# Drive the data
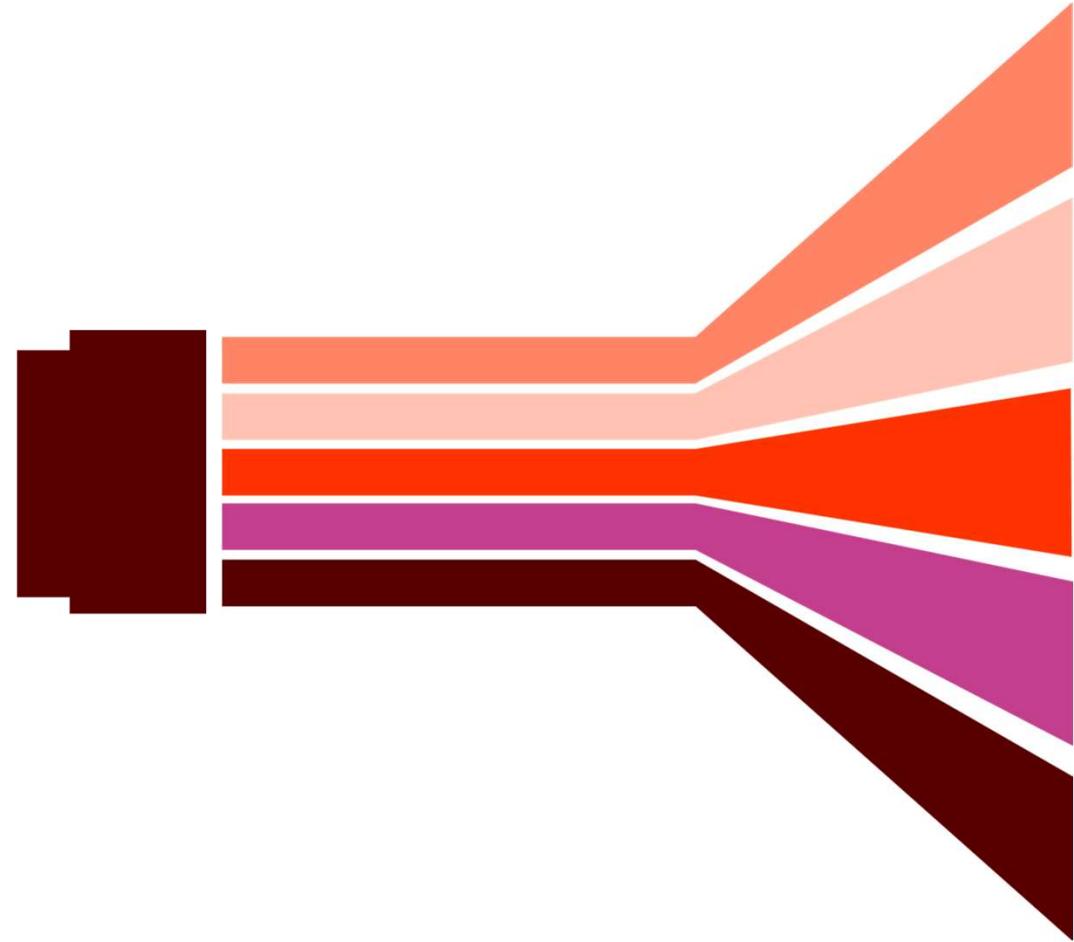# Power the strategy

Servitization learnings from the ports sector

**Paolo Dazi**
SVP Port Services Unit | Konecranes

**KONECRANES**®

# KONECRANES

Moves what matters.

## Industrial Equipment

Extensive range of industrial cranes, from components and light process solutions to demanding process solutions. Technology leadership and leading market position.

# KONECRANES

Moves what matters.

