Leveraging Maximo for Service Providers to operate a High-performance Building, Facility and Infrastructure

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Bo Batty: Architect, Maximo for Service Providers

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What is a Service Provider?

❑ A Service Provider is an entity that provides services to other entities. Usually this refers to a business that provides a service or manages assets for other departments, businesses or individuals. Examples include Facilities outsourcers, facilities departments, manufacturers who perform after market maintenance and IT departments.

❑ Involves the practice of transferring day-to-day related management responsibility as a strategic method for improved effective and efficient operations. The person or organization who owns or has direct oversight of the organization or system being managed is referred to as the client, or customer. The person or organization that accepts and provides the managed service is regarded as the service provider.

❑ Operational duties may include the care of heating and air conditioning, electric power, plumbing and lighting systems, security, and telecom / networking infrastructure

❑ Some or all of these duties can be assisted by technology to help standardize and manage a variety of business processes supporting the various services provided by the service provider.
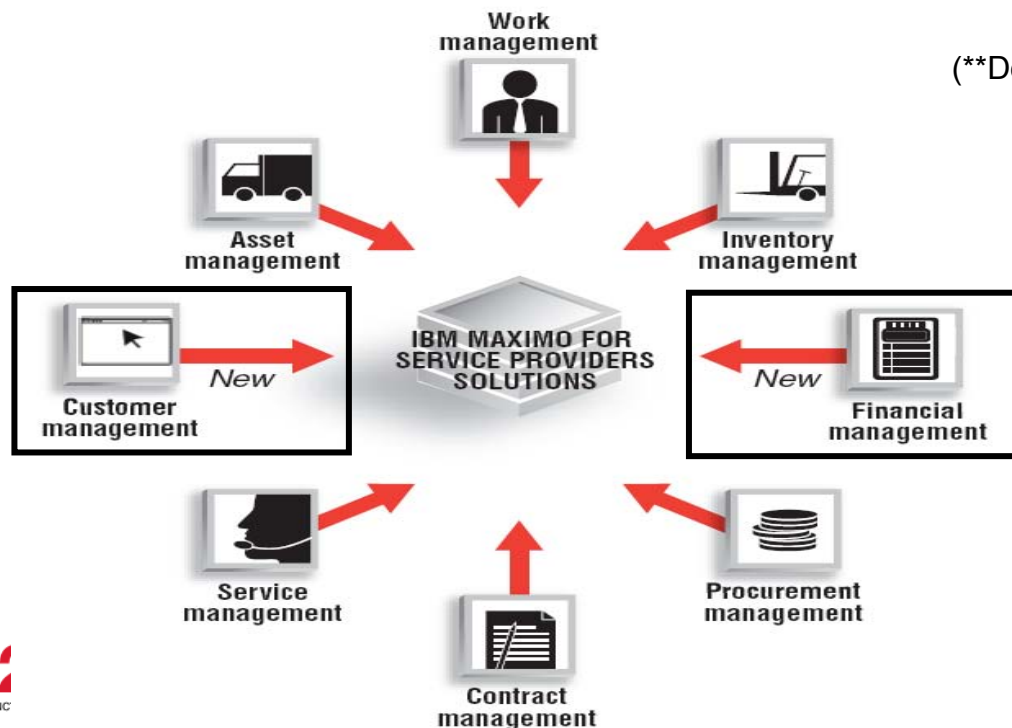
(**Definition modified from Wikipedia)

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Maximo: Providing Business Benefits for the Service Provider

- A long standing solution designed specifically for this market
  - Single solution for all critical assets
  - Operating on open standards: J2EE-based service-oriented architecture (SOA)

- Service Providers examples:

The Service Provider Landscape

- **Tough economic conditions are driving smaller and tighter budgets**

- **Due to increased competition and the poor economy, Customers/End Users are asking Service Providers to deliver more services at a reduced cost**

- **Customers/End Users want greater visibility**
    - **Greater access to their data**
    - **Increased visibility into the benefits being providing to their business or business unit**

- **More manufacturers are either A) turning to after market services as a way to drive more revenue or B) enhancing their after market services offerings in order to drive more revenue**

- **Service Providers are analyzing their effectiveness and trying to understand where they can reduce costs and make service delivery improvements**

- **Service Providers are looking at ways to maximize revenues**

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Business challenges we hear from Service Providers

- **Business Systems Challenge:**
  - Operating the business has required "silo" systems: CRM to manage customers and customer agreements; Asset Mgmt to manage assets; Billing systems for tracking & billing work performed; multiple homegrown Spreadsheets and Access databases, etc.

