

# How Digital Workflows Enable Manufacturing Servitization

As more products become commoditized, manufacturers are looking for new ways to differentiate themselves from their competitors—leading to a growing interest in servitization. This emerging manufacturing trend focuses on providing ongoing services for customers, rather than simply selling products. Making this jump, however, creates a new set of challenges unrelated to manufacturing. For one, you need to have the relevant processes and infrastructure in place to ensure you're successfully delivering on this new service-oriented business model.

The solution is to adopt digital workflows, which automate multi-step processes occurring between people and systems, eliminating bottlenecks, improving efficiency and driving higher-quality customer service. In this paper, we'll explore how digital workflows can enhance your customer service—helping you make a seamless transition to servitization.

## The Benefits of Servitization

Servitization is transforming the traditional manufacturing business model. Instead of focusing on selling products, servitized operations focus on selling an entire service support system around a product—replacing third-party service companies and increasing customers' reliance on your business. But the idea extends even further. You are essentially taking steps to understand your customers' unique needs and challenges, which in turn contributes to customer success.

In terms of practical application, servitization takes many forms—from delivering spare parts or upgrades, to integrating sensors for equipment monitoring. As the technical complexity of equipment increases, many manufacturers are scheduling and performing routine maintenance on the products they sell. Oftentimes, these value-added services take the form of short- or long-term contracts that reduce costs for the customer over time.

The purpose of these strategies is to keep equipment running at optimal levels—extending product life and improving customer satisfaction. From a manufacturing standpoint, the benefits of servitization include:

- **Differentiation.** Product innovation isn't always enough. Providing relevant, value-added services gives you a competitive advantage—especially in our technically complex, global marketplace.
- **Customer retention.** Service-oriented strategies lead to long-term vendor-customer relationships. The customer relies on you, the manufacturer, for more than just a product. At the same time, you're taking an active role in your customer's success—increasing their loyalty even further.
- **Financial stability.** Longer relationships with customers mean greater profitability. Engaging in long-term service contracts also prevents competitors from gaining a foothold.



## Challenge

- Providing new services under a servitized manufacturing model creates new challenges that affect how you approach customer service—i.e., you need to have the right processes and infrastructure in place to support your service offering.

## Results

- ServiceNow delivers proactive, end-to-end service
- Empower your service team to respond faster and solve problems in less time—improving customer satisfaction and service quality
- Categorize, prioritize and assign customer issues using machine learning
- Resolve customer problems before they happen using analytics
- Streamline customer engagement
- Reduce downtime
- Optimize costs

## The Challenges of Making the Switch

Despite the many benefits of servitization, providing new services creates a new set of challenges that affect how you approach customer service. For one, making the transition requires having the right processes and infrastructure in place to successfully support your service offering.

Complicating matters further is the fact that these processes, more often than not, are not directly related to manufacturing—making the switch especially difficult for manufacturers with limited experience in the customer service arena. Examples of these processes include:

- Engaging with customers across digital channels
- Automating manual tasks and workflows
- Managing IT and field service representatives
- Recording field appointments to ensure accurate service contracts
- Routing information from customer service teams to other departments

To provide a high-quality customer service experience, your approach must connect to every corner of your enterprise—working across the entire company to diagnose, fix and prevent customer issues. By working cross-functionally to fix problems for many customers at once, rather than addressing issues one at a time, your service team can respond faster to customer concerns while delivering servitized strategies that grow your operation.

## The Key to Efficient Customer Service

One simple solution to help you manage and automate your customer service processes is to adopt digital workflows.

This tool provides platform intelligence to predict, prioritize and proactively manage work across siloed systems and departments—reducing downtime, optimizing costs, streamlining customer engagement and improving customer satisfaction.

Using digital workflows, you can:

- **Engage customers across channels.** Customers want quick solutions on their own schedule. Digital workflows let you connect with customers over their channel of choice—including web, phone, chat, text or social media—from any mobile device.
- **Provide self-service options.** Empower your customers with fast, personalized self-service options to handle common tasks, including warranty registrations and password resets. Customers can also find answers to common issues by engaging with virtual agents or in community forums.
- **Deliver customer service as a team.** Using visual task boards and workflows, you can quickly connect your service team to other departments in your organization—resolving customer issues end-to-end faster and more efficiently.
- **Take advantage of the Internet of Things (IoT).** Monitor the health of your IoT-connected devices using secure, real-time data and intelligence software.
- **Anticipate trends to deliver proactive solutions.** Utilize event monitoring and performance analytics to visualize trends and resolve potential problems before customers encounter them.

An example of a company delivering digital workflows to improve customer service is ServiceNow. Customer Workflows help businesses reimagine their customer engagement.



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Built on the Now® Platform—an intelligent and intuitive cloud platform for work—ServiceNow's solution for customer and field service management enables companies to deliver proactive, end-to-end service. ServiceNow also utilizes machine learning to categorize, prioritize and assign customer issues based on patterns and context. It then routes these issues to the appropriate agent on your customer service team—helping you resolve issues quickly and efficiently. Using event monitoring and analytics, it can even resolve problems before they happen.

## Conclusion

Digital workflow vendors like ServiceNow can help you reap the benefits of servitized manufacturing by keeping customers in the driver's seat every step of the way. Thanks to a wide range of features, including digital workflows, automated self-service capabilities, omni-channel customer engagement, operational monitoring and trend analysis, your service team can respond faster and solve problems in less time—improving customer satisfaction and service quality.

For more information about ServiceNow, visit [www.servicenow.com](http://www.servicenow.com).

