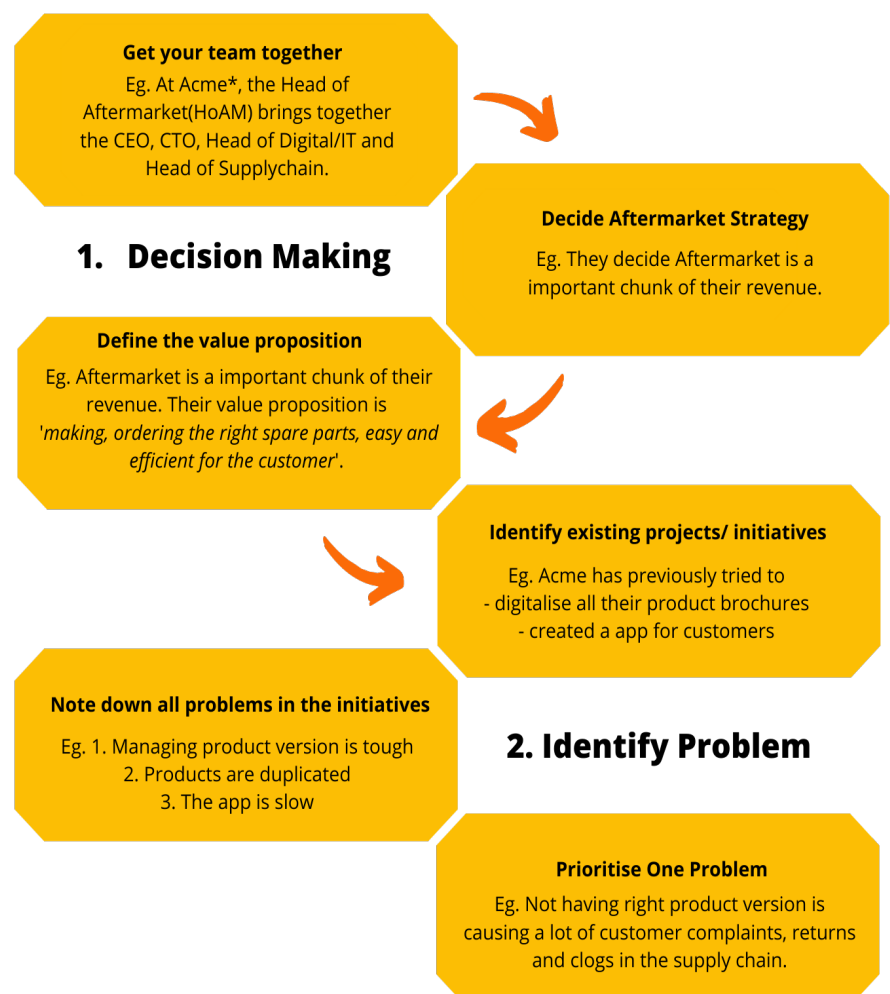
Embarking on your Digitalization Journey

To get started on your digitalization journey, let's improve what you already have invested in or have worked with. For one, it will save you costs of extensive revamping and re-planning, second, there are already people responsibility assigned and third, you must have feedback. Write down all the major challenges

that your business faces right now. Prioritize them from the most impactful to the least impactful. One problem at a time. Choose the top problem and start brainstorming on what you can do to solve it. Once you have done so, the next step is to assess the impact of these solutions compared to the efforts. The best ideas are the ones that can have the most impact

with the least effort. Great, let's take three of these and build on them with the team.

Millions of dollars' worth of value is lost in the ideas on the sticky notes that are never acted upon after such strategy sessions. So, pedagogically, building on these ideas to create an implementation plan along with a follow-up on





these can be the differentiator that can help you successfully implement this process. Every implementation plan requires testing and reworking before it becomes successful. Once, you have explored a problem and solved it, move on to the next problem and see if it still exists or has it been

solved while addressing the most impactful problem. If it's still unsolved, repeat the process with the problem- ideate, prioritize, and gauge the impact compared to the effort.

Solving existing problems for things that have been done or partially done seems easy

with the process stated above, but what about new developments? It will come as the next steps once you have optimized your existing initiatives. The whole goal is to define what is actually sought after, convert it into a How might we question for the team to solve and follow the process of ideating, prioritizing and gauging the impact compared to the effort. impact compared to the effort.