## Port Solutions

Provides equipment, solutions and service for the container handling industry and ports. One of the leading global suppliers.

| | |
|---|---|
| Active Countries | **50+** |
| Percentage Service Sales | **44%** |
| Group Operating Margin | **11.4%** of net sales |
| Total Sales | **€3.9b** |
| Employees | **16,600** |

# Konecranes in numbers
# 2023

**KONECRANES®**

# Our strategic goal

# Grow by doubling our share of wallet

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# BUSINESS MODEL

Energized by the same core value proposition, our three revenue drivers revolve and intersect to cover the full range of growth areas and asset management outcomes.
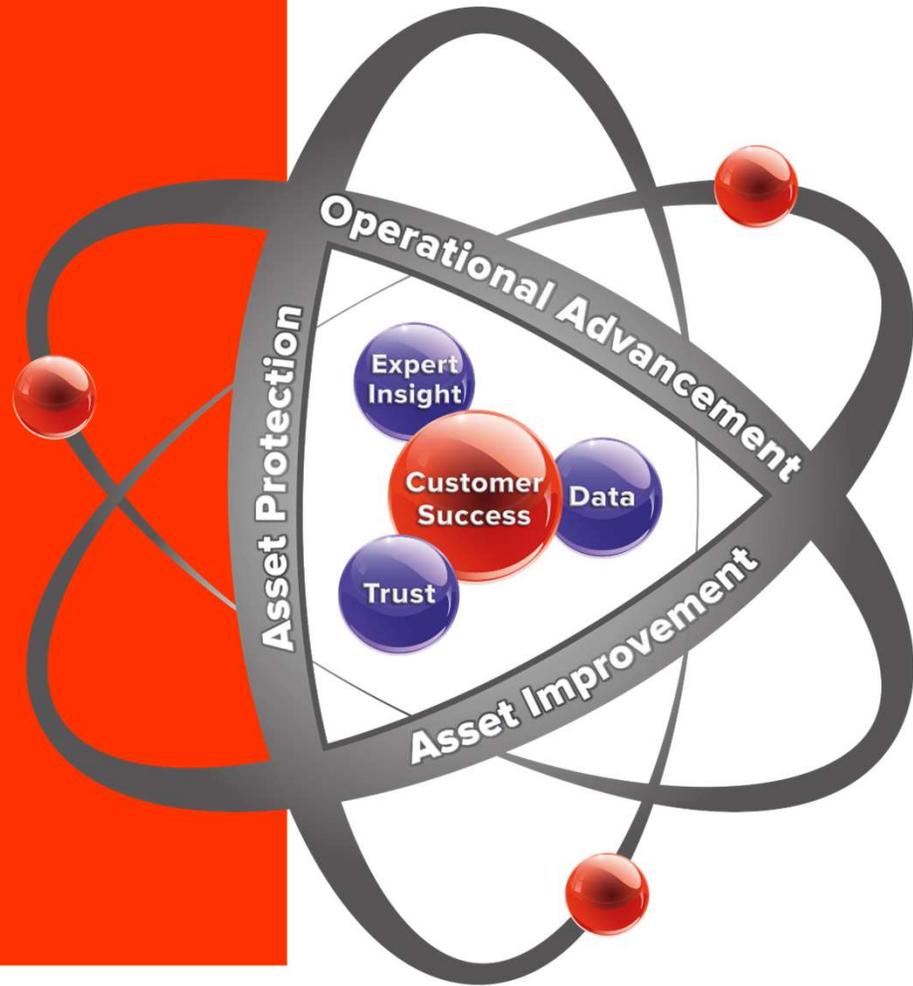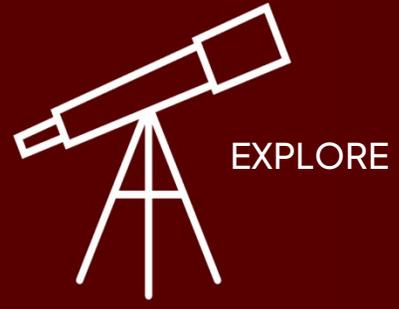


