

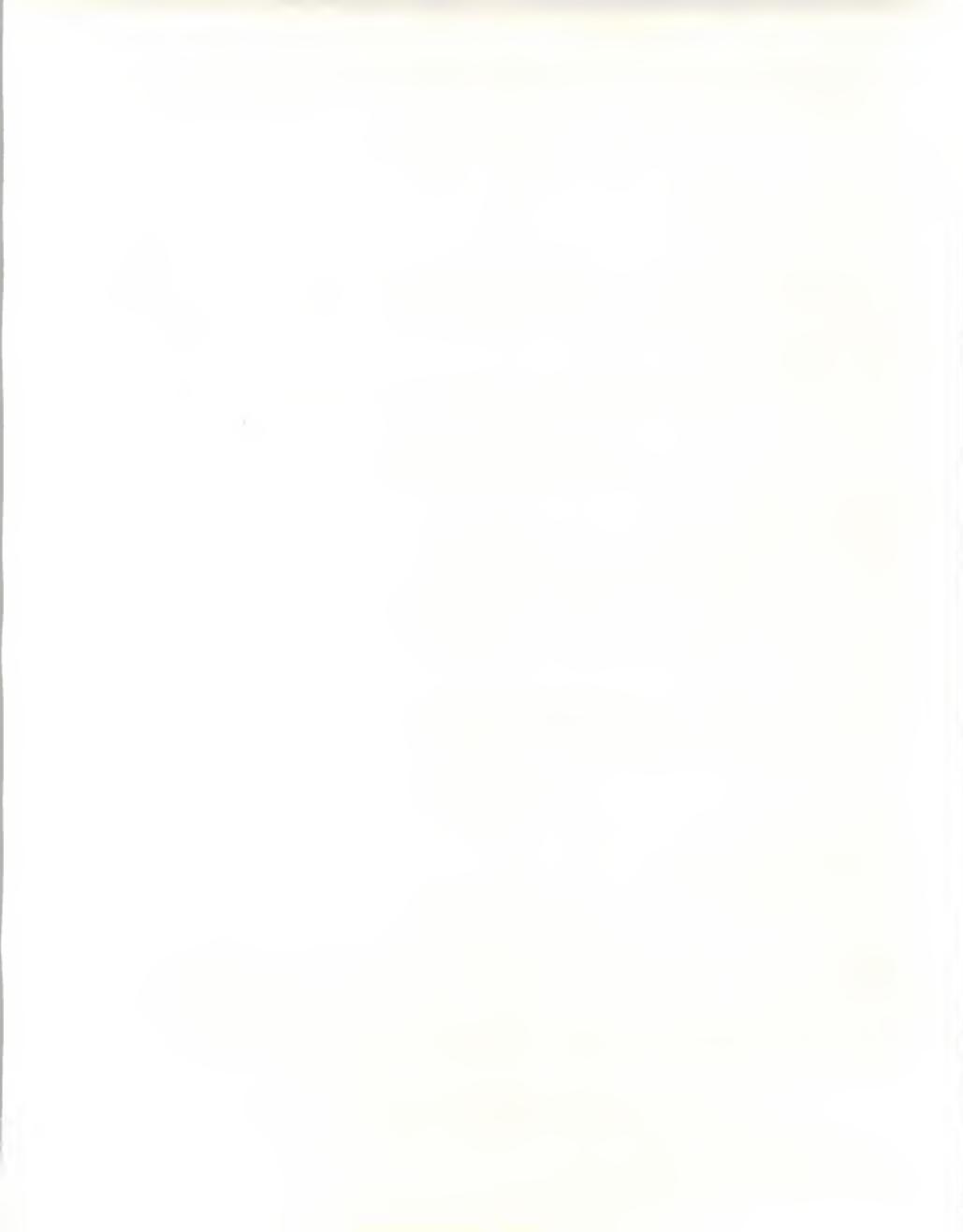
# **AGENDA**

- PROJECT OBJECTIVE & METHODS
- PROJECT FINDINGS
- CUSTOMER SERVICES INDUSTRY PERSPECTIVE
- CONCLUSIONS & RECOMMENDATIONS



## **SCOPE/METHODOLOGY**

- CUSTOMER SERVICE FUNCTION IN  
SELECTED INDUSTRIES
- SECONDARY RESEARCH - PROGRAM/FILES
- PROTOYPE - TEST MARKET
- ON SITE INTERVIEWS
- TELEPHONE INTERVIEWS
- ANALYSIS
- PRESENTATION



## **BACKGROUND/OBJECTIVES**

- SIZE/NEED FOR CUSTOMER SERVICES PRODUCT
- TRENDS/ISSUES
- BUYING POINTS/PATTERNS
- CUSTOMER SERVICES STRUCTURE
- PROSPECT IDENTIFICATION
- SHOW STOPPERS