The pareto principle states that 20% of things we do in any sphere of life has 80% of the effect and this simple tool utilizes that by leveraging the most impactful things to do. To summarize, the last step in the process is to shout out to the entire extended team the value proposition of your aftermarket, what it means for the business and how every member of your team can contribute towards achieving that vision.





|Author|

Ulf Sandberg

*VP, International Sales &
Business Development,
Signifikant Svenska AB*



Keep your Aftermarket Spare Parts Data Correct and Complete by Validation

Your best intention is, of course, that all your published aftermarket data should be Complete, Correct, Consistent and Clear. That may be so when the platform was initially setup but over time a lot of data has been updated, deleted or moved around and some new data has been added to the database. That is the reason why you must constantly validate your data.

Data validation is a “never-ending-process” with the task to validate the published data to the quality that has been defined by your global product and services organization to ensure that the data provides correct information and the best value to its users.

Validation

The prime target for Data validation is to ensure that the published data is Complete, Accurate, Secure and Consistent. This can be done through data validation checks and rules that routinely validate the correctness and completeness of the data in the database. The rules are simple and easy to implement in the Signifikant Aftermarket Platform.

The validation engine in the Signifikant Platform is used for defining validation settings for different validation rules that may be applied on all presentations. The validation may be applied to the entire database, to an information type or to individual items. The rules can be run when information is imported, when the status is changed or just before a publication.

Validation may result in warnings or errors, where warnings will provide information to the user and errors can be corrected.

Validation Engine Concepts

- Validation rule is a set of checks which are applied during validation, e.g. that parts must have a name.
- Validation settings are the settings that may be applied to a validation rule to make it behave in a specific way.
- Scope is a validation setting defining where the validation rule may be applied, e.g. at publish.
- Target is a validation setting defining on what information the validation rule may be applied, e.g. at parts.

A Few Example of Validation Rules

- Sequence number which determines the order validation rules are executed
- Allowing to turn a validation rule on or off
- Mandatory which tells if a validation rule must be executed successfully or not during publishing. If mandatory the rule must validate ok before publish start.
- "WarningOnFailure" which tells if validation rule will be for information or stopping
- Options which are the options available for the validation rule, key value pairs
- Scopes which define the scopes for the validation rule
- Targets which define the targets for the validation rule

Validation of your Aftermarket Spare Parts data to be correct and complete is important for the service you provide to your Resellers / Service organizations and End user. Only correct and complete information will help them to get the best possible value from their use of your product.

|Interview|

Lars Nilsson

Vice President, Aftersales Business

Ålö AB



Digital Transformation: Impact on Agricultural Machinery

A global company with a local touch, Ålö is one of the world's leading suppliers in the agricultural machinery industry. We caught up with Lars Nilsson, Vice President - Aftersales Business at Ålö Group and chatted with him on the impact of digitalization and the company's initiatives to provide their customers and end users with a best-in-class experience.

Signifikant: Please tell us a little bit about your team and the aftersales organization at Ålö.

Lars Nilsson: In my team, we are responsible for parts sales on global level. We work with the planning of new ways and tools to identify opportunities to grow parts sales in our aftermarket Business. We also handle customer service, technical support and product training. While one division works on parts sales activities, the other works with technical support and spare parts management.

Signifikant: We have seen how globalization and

the internet has enabled or, in some cases, forced the businesses to change their approach of doing sales. What has been the major factor that has influenced your business approach?

Lars Nilsson: Everything is getting more accessible with the globalization and internet. Customers and end users, can now easily find all needed information online. In my personal experience, the first-place customers go to is the internet in order to find information. It makes it much easier for the customers to compare and share information via different forums, and they share both positive and negative opinions, and there is more transparency in the business now.



Signifikant: *What are some of the digital initiatives being undertaken to be more in-front of the customer?*

Lars Nilsson: We have introduced a lot of digital marketing like Google Ads and social media marketing and we have seen that this has a huge potential. This initiative has been taken for the parts business and not just equipment and whole goods sales. I also believe that this will be very important for technical support and customer service. If the company does something bad, then the customers would know immediately, and we need to be able to address it right away..

Signifikant: *The internet opens a whole world of the grey market and the easy access to your customers via digital channels. How do you deal with this external competition?*

Lars Nilsson: Over the last few years, we have seen companies selling pirated or copied Ålö parts. And many of them have quite good ecommerce systems. This of course makes it easy for customers to buy the parts. We have done several analyses and we see that, for sure, the original parts are far ahead in quality but when seen from the customer's perspective, even if they want to buy an original, it will be difficult for them to know see if it is an original spare part they are buying.