**KONECRANES**

|  | Asset Protection | Asset Improvement | Operational Advancement |
|---|---|---|---|
| **Once-Off** (Transactional) | EXCEL | EXCEL | EXPLORE |
| **Agreements** | EXPAND | EXPAND | EXPLORE |

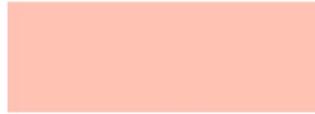KONECRANES®
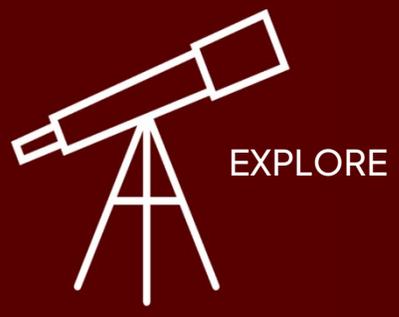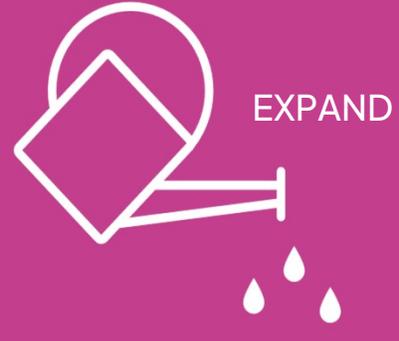
# Planning
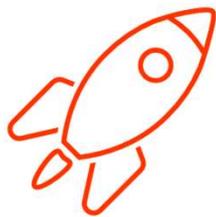
SWOT ☑

Ambition ☑

5-Year Plan ☑

Communication ☑

Implementation Plan ☑

Actionable data packaged in easily digestible format. Democratize the Data
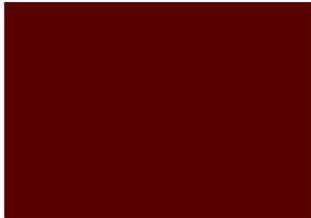
**DATA CAN MOVE PEOPLE**

Champion the installed base

Build belief

Provide the resources to change

**Change the Culture**

**DATA STRENGTHENS TRANSACTIONS**

Building eCommerce

Use eCommerce data to sell more

Parts consumption predictive models

**Excel at the Basics**

**DATA DRIVES NEW CONVERSATIONS**

Customer 360°

Positioning as the uptime expert

Performance advisory services

**Sell Wider & Higher**

**DATA IS OUR USP**

Digital product development

Getting closer to customers

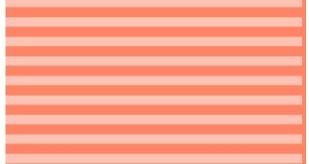Performance advisory services

**Transaction to Partnership**
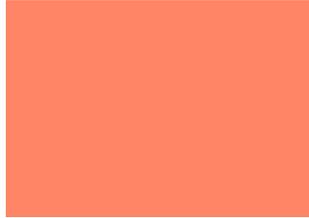
**DATA MAKES AGREEMENTS PROFITABLE**

Outsourcing models

Uptime guarantee models

Outcome based models

**Explore Advanced Services**

KONECRANES®

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## INITIATIVES

- Create *We are Services* identity campaign
- Launch nine new attitudes
- Promote growth mindset
- Establish Port Services Awards
- Training
  - Business Development Program
  - Micro-Learning Program

