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Your Future-Proof Repair Strategy

Best Practices to Help OEMs Navigate

a Rapidly Changing Industry

What's Inside

An OEM's Changing World

Today's emerging and mature technology original equipment manufacturers (OEMs) are facing rapid, continuous industry changes that directly impact their supply chains, including repair services. At a macro level, the technology industry continues to experience increased globalization, competition, disruptive technologies, M&A activity and strategic partnering, resulting in a complex tax and tariff landscape with increased logistics complexity and costs. OEMs are considering decisions around vendor partner consolidation, insource versus outsource and changes in customer behavior as they scramble to keep up with market demands and compliance.

For repair services specifically, these changes are creating a challenging environment to deliver quality, timely repairs and consistent, reliable customer satisfaction and retention across regions. Just because OEMs are facing disruption doesn't mean customers' expectations are changing — they still expect the same outcome regardless of what's happening behind the scenes. These OEMs are challenged to address spare parts availability and provisioning, inventory proximity and excess, facility capacity and scalability, technology expertise and skillset and overall repairs visibility. Often, the impact and complexity created by these changes are easy to underestimate, which leads to a negative impact on the customer experience.

The good news is that rapid industry transformation doesn't have to be negative. If you're a supply chain executive or manager at an impacted OEM, change creates a necessity to differentiate from competitors by focusing on opportunities such as improved supply chain agility, global sourcing, supplier relations and more. Now's the time to up your repair services game or potentially be left behind, as companies with the best supply chains often win. The question is, do you know how to future-proof your repair strategy?

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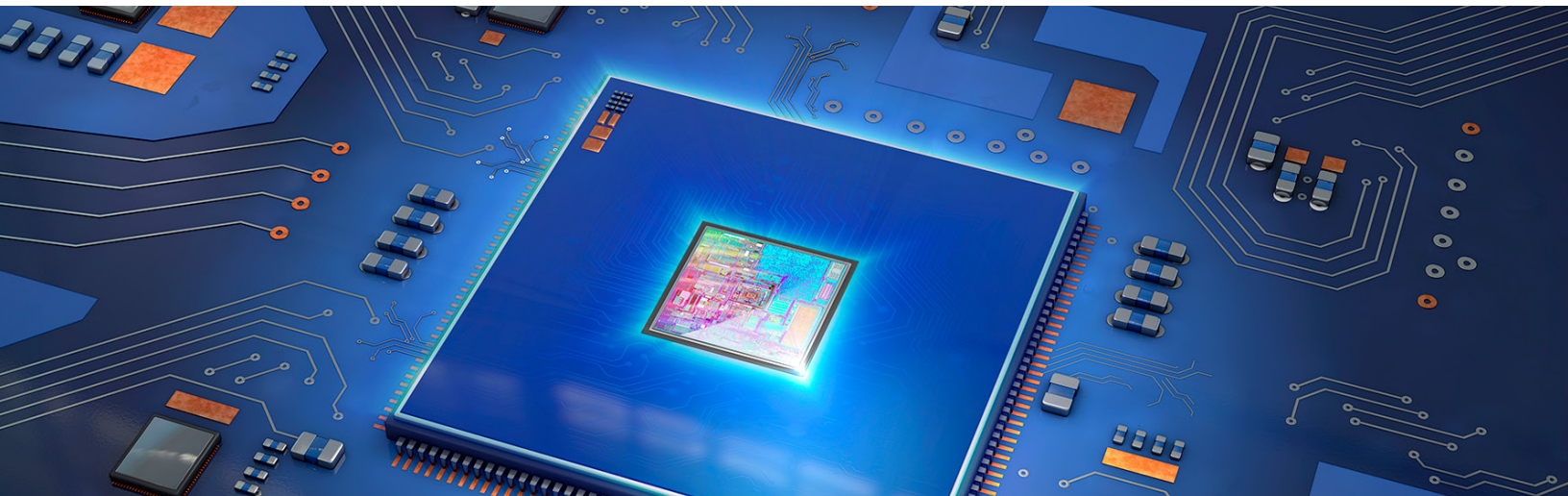
Key Trends Driving a Rapidly Changing Industry

53% **of tech executives** expect M&A to be the most popular growth strategy in 2020[1]

3.7% **average growth forecast** for the global IT industry through 2020[2]

87% **of customers** think brands need to put more effort into providing a consistent experience[3]

Best Practices for Best Results

When we think about best practices for the supply chain, we think about reducing costs and staying ahead of the competition. As for repair services specifically, we need to focus on reliable and timely responses as well as customer impact, satisfaction and loyalty. It's about keeping end customers up and running with minimal downtime, so they reach the highest potential productivity today and in the future. However, technology failure is inevitable, and although repair is often in the background for most OEMs, bringing it to the forefront and incorporating some of the following best practices can turn a negative market situation into a positive one for the OEMs who are positioned and ready to take advantage.

Efficient Repair and Failure Analysis

Customers deserve prompt, efficient repair responses regardless of what technology is involved and where they're located — an objective that can be especially difficult to achieve during changing times. That's why it's important to consider the following recommendations:

Don't Underestimate the Actual Impact on Your Customers

Product repairs are a key driver of customer experience, so it's imperative to carefully consider what a merger, new competitor, new set of regulations or a partner consolidation strategy may mean for customers. To prevent oversights, OEMs need to contemplate how end customers could be affected, and then work backward from there to the optimum, future-proof repair-related solution. You can never go wrong when you do what's best for your customers.

