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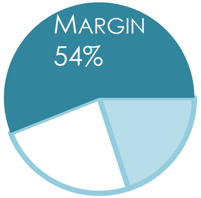
2017 Leadership Benchmark

Early Results

Value

TSC

1



BENCHMARK your performance in key functional and strategic areas via an Assessment available post-Benchmark Survey.

2

Access **RESEARCH DATA** Tied to your research group and more. The data will also be presented through the lens of those with the top performance metrics

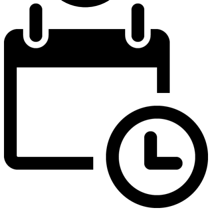
3

Review **CONTENT AND INSIGHT** from our analyst team

4

Connect with a **COMMUNITY** of like minded professionals and TSC-Recognized Subject Matter Experts

5



Attend **EVENTS** for overall knowledge or Specific to your area of interest

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L Leadership and Strategy

S Safety

P Parts

W Workforce & Talent

C Customer Experience

F Field Service

D Data

T Technology

SM Sales and Marketing

TSC 2017

TSC Research Groups (Service Councils)

Note: Research Topics might overlap across research groups.

TSC-L 2017

Service Strategy and Leadership

– Early Results (35 Organizations)

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About Survey
Early 2017 (Still Live)

- 35 respondents
  - *By Revenue*
    - *<$100m – 20%*
    - *$100m-$1b – 48%*
    - *$1b+ - 32%*
  - *Regional Focus (Survey):*
    - *North America – 79%*
    - *Global – 18%*
  - *Industries*
    - *Healthcare/Medical*
    - *Industrial Equipment*
    - *Government/Public Sector*
    - *Food/Beverage*

Planned Output

- April-May 2017 (at 50 results)

TSC-L

2017

About the Project

TSC-L
2017

Metrics

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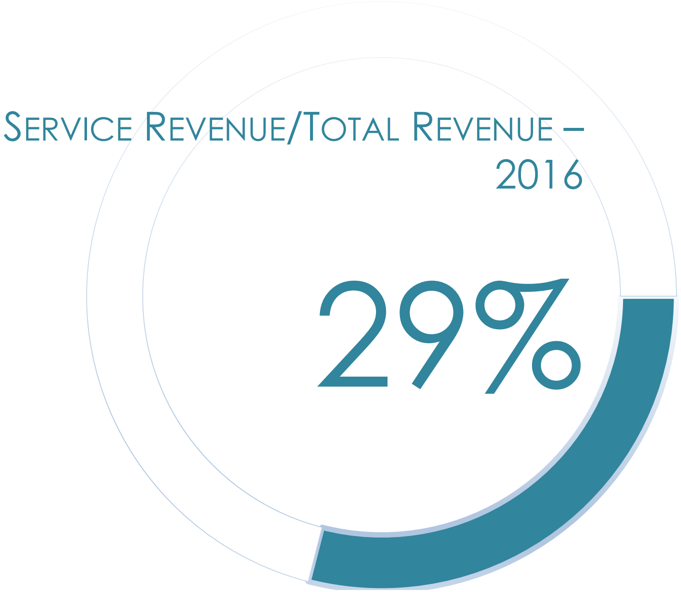

TSC-L 2017

Service Contribution

ANALYST NOTE:

In 2016, service drove nearly 30% of revenues for all organizations. This was a slight increase from 2015 where 28% of revenue was driven from service.

2015 Actual – 28%
2017 Goal – 31%

70% of organizations polled indicated a growth in service revenue for FY2016. Most anticipate growth in 2017.