- **Often resulting in:**
  - Inability to capture all billable services at the correct price based on customer agreements, resulting in lost revenue
  - Accounts receivable difficulties due to questions about services billed for, resulting in delayed payments, lower cash flow and increased DSOs
  - Inconsistent quality of service delivery due to lack of global best practices and standardized work plans
  - Inconsistent management of local 3rd party sub-contractors and inability to link sub-contractor SLAs with Customer SLAs.
  - Difficulties in ensuring the appropriate skilled resources, parts and tools are sent to the job, resulting in lost productivity and lower "first time fix rate".
  - Customer dissatisfaction and costly penalties resulting from missed SLAs

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Customer Example: World Wide Facilities Service Provider

Supporting over 300 Facility Customers with a Single Global Solution

Business Challenges	IBM Solution	Business Benefits
• Customer required a single multi-site, multi-language Service Provider and Call Center solution to support global facility management customers- 600 customers globally, most with multiple site. • Lost revenue due to inaccurate billing • Disparate customer contracts and billing; often by country • Lack of standardized business processes • Lack of standardized service procedures including spare parts and tools	• IBM Maximo for Service Providers to manage global facility customers, including asset management, work management, supply chain management. • Single common service provider and call center / help desk solution • Integration to Oracle corporate financial system	• Global reporting against common global metrics • Increased revenue due to improved capturing of services delivered • Improved cash flow due to more rapid invoice payments • Improved productivity due to common global business processes and service procedures • Reduced penalties caused by missed SLAs

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Maximo for Service Providers - Roadmap

Release 6.1
GA: Jul 07

- Customer Management
- Customer Agreements
- Sales Orders
- Response Plans
- Customer Billing
- Billing Review

- Work Orders
- Locations
- Service Requests
- Incidents
- Problems
- Classifications
- Persons

Tpae 6.2.2

Release 7.1
GA: Sep 08

- Assets

- Configuration Items

- Classifications / Attributes

- Security Groups
- Customer Objects

- Deployed Assets

- WO / Ticket Rules
  - Customer
  - Classifications
  - Attributes

Tpae 7.1

Release 7.1.1.1
GA: Aug 09

- Customer Link to
  - Domains
  - Solutions
  - Bulletin Boards
  - Item

- Item List Price

- SLA Hold

- SLA Time Zone

- Recursive Response Plans

Tpae 7.1.1.5

Release 7.1.2
GA: Nov 2010

- Price Books
  - Items
  - Service Items
  - Revisions
  - Effective Date

- Automate Billing
  - Fixed Fees
  - Items
  - Planned Usage

- Pricing Thresholds
  - Included Pricing
  - Minimum Pricing

Tpae 7.1.1.7

Maximo for Service Providers - Roadmap

Release 7.5	Release 7.5.1	Release 7.5.1.1	Release 7.x
GA: Apr 11	GA: Nov 11	GA: 3Q 12	GA:
.Bill Open Work Orders .Bill Managed Assets .Bill Actual Usage .Select Individual Line Items for Billing	.Synchronize Customers between linked Assets and CI's .Add Offerings to Price Book to support Service Catalog .Customer specific Classifications / Attributes allowed on Solutions .SLA Hold enhancements	.Move Service Address from Service Provider to Core • Support Scheduling • Support Spatial .Add Financial Period filter to Billing of Open Work Orders	
Tpae 7.5	Tpae 7.5.0.1	Tpae 7.5.0.3	Tpae 7.1.1.7

Focusing on post-sales service is an increasingly important market differentiator and revenue opportunity for manufacturing companies

Key Business Drivers

- Industry forecasted to experience decelerated growth and increased competition from new entrants