Embrace Different Approaches and Technical Mindsets

Change cultivates new perspectives, processes and even people and partners, all of which can greatly benefit your repair services strategy. The more you establish a culture of differences, absorbing the best from each party, the stronger your repair and failure analysis (FA) services will be. And if you're faced with a consolidation situation, don't be too quick to let go of key personnel who contribute to that knowledge base. Not only will valuable experience and insights leave with them, but training someone else can be costly and time consuming, resulting in long delays before new employees become fully productive.

Optimize Your Failure Analysis

Beyond providing timely, quality repairs, it's also important to access and track all FA details during the repair process. Usually, one system can provide all the visibility you need if it's designed to maximize value and insight based on your specific FA goals and KPIs.

Comprehensive Program Management and Reporting

Having the right repair program structure and reporting is even more critical during increasing industry pressure and change. It's about ensuring you have the right foundation, and from there, having the data you need to change course appropriately. These best practices can help you build that foundation:

Compare Multi- Versus Single-Vendor Repair Strategies

Many professionals assume that maintaining multiple technical products requires multiple repair vendor partners. But in practice, a multi-vendor repair program can be inconsistent and inefficient for customers, and it lacks full visibility across the supply chain and into repair status. It's also much more difficult to manage from your perspective, often seen as over-distributed and problematic. As consolidations, competition and other industry trends continue, now may be the perfect opportunity to consider a single-vendor repair program strategy so you can refocus on increasing customer service and cost savings while streamlining repair processes and reporting.

Embrace Data and Real-Time Visibility

An estimated one third of manufacturing supply chains will have analytics-powered cognitive capabilities by 2020, improving cost efficiencies by 10%[4].

New competition and business pressure can drive the data analytics and real-time visibility you've been wanting to implement, making now the perfect time to gain a full line of sight into your equipment and repair results. From product receival and asset tagging to repackaging and shipment, strive to access the greatest amount of information in the most digestible format.

Optimized Inventory Management

When it comes to the supply chain, the main goal is to deliver the right unit/part at the right location at the right time at the right cost. That means taking advantage of flexible supply chain models, inventory management systems, outbound logistics and adept supply chain management expertise. To ensure your inventory management is future-proofed and right-sized all around, consider the following:

Partner With an Established Global Supply Chain Expert

Imagine a *single*, experienced provider who can deliver and manage your entire repair services program at the right time and cost, backed by the necessary global supply chain. Now imagine how much that would free up your resources to focus on what you do best as an OEM — innovate. Leveraging an experienced repair services partner enables you to focus on the road ahead and efficiently navigate the important speedbumps, such as emerging technologies, critical mergers and more. Although the markets are changing (and affecting your business in the process), that doesn't mean your repair provider — and customers — need to be affected as well.

As an OEM, you can avoid customer setbacks by having the right repair strategy established at a time when market transformation will inevitably continue.

Future-Proof Your Repairs

Major industry shifts can be alarming and intimidating, and greatly impact your repair strategy and overall end-customer experience. That's where an established global supply chain partner can help — from quickly identifying potential repair service impacts to suggesting proven strategies learned from decades of working closely with other technology OEMs. But what do you look for when trying to find that right partner?

Key Attributes of a Great Repair Services Partner:

▶ Wide range of repair capabilities and services based on years of proven, relevant experience

▶ Broad spectrum of technical expertise and capabilities supported by the right management methods to handle even the most difficult repairs

▶ Purpose-built facilities in key locations, plus a global distribution and logistics network

▶ Mature, lean, quality operations backed by the necessary certifications

▶ Complementary services such as advanced analytics, supply chain visibility tools and other value-added options that position you for success

Ready to Build a Timeless Customer-Driven Repair Strategy?

Shyft Global Services fuses flexibility, proven expertise and reliability into your repair services program to increase visibility, reduce costs and complexity, drive efficiency and deliver an exceptional customer experience. When you partner with Shyft, you'll free up your internal resources so you can focus on what you do best — delivering innovative technology solutions to your customers. We work quickly to understand your unique business — and customers — and integrate the features, programs and processes your operation needs to improve efficiency and return times to customers.

Ready to shift your business forward?

To learn more, visit: **shyftservices.com**

[1] BDO USA, "Scaling Up In 2019: 2019 BDO Technology Outlook Survey," https://www.bdo.com/getattachment/Insights/Industries/Technology/BDO-Technology-Outlook-Survey/TECH_Outlook-Survey_2019_WEB-(1).pdf.aspx

[2] CompTIA. "IT Industry Outlook 2020," https://www.comptia.org/content/research/it-industry-trends-analysis

[3] Zendesk. "The Omnichannel Customer Service Gap," https://www.zendesk.com/blog/omnichannel-customer-service-report/

[4] IDC FutureScape 2020, "How to Stay Ahead of Digital Transformation Challenges in Manufacturing," https://blog-idceurope.com/how-to-stay-ahead-of-digital-transformation-challenges-in-manufacturing/