Question: What percentage of revenue was driven by service?
Source: TSC Data March 2017

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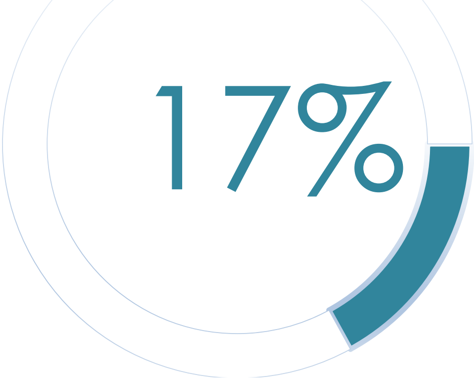
Gross Profit Margin– 2016

Op Income Margin – 2016



TSC-L 2017

Service Margin

ANALYST NOTE:

Numbers for Gross Margins:

2015 Actual – 27%

2017 Goal – 30%

Numbers for OI Margins:

2015 Actual – 15%

2017 Goal – 18%

Question: What margins did you drive in your service business?
Source: TSC Data March 2017

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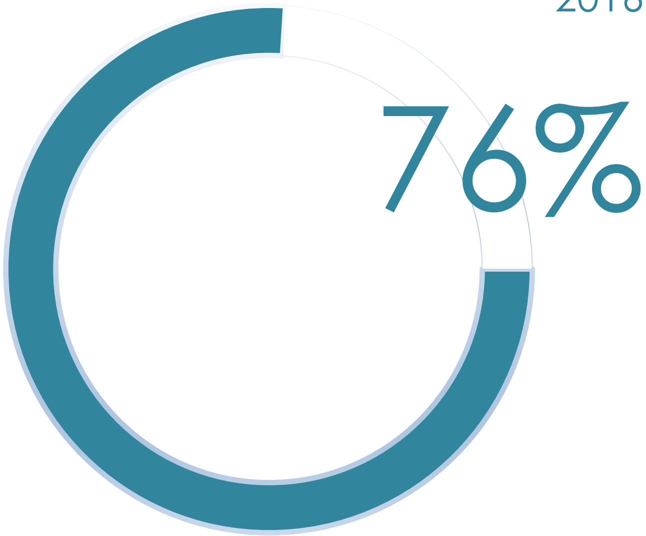
TSC-L 2017 Customer Metrics

PERCENT OF CUSTOMERS SATISFIED– 2016



ANALYST NOTE:

CSat numbers (as measured by percentage of customers satisfied rose slightly from 2015 results

2015 Actual – 73%
2017 Goal – 82%

In customer retention, organizations indicated a performance of 92% in 2016, compared to 89% performance in 2015.

Question: What was your CSAT score in 206?
Source: TSC Data March 2017

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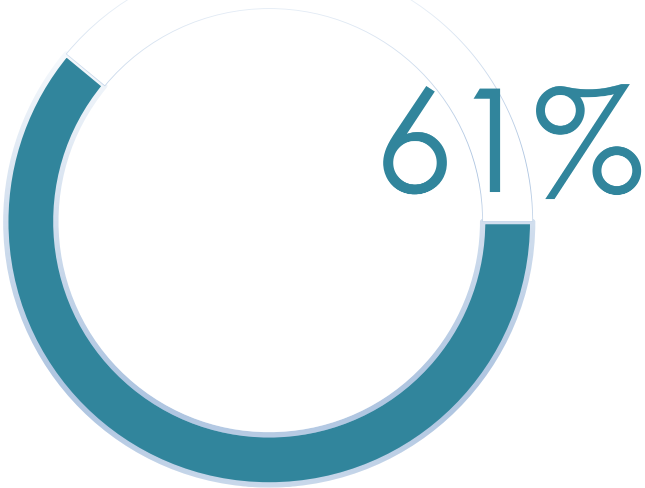
TSC-L 2017

Contract Coverage

Percent of Customers Under a Service Contract or Agreement–2016



ANALYST NOTE:

Contract coverage efforts yielded slight increases in coverage rates, with expectations for increased coverage in 2017.

2015 Actual – 59%
2017 Goal – 66%

As stated in the 2017 goals chart, organizations are aggressively targeting their installed base to improve contract coverage.