- Hero the installed base

- Market size & potential

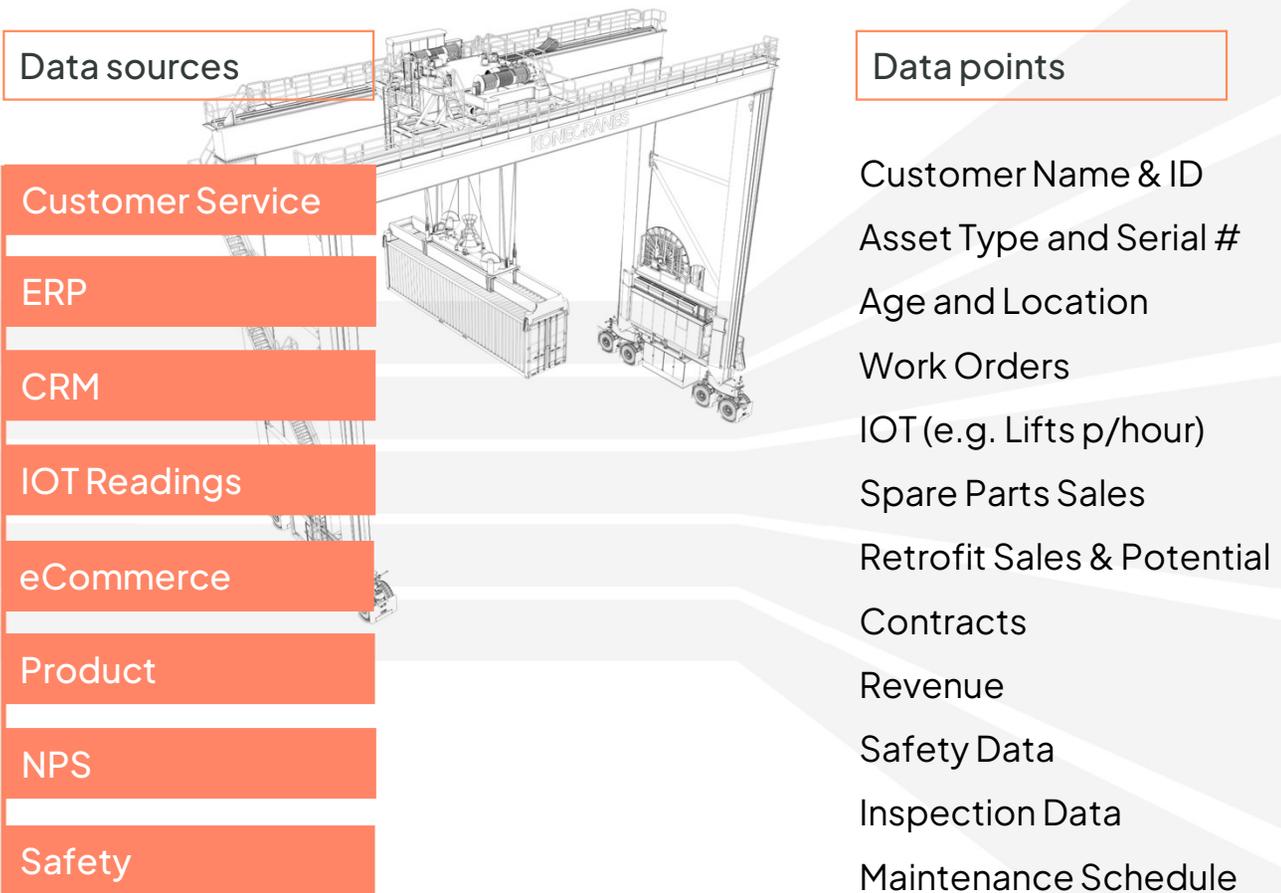- Installed base app

# Unite, Inspire & Resource

**Moving from an engineering to a services mindset.**
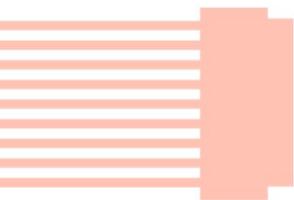
## Installed Base

### Data sources

- Customer Service
- ERP
- CRM
- IOT Readings
- eCommerce
- Product
- NPS
- Safety