- Product only business model no longer viable

- Improving customer satisfaction and customer experience will remain critical for success

- Inefficiencies in managing service contracts; companies managing large outsourcing contracts are facing increased service productivity and margin pressure

- Increasingly knowledgeable and fragmented consumer base

- Increasing powerful channel partner

- Net enabled products are finally arriving

[1]Source: AMR
[2]Source: Harvard Business Review

Service Management Opportunity

Service Model Innovation

Services Growth Innovation

Service Operational Innovation
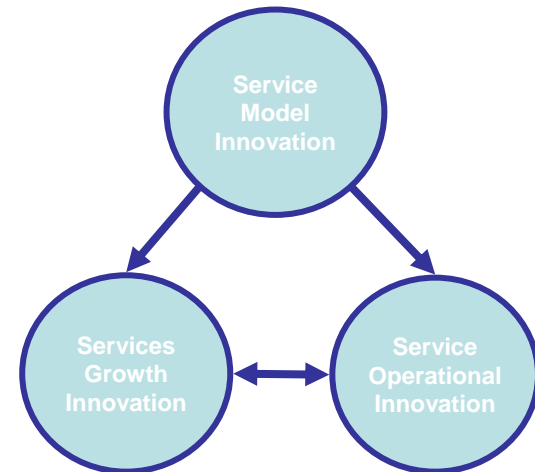
- *Post-sale service can represent 50% to 70% or more of profits for industrial manufacturing companies[1]*

- *Businesses and consumers spend more than $1 Trillion a year on assets already owned[2]*

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After Market Service Agreements

- Published Price List for Post-Sales Service

- Proposal (Quote) Process
  - List the Items
  - Published Price / Discount
  - Total Proposed Price
  - Negotiate / Approve

- Revenue Forecast

- Automated Monthly Billing
  - Track Revenue vs. Forecast
  - Price Increases

IBM Maximo for Service Providers provides an industry-leading service transformation platform

IBM Maximo for Service Providers

IBM Maximo for Service Providers is a unified application and systems integration platform to support standardized global business processes that can, <u>increase revenue</u>, <u>improve cash flow</u>, <u>improve customer satisfaction</u> and <u>lower cost</u>.

IBM Maximo for Service Providers offer industry-leading capabilities that are critical to the business needs of the service provider :

- Customer management
- Service management / Help Desk
- Contract management
- Procurement management
- Financial management
- Inventory management
- Work management
- Asset management