Many of these companies that sell pirated parts for Ålö equipment, use Ålö part numbers with some prefix/suffix and use our branding. And that is why I feel that the Signifikant solution provides a good and competent system enabling customers to find our original parts in an easy way. The easier we make it for the customer to find us and our offer, the more we can compete with the grey market.

Signifikant: *This brings me to another question. When pirated parts are used in your products, how does this impact your field service when they are trying to fix a problem and come across an unknown part X?*

Know Your Aftermarket Leader!

An industry buzzword you're keeping track of these days

Lars Nilsson: Servitization - a word that is mentioned everywhere and by everyone.

What are you looking forward to this summer?

Lars Nilsson: Stay-cationing at our summer house and spending quality time with my wife and two little kids.

Recommendations on books and movies

Lars Nilsson: Book - Lars Kepler's series: Stalker. I have been watching a lot of series these days; so my recommendations would be Narcos, Breaking Bad, La Casa de Papel.



SIGNIFIKANT

Lars Nilsson: To be honest, we don't know how much it affects us or know how often the pirated parts are involved when the customer has a problem. It is hard to keep track of this and get good feedback from the field. My team works with second-line support and through a B2B business model. There is at least one level until we reach the end user and could get that feedback. Our approach is to conduct regular technical trainings and educate our partners in order to be able to provide the best support for our products and we are using that environment for the feedback.

Signifikant: Your LinkedIn profile mentions a positive sales development at Ålö, based on new and innovative sales concepts: Could you elaborate on this?

Lars Nilsson: These innovative sales concepts have been there since a few years. We have tried to totally change our approach in the aftersales. Until a few years ago, we were only "order takers". Now we have changed our approach and instead reached out to our customers and be more proactive. To our end customer we create awareness of our proactive maintenance program. We are also trying to get closer to the end user by creating a shop-concept for our dealer network enabling us to display the key parts in the shops so that the end user faces the wear parts when they enter the shop. This has been one of the successful projects for us.

Signifikant: A familiar merchandizing strategy,

like at the supermarkets then?

Lars Nilsson: Exactly! It isn't only selling at that time but also creating awareness. We have heard stories of customers coming to the store to buy products or services and when viewing our display and offer they get a new view of our capabilities and when returning back home they realize that their Quicke product needs some updates or servicing.



Quicke X-Series Front Loader

Image courtesy of Ålö Media Centre

Signifikant: Ålö represents an industry which is traditionally a slower adopter of technology as compared to, say, the automotive industry. How has the adoption of Industry 4.0 technologies, such as sensor tech, IoT platforms, etc., been accepted within the company?

Lars Nilsson: When we talk about the AGRI business, it has been changing rapidly with the influence of digitalization. I can say that the AGRI business today, is very digital. With more people on the planet, there is a need to produce more food so farming machines have to be more effec

tive and smarter. Ålö, of course, contributes to that. One example: we have created and designed a new driver support system – Q-Companion. It gives the farmer better control over how much food should be given to the animals, a way to optimize the production of milk. Farming and animal produce are very expensive, so it is important for the farmer to know how much food is being produced and how much food is being given.

Signifikant: *And within the aftermarket department - how does the digital roadmap look like? Any initiatives that are ongoing?*

Lars Nilsson: We have several initiative ongoing in the way we could support the farmer with aftersales products and services. One key KPI for our end-users as well as customers, is the up-time on the machines. So, we are looking into how we could work with proactive maintenance to reach a higher up-time in the use our products.

We are also moving forward with the preventive maintenance program and to identify what spare parts are needed and when. This is one area where we have ongoing activities and discussions.

Signifikant: *Your words on Signifikant and your partnership with us?*

Lars Nilsson: We have been working with Signifikant for many years now. And we have several ongoing projects. One is how to reach the next level of User Experience. I can say that it has been a good partnership with Signifikant through the years and you have provided us with a high response over the years and it has been a pleasure to work with.



Ålö's Factory, Brännland Image: www.alo.se

[Author]
Karishma Rao
*VP, Marketing and
Business Development
Signifikant Svenska AB*



Electronic Catalogues: Digitizing your Aftermarket Offer

Gone are the days when our postboxes would be filled with hardcopies of catalogues which were thick and voluminous. We would get these regularly from auto dealers, hypermarket down the street, electronics stores as well as machinery equipment manufacturers.

