

Innovation for Growth in Services

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Initial Facts and Statements – Service in the Industry

Relevance of
Services

Services as a
Business

Lever for
Profitable
Growth

Service Agility
and **Resilience**

Service can
grow faster
than CAPEX

CAPEX is more
expensive

Service: more
than **Spare**
Parts & Repair

New Business
Models: Key for
Growth

Key Questions

Purpose

Are we actually looking at Services as a Business?

Mission

Are we really creating crisis proof Services Businesses?

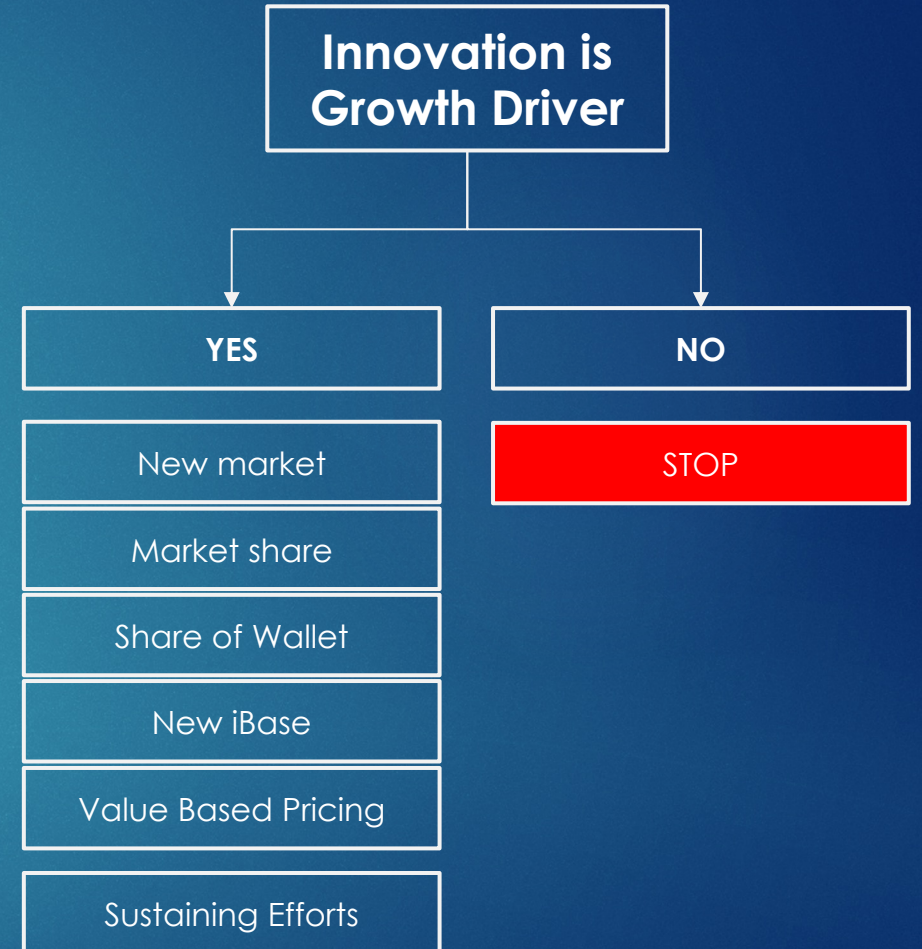
Intention

How much value are we intentionally creating?

Strategy

What is the role of Innovation?

What is Innovation



Why you need to Innovate in Services.... TODAY!

Outcomes

Innovation starts with the **outcome in mind**

It is not a science fair but a **ROI exercise**

Go to market, **value-based selling** are part of the initial discussions

Potential

Driver for **growth** and **profitability**

Address **customer pain** and **willingness to pay**

Start with high level of assumptions and end with a **laser focus target**

Clear Portfolio

Selling Services is not easy. Make offers **understandable**

Make the **benefits visible** for customers

Ensure **sales force** is ready to sell and excited about it

New Products

Every single new product launch must come with a **defined set of service offers**

Design for Services and Serviceability

Service solutions are not an afterthought

Scalability

Go after **new and latent customers**

Go for the biggest possible chunk of **Installed Base**

Follow up, track and adjust the **go to market for scale**

The big pitfall: Innovation is not an inside out exercise!
It starts and end with CUSTOMER NEEDS and OUTCOMES in mind!

WHAT / WHY / HOW to Innovate in Services

IT IS

- ▶ Structured framework
- ▶ Start with growth and scalability in mind
- ▶ Strategic differentiation
- ▶ Efficiency
- ▶ Brand positive impact

IT IS NOT

- ▶ Science fair
- ▶ Sustaining effort (exclusively)
- ▶ Create overhead
- ▶ Added complexity
- ▶ Internal Public Relations exercise

Final Thoughts

Innovation is MEASURED:

- Product Vitality (Orders, Sales, Margin, Payback Time, ROI)
- % of Total Sales from New Services
- Utilization of R&D/Innovation Resources

- *Innovation is a lever to grow faster -> Driver for Growth -> Growth is Driver for Valuation*
- *Have the courage to say NO and also have the courage to trust on Customer Voice*
- *Thought leadership is PARAMOUNT to drive innovation in Services*

Final Question

► What is the right Leadership Toolkit to drive innovation in
Service?

Thank you!

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