Business Model – Maximo for Service Providers
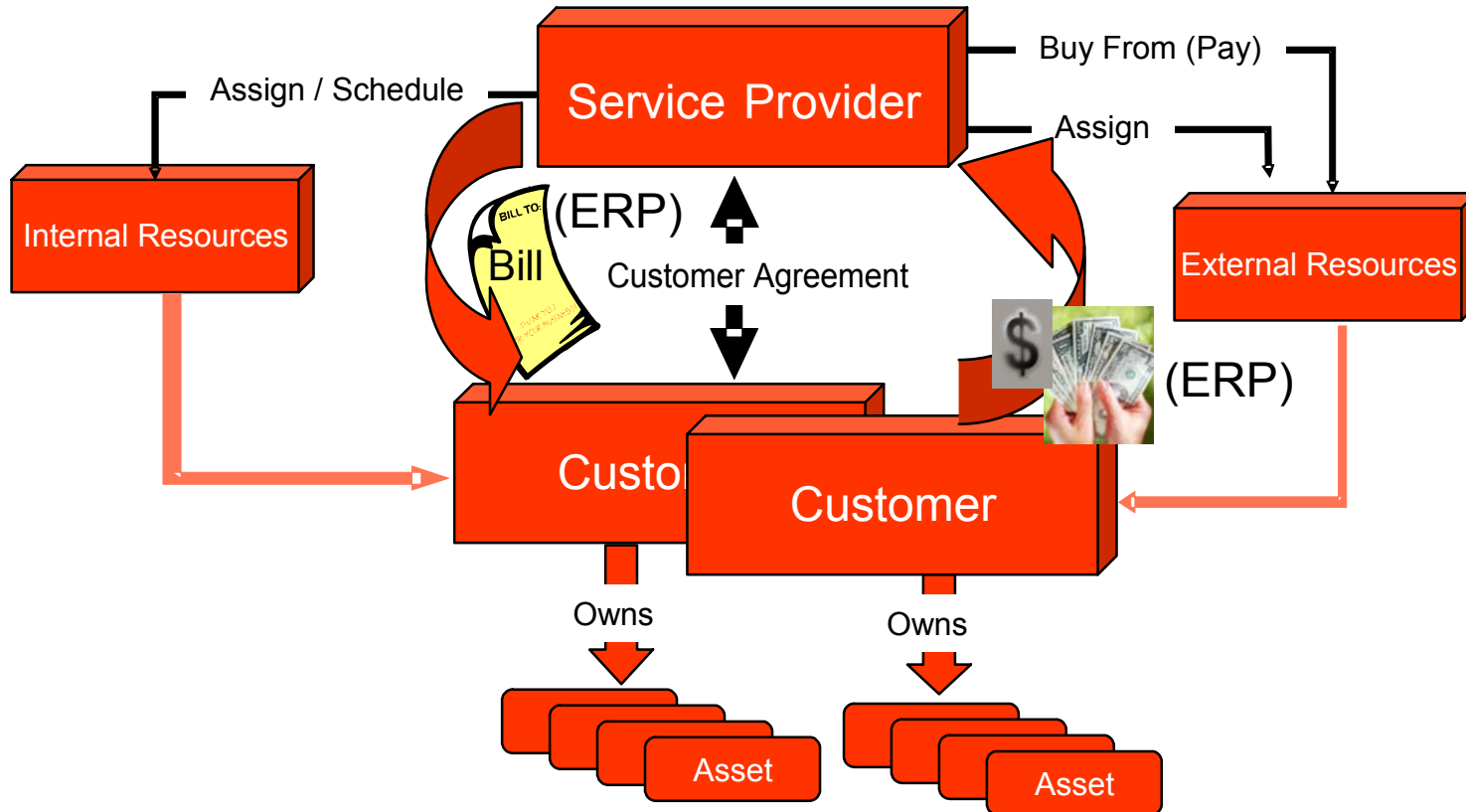
All Billing Activity is processed through the ERP system

Key Capabilities

- Benefit: *Reduce TCO by leveraging a single instance to manage multiple customers*

- Benefit: *Manage multiple customers with many physical locations, and provide unique customer agreements and rules to define entitlement of services*

- Financial Management

  Benefit: *Detailed and accurate billing with a review and approval cycle to reduce days sales outstanding (DSO) and receive timely payment of services*

- Service Management

  Benefit: *Improve efficiency of service delivery with automatic notification and automatic assignments of responsibility and job plan*

What's Next

Disclaimer

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What's Next

- Support the Managing Agent Business Model
  - Service Provider manages Vendor Purchase Contracts
  - Customer-specific Purchase Orders

- Support Decentralized Support Model
  - Customer specific
    - Job Plans
    - Person Groups
    - Vendors
    - Failure Reporting
    - Work Types
    - PM's
    - Service Groups / Services

- Billing Schedules
  - Usability – Review and Adjustment of Billing Schedules
  - Frequency – Quarterly, Annually

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Business Benefits for the Service Provider

- Increased Revenue by capturing previously unidentified billable services based on Customer Agreement

- Faster Payment of Invoices resulting in reduction in DSOs and improved cash flow
  - Due to Level of Detail and Customer pre-Approval of Bills

- More Efficient Service Delivery
  - Standardized Job Plans ensure consistent quality of work and best practices across the organization and customer base
  - Automatically assign and notify correct sub-contractor based on type of work, geographic area, customer, etc. (user defined criteria)

- Improved Labor Productivity
  - Ensure the correct people with the correct tools and spare parts are dispatched to the job – improve "first time fix rate"

- Avoid Customer Dissatisfaction and Cost of Missing SLAs
  - Automatic alerts and escalations proactively generated prior to missing SLA

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Contact Information

- **Key Contacts**

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Questions?

Thank you!