### Data points

- Customer Name & ID
- Asset Type and Serial #
- Age and Location
- Work Orders
- IOT (e.g. Lifts p/hour)
- Spare Parts Sales
- Retrofit Sales & Potential
- Contracts
- Revenue
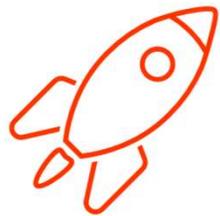- Safety Data
- Inspection Data
- Maintenance Schedule

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**Data Outcome**

**Market Size & Potential**

Culture Change

### Senior Leadership
Services is critically important to the success of the Group.

### Unit Management Team
The potential is there, we are not yet at capacity. We can do this.

### Extended Management Team
The installed base gives me a clear roadmap to higher revenues.

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**Data Outcome**

**Per Asset Financial KPIs** | Culture Change
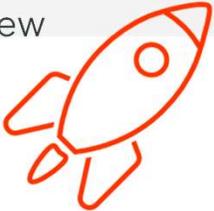
### Unit Management Team
Size of local fleet gives me a true insight on the performance of each Frontline. Regional sales planning becomes more accurate.

### Extended Management Team
I can't hide behind revenues, the installed base reveals to everyone where I need to grow.

### Sales Team
I have great data to lead a conversation with new customers.

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## Data Outcome

### True Customer Profiling | Culture Change

**Senior Leadership**
I need to refresh my view of how we "rank" customers.

**Unit Management Team**
Our customer relationship plan must be tailored to our own customer weighting profile and potential.

**Extended Management Team**
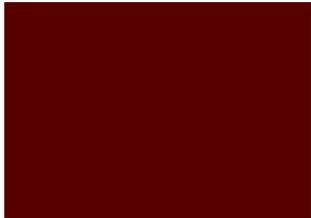The most complaining customer is seldom the most valuable customer. I must relook at my resource prioritization.

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| DATA CAN MOVE PEOPLE | DATA STRENGTHENS TRANSACTIONS | DATA DRIVES NEW CONVERSATIONS | DATA IS OUR USP | DATA MAKES AGREEMENTS PROFITABLE |
|---|---|---|---|---|
| Champion the installed base | Building eCommerce | Customer 360° | Digital product development | Outsourcing models |
| Build belief | Use eCommerce data to sell more | Positioning as the uptime expert | Getting closer to customers | Uptime guarantee models |
| Provide the resources to change | Parts consumption predictive models | Performance advisory services | Performance advisory services | Outcome based models |

| **Change the Culture** | **Excel at the Basics** | **Sell Wider & Higher** | **Transaction to Partnership** | **Explore Advanced Services** |
|---|---|---|---|---|

KONECRANES®

# Advise
# Create
# Sell

## INITIATIVES

**Sweating the Install Base**
- Installed base data and KPIs
- Customer Segmentation & Relationship Plan
- Financial KPIs per installed asset
- Revenues per asset benchmark

**Portfolio Expansion**
- Any Brand strategy
- Remote Services
- Automation & sustainability retrofits
- Safety upgrades

- Predict & Plan
- Spare Parts RFQ
- Offer App

**Sell Wider & Higher**

| Data | Sell Wider | Sell Higher |
|---|---|---|
| **Predict & Plan** | | |
| • Fleet & Age<br>• Component Lifecycle<br>• Spare Parts Sales | • Sell component before end-of-life | • Advise customer of over-consumption<br>• Subscription service |

| Data | Sell Wider | Sell Higher |
| --- | --- | --- |

**Spare Parts RFQ Report**

- Unconverted RFQs
- Stock Levels
- Spare Parts Price List

- Re-approach once component in stock
- If in stock, price revision needed?

- Spare Parts API

| Data | Sell Wider | Sell Higher |
|---|---|---|
| **Offer App** | | |

- Installed Base
- Customer Fleet
- Equipment applicability
- Historic Service Sales

- Instant view on what services are applicable to customer fleet.

