

Use potentials and opportunities in after-sales!

Where does your company stand today in terms of after-sales?

For a little more than 1.5 years now I have been working as an independent consultant and interim manager in mechanical engineering. The fee that customers paid for my services, with an average mandate length of 2-6 months, was usually recovered within 2-5 months. This corresponds to an ROI of 2-5 months. When was the last time you achieved a comparable ROI with your investments?

Individual starting position in the companies

From conversations with colleagues and friendly companies, as well as other consultants in my current environment, there is agreement that many executives in after-sales are struggling with the same problems. These include support and understanding of after-sales in-house, the pressure from the day-to-day business from outside, coupled with limited resources. Many companies are only able to make limited use of their own potentials as a result of this and sometimes do not know where the potentials are or that they exist at all. Looking back on the last 20 years of my professional career as an employee manager, I know the day-to-day business of after-sales in mechanical engineering in detail and the associated constraints and problems.

How can it be that companies do not know their own possibilities?

The reasons for this are usually manifold and can still be focused on a few reasons:

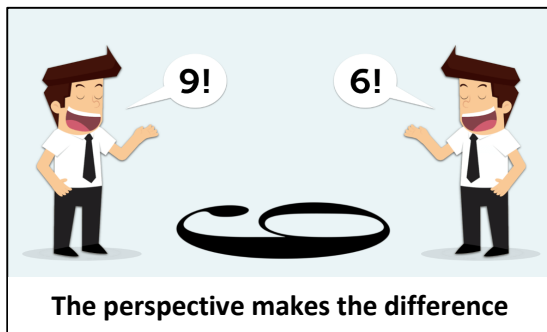
- The company's focus is on total sales and profit often driven by the new machinery business, to which everything is subordinated
- Available information (buzzwords such as e.g. "Smartglasses") are known in many cases from the media, but resulting own actions are only implemented half-heartedly
- Employees and managers have little to no time to exchange ideas in addition to day-to-day business and to develop and implement ideas accordingly



What is going on outside of my box?

Management assumes that all information is widely known in the company and that employees are motivated and actively use the given freedoms to advance the company. But is this really the case?

A study by Stepstone and the Kienbaum Institute @ ISM shows an interesting view of the companies from the outside, and that the inner perception does not always necessarily correspond to reality.



For example, this study reveals that 71% of supervisors say they motivate their employees to take more responsibility and 60% inform them that mistakes are learning-potentials. On the other hand, 61% of employees say they want more responsibility. (www.presseportal.de/pm/38447/4503318)

As a result, the different perceptions do not take advantage of the opportunities for improving one's own situation, which results from employees and also customers.

As a result, the work continues as before and improvements are implemented slowly or in places due to lack of motivation, lack of knowledge and pressure in day-to-day business.

But of course there are many companies that are very well positioned in the field of after-sales and do an excellent job. Often, but not exclusively, it is larger companies with the appropriate infrastructure and resources.

This is also where the problem and the challenge lies, especially with the smaller companies, which also have the pretext why they do little: "We cannot act like a large company, which has much more possibilities and resources. Also, as a small company, you cannot and do not want to afford expensive consultants". It is not uncommon for these companies to live in their own world and do not recognize their own opportunities, which can be implemented with little effort. I hear several times: "Consultants are too expensive for us and do not know our environment. Our employees are well trained and know each other. Yes, there are minor problems, but we have them under control and they can't be changed so quickly anyway and/or we just have other concerns."



This argument sounds like the lumberjack, who works slowly and hard with a blunt saw when asked why he doesn't sharpen it, replies: "I don't have time for it, I have to cut down the trees now."

So what is the alternative? Do nothing, forgo sales and profits and carry on as before? Leave the market to the market attendants without a fight?

What are the possibilities to increase sales and profit?

There is no default answer. Companies are set up differently, have historically different operating cultures and the starting points and the objectives set often differ from each other. On the other hand, the general processes in companies are the same. Through an external and neutral view, I have already uncovered various existing potentials in the past after the first discussions. A customer once figuratively put it to me: *"The potentials were there, we just couldn't find them because they were hidden under a large stone that you have now lifted."*

Yes:

- it is only possible to compare companies to a limited extent
- every industry and industry has its own special features
- each type of plant machine requires specific measures

But this is precisely where a viewer's advantage lies from outside your own organization. Due to the different situations and experienced conditions, there is a high probability that he has knowledge of solutions, tools and practically proven application examples, which you may not know or believe in.

So why not let business experts with the appropriate background look at areas of your company in order to identify reserves and potentials? Do you know where you stand today and whether there is any additional improvement potential?

Many entrepreneurs are amazed at what can be seen and learned by external consultants within 2 to 5 days, depending on the complexity of the company, the current situation and the task.

The possibilities for improvement can be extremely diverse and range from the optimization of internal processes and organizational orientations to new products for the after-sales area. On the basis of the emerging prospects and the respective situation, the tools and measures to be used are derived. This in turn results in savings or additional sources of income or further paths to customer loyalty.

Possible costs and additional revenues/profits

In particular, the costs for an external consultant who comes to the company regularly or depending on the current situation and then limited to a short period of time are manageable. Expenditure on short-term use is negligible if the possible positive effects are calculated against it. How much does it cost a company to make decisions that fail, a delayed decision or, at worst, a decision based on insufficient, false information? What long-term follow-up costs does the company have to expect?

Conclusion:

The focused use of an external specialist gives you a neutral, experience-based in-depth analysis and thus a sound basis for decisions and measures. The company receives additional information and decision-making aids to generate savings or higher revenues. Willemsen & Dr. Scholl with an extensive network of experts and a neutral and impartial perspective, is the source of ideas, sparring partners, consultants and, if desired, project supervisors.

Our advantage lies in the holistic view, as after-sales are highly dependent on the functioning areas of operations, sales and smooth internal processes.

Our customers come from mechanical engineering. These can be start-ups that have good and creative ideas, but do not know the insights and intricacies of mechanical engineering in detail, or companies with a long tradition that want support and an external opinion from a neutral independent expert with practical experience.

The Author:



Thomas Willemsen has 25 years of practical experience in the management of the areas of after-sales and sales in international mechanical and plant engineering. A large further focus was on the Asian market. Other topics he accompanied in this context included pricing and PMI. Today Thomas Willemsen works as an independent consultant and interim manager.

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