Thanks to the internet, today, almost every catalogue is digitized and can be accessed by the click of a button and viewed as a PDF file, as an online catalogue and also as an integrated solution which allows direct purchase from the catalogue.

This digitization of the consumer experience is not restricted to only retail and white goods anymore. The consumer goods and many direct-to-customer industries have gone through the entire hype cycle of digital catalogues and are now partially falling back on paper based catalogues (source: [Why Catalogs Are Making a Comeback](#)).

But this does not hold true for the B2B segment. In the last few years, there has been a significant rise in the number of industrial equipment being sold online. But the aftermarket sales for these products were and are still being done predominantly through offline methods. The most preferred channel to sell these spares and wears, accessories, tools and kits, is through contact forms and phone calls. But slowly, it is being observed that the B2B customer, who is also a B2C consumer, now expects the [same, easy online order process](#) when dealing with aftermarket purchases.



More recently, many traditional manufacturing industries such as farming and agricultural equipment, medical devices, industrial machinery, construction equipment, to name a few are embarking on this digital journey in order to delight their customers. And the first step in this journey is to consolidate all the after-market data) and then present this information through e-catalogues. With the [Signifikant Platform](#), we have helped [companies](#) gather all relevant aftersales information (engineering drawings, kits, marketing material, service manuals, etc) and after validation, publish this through [different portals and formats](#).

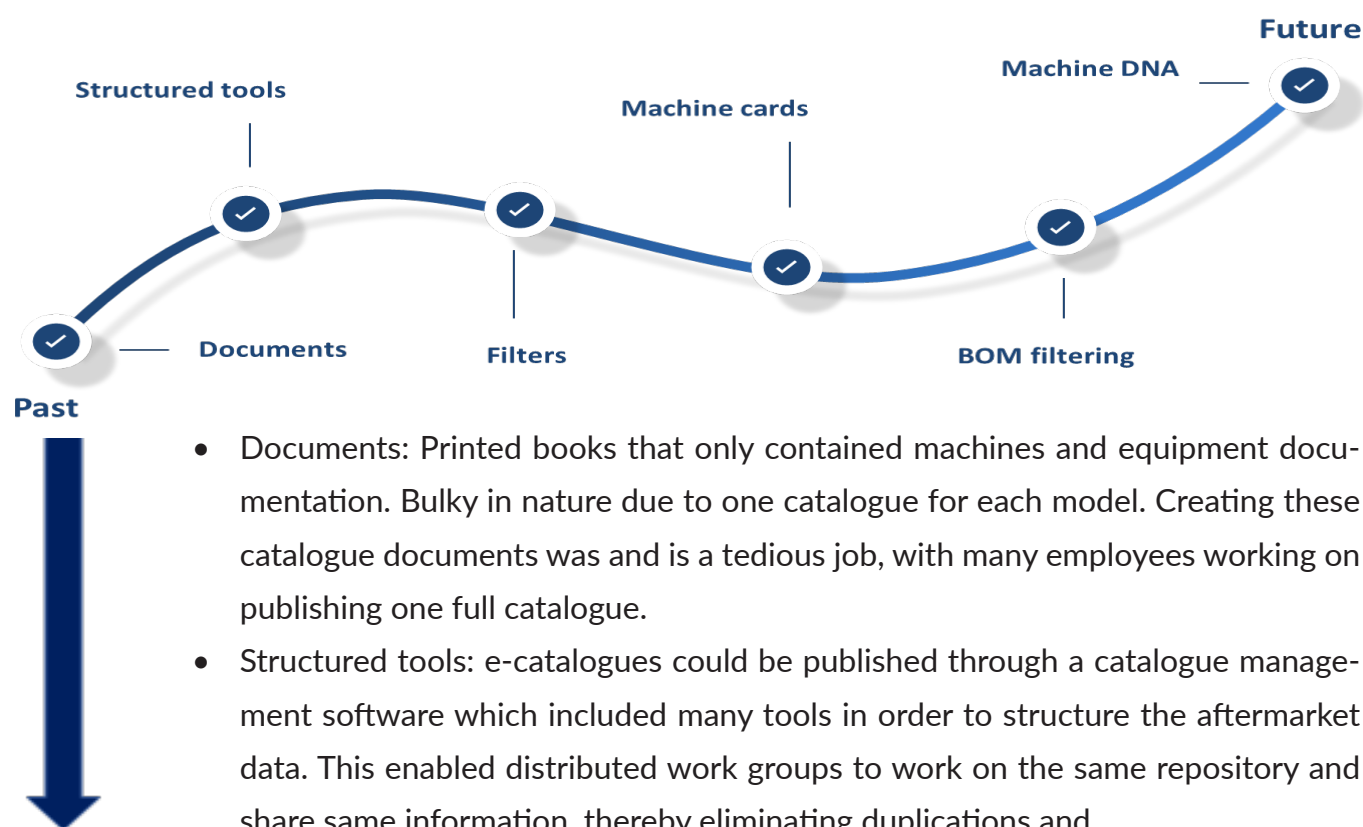
What are digital or e-catalogues?