- Consultative approach
- Fleet-wide Safety, Sustainability etc.
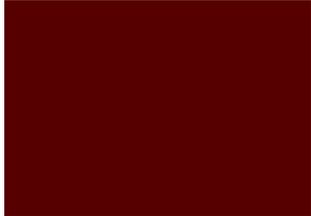- Equipment maintenance planning optimization

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**DATA CAN MOVE PEOPLE**

Champion the installed base

Build belief

Provide the resources to change

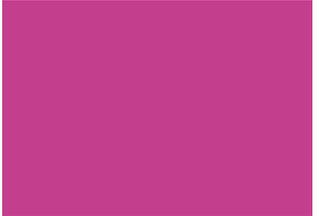**DATA STRENGTHENS TRANSACTIONS**

Building eCommerce

Use eCommerce data to sell more

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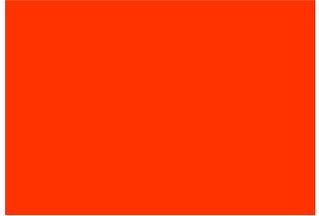
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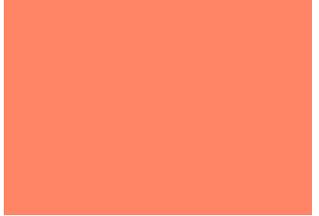
Uptime guarantee models

Outcome based models

**Change the Culture**

**Excel at the Basics**

**Sell Wider & Higher**

**Transaction to Partnership**

**Explore Advanced Services**

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Partner
Collaborate
Create

## INITIATIVES

- Advanced Services Enablers
- Trojan Horses
- The "Kitchen" concept
- Performance Partnership

UPTIME Project

- Fault analysis

- Predictive maintenance

  analytics

**Exploring advanced services**

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| Data Sources | Data Outcomes | Improved Capabilities |
|---|---|---|
| Customer Tickets | | |
| CMMS | Fault Analysis | Optimized parts planning |
| Digital Services | Digitalized Knowledge Base | Fast Troubleshooting |
| Inspections | eCatalogues | Minimal Component Failures |
| IOT | Remote Support | Near-Zero Corrective Maintenance |
| Support Portal | Spare Parts Predict & Plan | AI Supported Remote Service |
| Lifecycle Data | AMMS | Digitalized Maintenance Planning |
| eCommerce | | |