## PROJECT FINDINGS

- ❑ SERVICE LOCATIONS  
Range 4-350                      Average 50
  - ❑ SUPPORT CENTERS  
Range 0-34                        Average 5
  - ❑ FIELD ENGINEERS  
Range 40-2100                    Average 250
  - ❑ RATIO OF NON-FIELD = 20% - 30%
- AVERAGE PROJECT = 100 WORKSTATIONS  
- LARGE PROJECT = 1000 WORKSTATIONS

ENOUGH POTENTIAL



## PROJECT FINDINGS

- ❑ DOCUMENTATION USAGE
  - Field Personnel = 4 hours
  - Support center = 20 hours
  
- ❑ DOCUMENTATION TYPE
  - Predominantly Paper
  - Image Mix Matches Average/Large
  
- ❑ UPDATE CYCLE
  - Very Costly
  - Monthly to Quarterly
  - 5% to 10% Changes
  
- ❑ CAPITAL INVESTMENT MEASUREMENT
  
- ❑ CRITERIA FOR MEASUREMENT



# PROJECT FINDINGS

## PROTOTYPE

- Positive
- Six Month Pilot
- Operational Decision
- Advantages Percieved

## CONCERNS

- Portable Device
- Standards

## CURRENT DOCUMENTATION

- Business Necessity
- It's O.K.