Simply defined, this is a digital version of a physical catalogue. A spare parts catalogue

management software is a product information management tool that enables manufacturers to digitally consolidate, manage, validate, and publish catalogues through an array of channels.

The Evolution of a parts catalogues

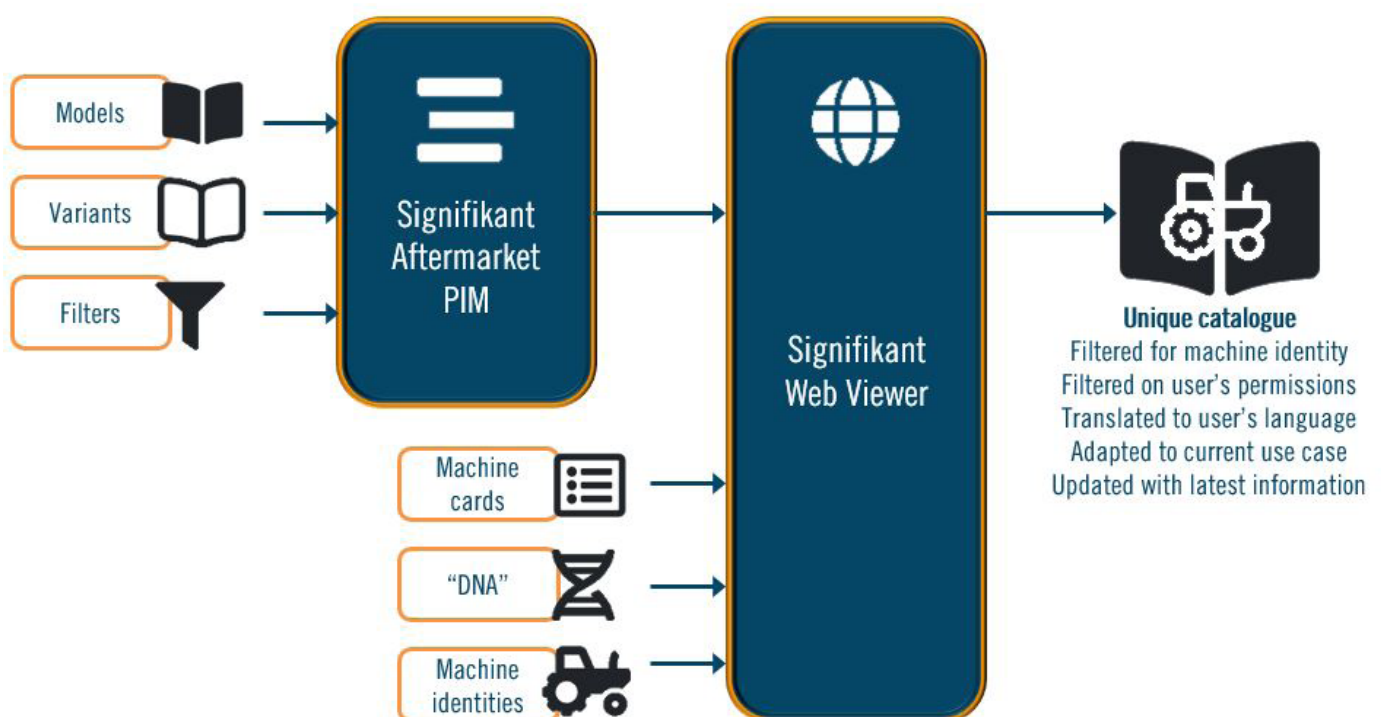
The catalogue management software has come a long way from being just a master data management system. From only being able to store parts data to adding descriptions and also including illustrations to a fully integrated stand alone solution which now includes workflows, digital media and ecommerce integrations. This has also meant that the way the catalogues were designed has also seen a huge improvement.