NedTrain

Managing Complex Assets and Spares with IBM Maximo
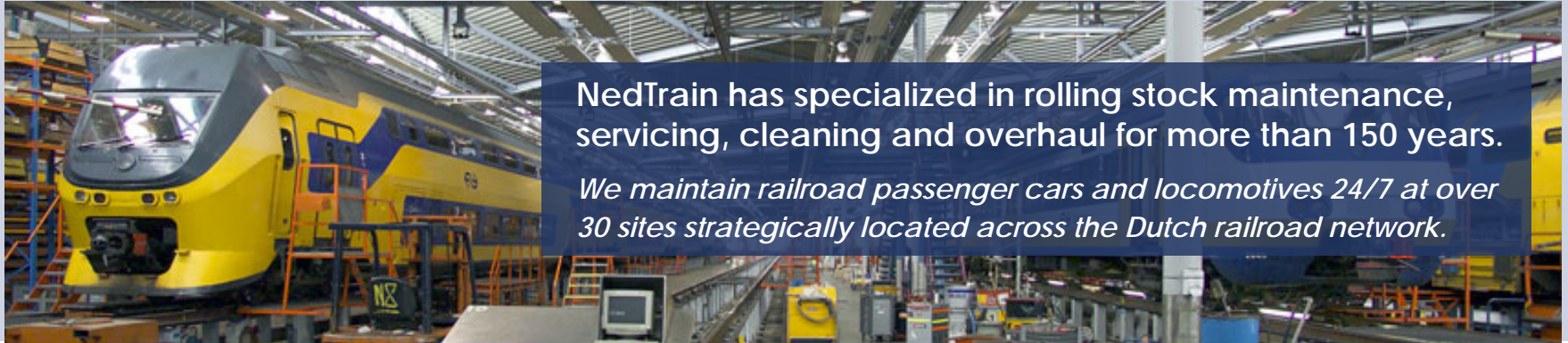
NedTrain

NedTrain has specialized in rolling stock maintenance, servicing, cleaning and overhaul for more than 150 years.

We maintain railroad passenger cars and locomotives 24/7 at over 30 sites strategically located across the Dutch railroad network.

Business Challenges	IBM Solution	Business Benefits
• A complex operating environment over 30 sites, various customers and almost all possible kinds of rolling railway equipment to maintain • To become the best in class railway maintenance company with the business challenge of "one time right" • Deploy a single asset management solution across the enterprise to manage all assets • Embed the Asset management into the total business environment and make it a fully integrated system	• IBM Maximo for Transportation and Asset Configuration Management to manage rolling stock and support fleet • IBM Maximo Asset Management to manage work force and work space • IBM Maximo for Service Providers to cover and manage all contracts and SLA's. • Integration to corporate SAP financial and procurement, SAP "LIMA", HR & other crucial business applications.	• Gain more visibility and control • Increased labor utilization and asset reliability • Real time access to up to date asset information, enabling efficient job scheduling to minimize passenger impact • Able to accurately capture assets maintenance costs and cut cost • Standardized business process across the enterprise

Bombardier Transportation
Supporting Global Rail Services with a Single Asset Management Solution

Founded in 1942 by Joseph Bombardier, Bombardier is the global leader in passenger rail equipment and third largest manufacturer of civil aircraft. Rail services represent 20% of Bombardier Transportation's revenue.

BOMBARDIER

Business Challenges	IBM Solution	Business Benefits
• Bombardier Transportation required a multi-site, multi-language EAM solution to support rail service operations at over 48 separate rail systems around the world • Manage over 6,000 assets globally, supporting over 100 work sites • Replace customization with out of the box capabilities for configuration management and warranty recovery • Integrate with exiting financial system and support planned interfaces with health monitoring and RFID	• IBM Maximo for Transportation to manage rolling stock, including asset management, work management and warranty recovery • IBM Maximo Asset Configuration Manager to support the configuration management of rail equipment • Integration to SAP corporate financial system	• Improved Warranty tracking • Failure reporting available to all Bombardier customers • Able to manage customer configuration of delivered rail assets • Manage aftermarket parts business • Implemented inventory optimization from an IBM Business Partner and reduced inventory costs by 20% • Meets long term strategic direction

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