## Fault Analysis: Customer Case

- 50 000 Faults p/month
- Created dashboard + diagnostic detail
- Technical remedy
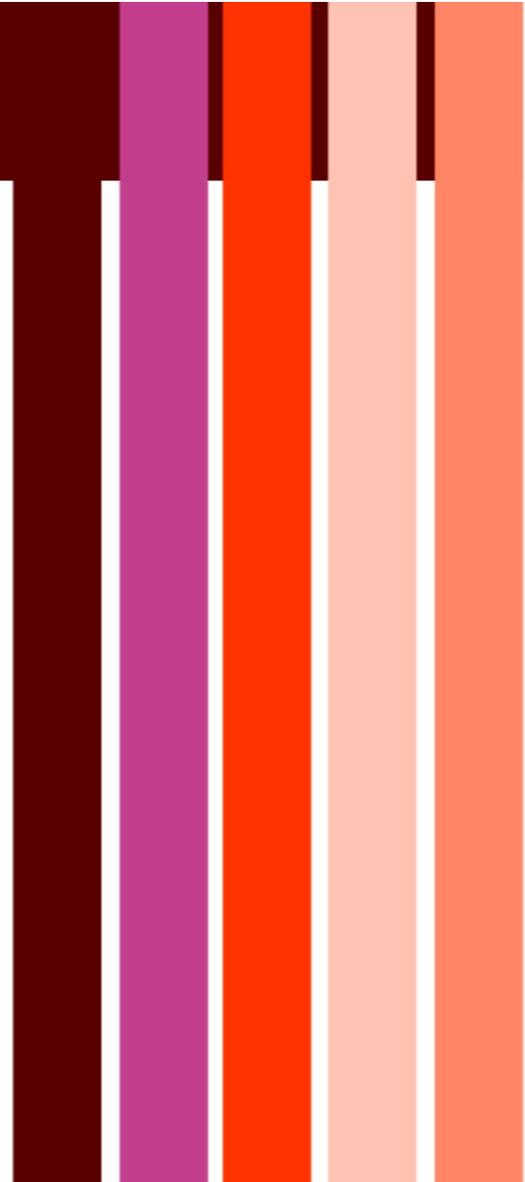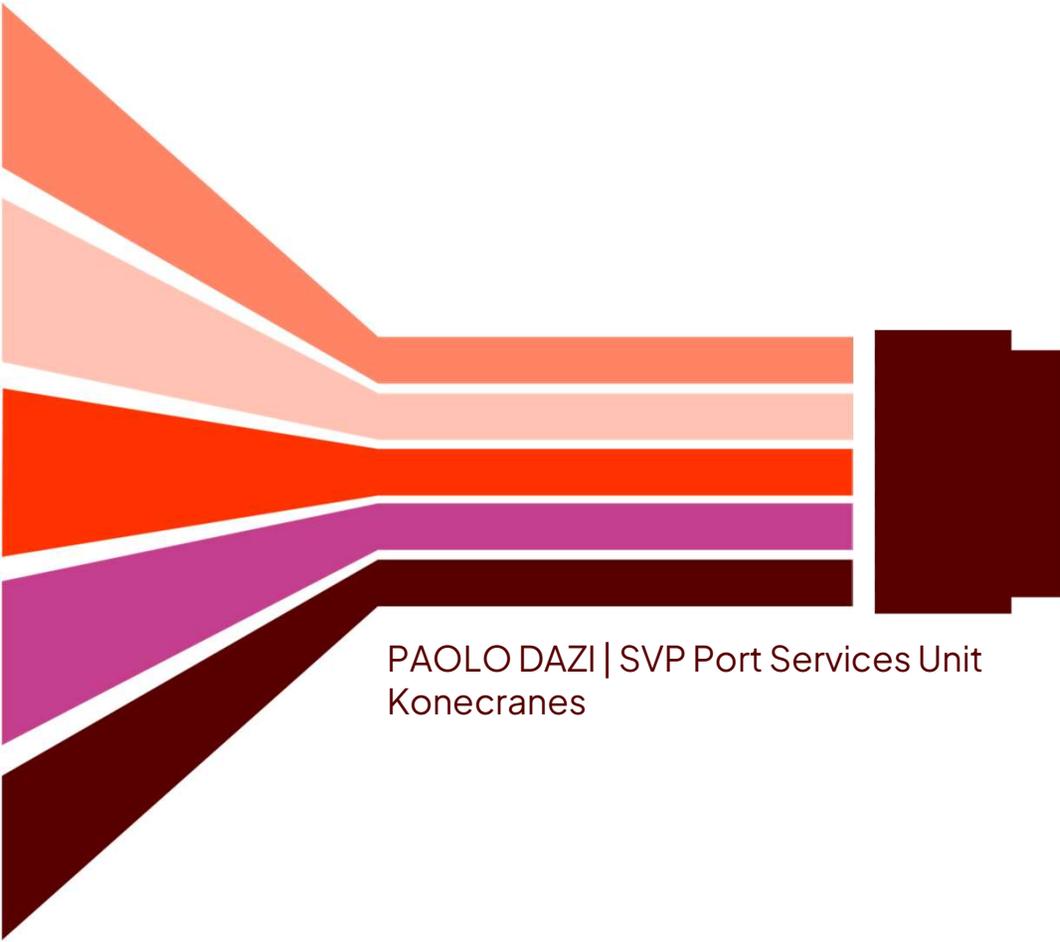- Direct link to STORE
- In development – API

# In summary

Democratize the Data.
Change the Mindset.
Grow the Business.

# Thank You

PAOLO DAZI | SVP Port Services Unit
Konecranes

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