Future

- re-work. Separate information from structure, included parts, images, translations, documents and more importantly searching functionality. Data- content -structure- logic
- Filters: Apply attributes in bulk with customized filters. These custom filtration fields could be serial numbers, production data, production sites, etc., and can be created based on the business logic/need.
- Catalogues based on machine cards/BOM –
- Machine DNA: Machine DNA is a powerful methodology for product individuals and creates a high degree of flexibility and configurability. There is just one structure for the spare parts catalogue – one catalogue where all unfiltered content is placed. Based on individual machines and equipment and thereby parts, tags can be applied based on any condition defined by the manufacturer. This creates one catalogue for one machine and each publication will have its own structure. The main advantage of utilizing machine dna to create catalogues is that the total product information is available before the product is manufactured. When the product is handed over to the customer, they also receive the service parts catalogue, service manual, wiring diagrams and technical bulletins related to their product alone. Reach out to info@signifikant.se for more information on Machine DNA and how it can impact your aftermarket business and applications.





Why is it important to digitize your aftermarket offer?

- Customers can access the catalogue from anywhere at any time from any device. No wait times to find the right part, place an order in a few clicks, get suggestions on accessories needed to perform services, and easily return parts.
- As an e-catalogue software is [integrated with the backend PLM, ERP, DAM systems](#), manufacturers can provide up-to-date parts information – including revisions, replacements, notifications, and pricing amongst others
- Enrich parts information and easily identify any anomalies, attribute linkage failures, image rendering and more.
- Digital catalogues can include an array of information types – text, 2-D and 3-D images, videos. For example, with the help of hotspots in images, dealers and end users can easily identify the accurate part.
- Direct sell from catalogue or easy integration with webshops and other backend systems
- Understand both – your customers as well as equipment – better
- Enable distributed work groups to work on the same repository and share same information, thereby eliminating duplications and re-work.
- With a modular design of after sales information, lead times of new products can be cut to a few days
- Increases revenues by cross selling products by bundling items based on attributes and personalization based
- Handle twice the number of products with the same staffing while creating better quality catalogues
- Map product information to ensure higher sales through exposing relationships such as replacements, kits, accessories, variants in the SKU
- Keep track of install base. Knowing your customer's install base is the key to making it relevant and presenting the parts needed. It may save several clicks and thus valuable time

To conclude, I believe it is very vital to invest in a best fit e-catalogue solution that eliminates data silos, consolidates all aftermarket data and publish the right information - for the right part- for each user. An e-catalogue can boost your sales and improve customer loyalty, within a short span of time.

News and Events

Webinar Series - Recorded Sessions now Available on Youtube



Over the last few months, we have hosted a few webinars on topics such circular economy, aftermarket trends, personalization in e-commerce, and machine DNA. You can watch these webinars at your leisure on our

[YouTube Channel](#)

Team Signifikant wishes you a safe, warm and relaxed summer ahead. We look forward to continued interactions when you are back in the office.



ABOUT SIGNIFIKANT

Signifikant (www.signifikant.se), is a Swedish independent software and consultancy company specialized in solutions for the Aftermarket and the support for the manufacturing industry with solutions for Product and Services information (PIM). Backed by industry expertise and process know-how.

Our mission is to provide a complete solution, for the aftermarket, that serves as one of the levers of an organization's digital transformation. With our flagship solution, the Signifikant Aftermarket Business Platform, a state-of-the-art ecommerce platform, we enable companies to improve their profitability by supporting their aftermarket digital strategy.

Signifikant, The Aftermarket Company:

- 20+ years of experience in the aftermarket solutions industry with in-depth process know how through huge reference projects
- With our strong process support, sell the right part for the right machine at the right price, every time

Single Platform for all your aftermarket needs:

- Usability and design: An easy-to-use and well-designed web viewer, with powerful and fast search functionality.
- Modern Technology: Flexible architecture consisting of a base platform with an extensive set of functions and custom modules to add or modify according to business needs

Signifikant Aftersales PIM platform has successfully been implemented at Atlas Copco Tools, Komatsu Forrest, Dometic, Ålö Group, Väderstad, NVR, Trapaze Group, Voltas, Baoli and many others.

Visit www.signifikant.se for more information and/or to schedule a free demo.
You can also get in touch with us at info@signifikant.se