

A BIGGER SLICE OF THE PIE

Once a high-tech machine has been commissioned by the client, the manufacturer provides the requisite service as a sort of necessary evil. The increasing need for lifetime support, however, makes that service valuable to the client. There's an opportunity for OEMs to make service a fully-fledged business activity and to transform it from a cost item into a source of income.

With its Acceleration Programme, BOM wants to give this development of 'servitization' a little nudge in the right direction.

For front runners like Philips Healthcare, Vanderlande and ASML, service is already a huge part of their turnover and margin, says Michel Weeda, BOM's High Tech & Services Programme Manager. 'The majority of the Dutch manufacturing industry, however, are not that far along yet. There's growth potential for them on the international market because their products are sold the world over. Naturally, a part of the service for clients will be done by local parties. It's about organising international chains for that service and managing them from the Netherlands. Weeda sees a parallel here with the development of World Class Maintenance (WCM) and Dinalog (the Dutch Institute for Advanced Logistics) in the Southern Netherlands. One of the key questions is whether the OEMs should set up a service organisation themselves. They could also outsource it to their system suppliers that have already taken over the production and, therefore, have the most detailed knowledge of the modules in question, or they could use specialised service providers, like the major contractors in the maintenance world. Whatever the case may be, Weeda believes that the Dutch manufacturing industry can 'grab a bigger slice of the pie' by exporting service along with new machines. 'My philosophy is that if you continue to only produce things, you will go out of business sooner or later, which is why I trumpet manufacturing *and* servicing. And don't forget the Netherlands' knowledge of and experience with global service logistics and the role that Dinalog plays in this.'

ACCELERATION PROGRAMME

BOM recognises this trend and promotes the importance of service to the manufacturing industry. Weeda: 'Those in the boardroom have to address this and we also advocate dedicated R&D. Companies sometimes earn their money mainly from service, but then invest in product R&D.' BOM wants to accelerate the development of servitization by initiating innovation projects, getting companies to work together in the chain in a smarter way, and by clustering them so that they can learn from one another. To that end, BOM has set up the Acceleration Programme. Phase 0,

an inventory among thirty companies of their current position as regards service, has already been completed. Meanwhile, eight Brabant companies recently began with phase 1, the acceleration process, in which BOM and the Dutch Institute of WCM are helping them with the practical introduction of servitization, with consultancy support from Praetimus. Using the experiences, the next phase should see the programme being scaled up to the level of the Southern Netherlands, with multiple company clusters with shared interests in this area. Weeda: 'Our ambition is to define the business case for servitization at a macro level. The Netherlands' knowledge of manufacturing and servicing complex machines is a very valuable commodity that can once again make the country a place to set up a business, with a combination of the 'local for local' manufacturing industry and service business in Western Europe and the Netherlands playing the role of chain director.'

ONE-STOP-SHOP TOOLING

One of the participants in the Acceleration Programme is BKL Engineering in Nuenen. BKL's principal business is tooling (specialising in hoisting and lifting systems), and this includes development and manufacturing, repair and maintenance, and inspection and certification. Among its clients are ASML, DAF, FEI Company and Philips. The programme is a perfect match for the direction that BKL is taking, says Commercial Director Coen Aarts. 'We're working on giving our service a more definite structure. We started as an engineering consultancy that developed tooling for clients, and have since grown to the point that we are producing systems. We're now also maintaining, inspecting and testing these systems. While testing currently



Coen Aarts, Commercial Director of BKL Engineering: 'If we set up maintenance, testing and inspection as a product, we'll have the entire one-stop-shop tooling package that we want to provide.' Photo: BOM

only accounts for a modest part of our turnover, it does have the potential to grow into a thirty per cent turnover share, which is why we want to set up maintenance, testing and inspection as a product. Then we'll have the entire one-stop-shop tooling package that we want to provide and that clients appreciate. We also hope to be able to approach clients from a different angle by starting with service and then developing new systems.' As part of the programme, Aarts hopes to learn from the other participants and to make his own contribution. 'The participants bring experience of various markets with them, and as such they're great people for us to be talking to. BOM facilitates this and its programme ensures specific support for each participant.' ●

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