## BENEFIT OF CD-ROM

- Search
- Space
- Perceived Cost
- Productivity



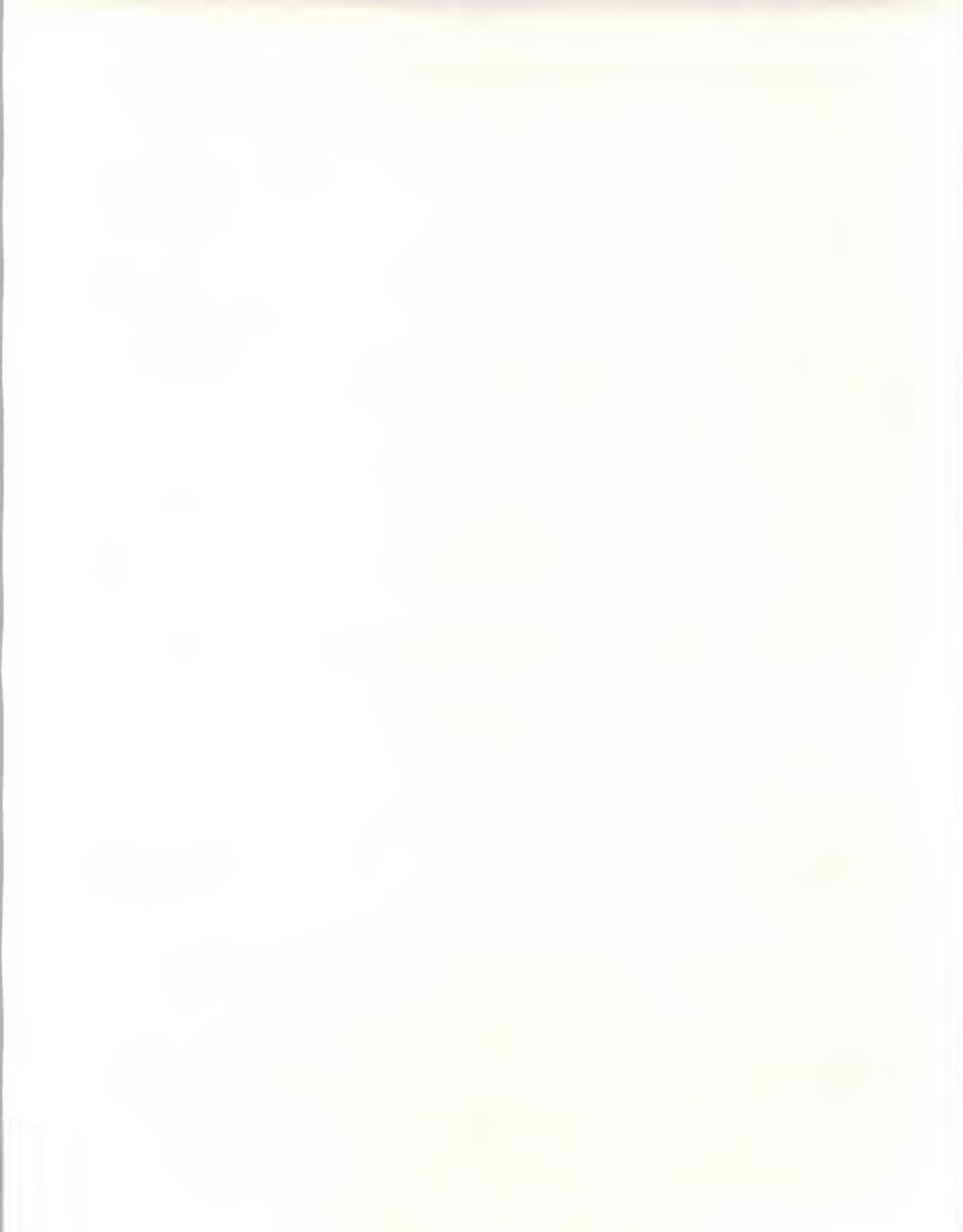
## PROJECT FINDINGS

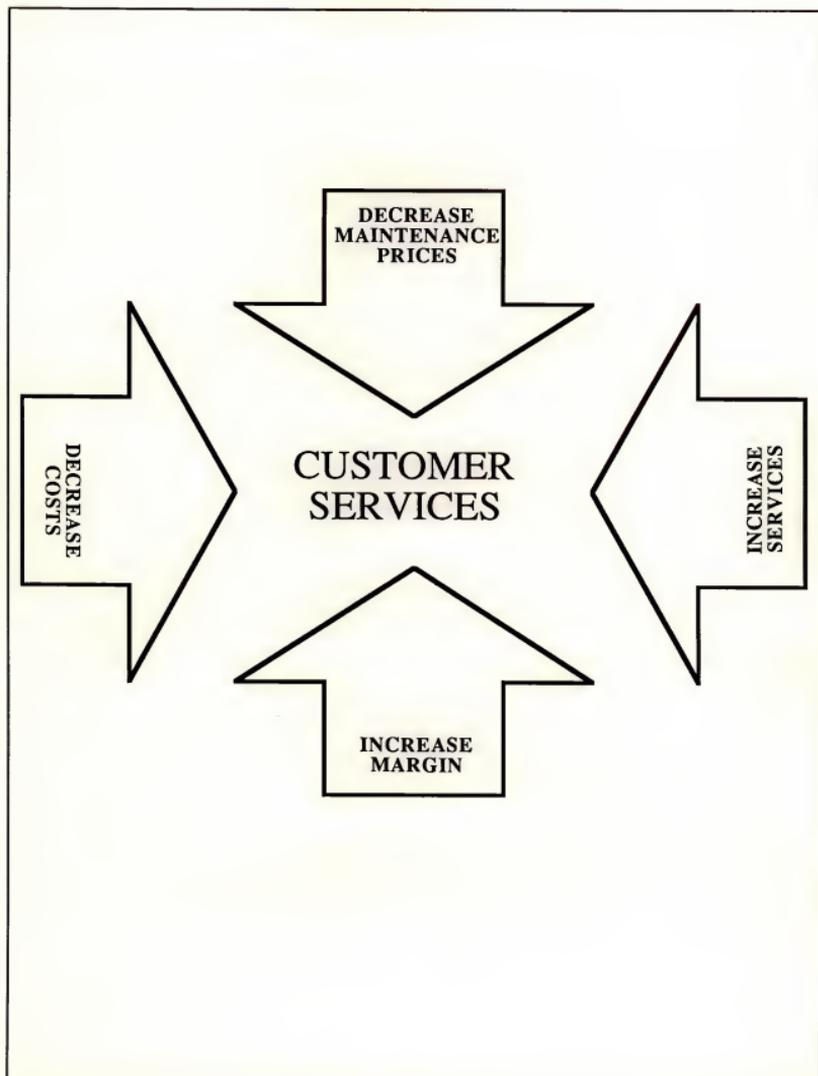
### ❑ COMPETITION

- On-Line Systems
- Return On Investment Criteria
- Do Nothing

### ❑ OTHERS

- Artificial Intelligence  
FE  
Customer
- Sell Management & Tech Pubs
- CD-ROM Will Win, But When
- Re-Inforce CSP Program Findings







## **U.S. MARKET MACRO FACTORS**

- IBM Service Price Umbrella Continues to Drop on New and Competitive Products
- Fewer New Units Shipped in 1986
- Extended Warranties Proliferating

*Pressure on Revenue Growth*



## **U.S. MARKET MACRO FACTORS**

(continued)

- Lower Service Revenue Growth
- Continued Growth of Costs

*Shrinking Margins Emphasis on Productivity*



## **CONFLICTING PRESSURES ON SERVICE**

- From Users
  - Maintain or Decrease Prices
  - Increase and Improve Service
- From "Parent" Organization
  - Remain Competitive (Price and Quality)
  - Increase Margin



## **EVOLUTION OF SERVICE MARKET**

- Decreasing Hardware Maintenance
- Increasing Software/Professional Services
- Declining Labor Content
- Increasing Materials Costs



## **REDUCE SERVICE COSTS**

- **Increase Service Automation**
  - Remote Support
  - AI-Based Diagnostic Tools
- **Move Away From Price-Sensitive Service**
  - Unbundle Software/Professional Services



## **CONCLUSIONS**

- POTENTIAL EXISTS**
  - Need
  - Size
  
- STRATIFIED**
  - Leaders
  - Followers
  
- FITS THE TRENDS/ISSUES**
  
- TIMING NEEDS VALIDATION**



## **RECOMMENDATIONS**

- ❑ **CREATE SELLING PROBE**
  - Validate Features
  - Test Price
  - Test Sales Cycle
  - Validate Buying Points/Practices
  - Research AI/Application Specific
  
- ❑ **VERSUS IN-DEPTH RESEARCH**
  - Cheaper
  - Less Reliable In This Instance
  - Parallel Effort Possible