Question: What percentage of customers are covered by a service contract?
Source: TSC Data March 2017

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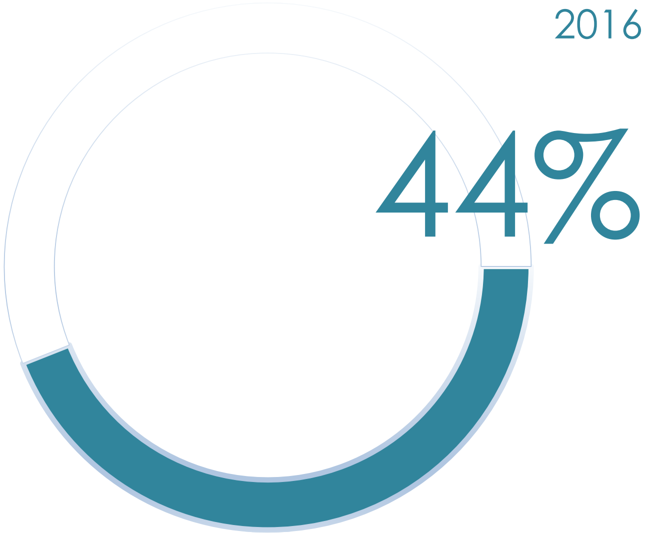
Percent of New Product Sales Including a Service Contract – 2016



TSC-L 2017

Contract Attach

ANALYST NOTE:

In 2016, 57% of organizations indicated an increase in their customers under contract. This comes as a result of increased focus on contract renewal and retention vs. new contract attach.

2015 Actual – 44%
2017 Goal – 49%

As organizations focus on their current installed base, we anticipate contract attach to be a metric in focus for 2017.

Question: What is your contract attach rate?
Source: TSC Data March 2017

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Service Contract Renewal Rate – 2016

TSC-L 2017

Contract Renewal

ANALYST NOTE:

Service contracts continue to be a major source of revenue for service organizations, accounting for 50-60% of total service revenue.

2015 Actual – 79%
2017 Goal – 85%

From our initial analysis, we see that 75-85% of organizations have dedicated people focused on service contract management. Only 60% have systems or tools dedicated to improving contract-related visibility.

Question: What percentage of customers are covered by a service contract?
Source: TSC Data March 2017

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What's Next

S Survey (End March)

Drive to 50 Respondents (End March)

D Data Published (End March)

- Summary Data
- Data by Company Size
  - Metrics
  - Capabilities
  - Objectives
- Data by Top 25% (Champions)

R Research Published (April)

- Summary Report
- Champions Report
- Champions Guides (How-To)

L

Q1 2017	Q2 2017	Q3 2017	Q4 2017

Q4 2016: IOT PREPARATION

INTERVIEWS: DEC 2016
OUTPUT: Q1 2017

Q1 2017: SERVICE LEADER'S BENCHMARK

SURVEY: JAN-FEB 2017
OUTPUT: Q1 2017

FOCUS KPIS:

- MARGINS
- REVENUE
- COST
- CSAT
- RETENTION

OTHER AREAS –

- CHALLENGES
- INVESTMENT AREAS

Q2/Q3 2017: OUTCOME-BASED MODELS

SURVEY/INTERVIEWS: MAY 2017
OUTPUT: Q2/Q3 2017

FOCUS: LOOKING INTO PROGRESS MADE BY SERVICE ORGANIZATIONS TO INCORPORATE OUTCOME-BASED MODELS AND PRODUCTS INTO THEIR PORTFOLIO

TOPICS: SERVITIZATION, OUTCOME-BASED, POWER-BY-THE-HOUR

SMARTER SERVICES SYMPOSIUM

LIVE: SEPT 11-13

Q4 2017: DIGITAL TRANSFORMATION

SURVEY/INTERVIEWS: OCT 2017
OUTPUT: Q4 2017

FOCUS: LOOKING INTO THE SERVICE LEADER'S POINT OF VIEW ON DIGITAL TRANSFORMATION AND ITS IMPACT ON SERVICE STRATEGY

TOPICS: DIGITAL DISRUPTION, DIGITAL PRODUCTS, CUSTOMER INTERACTION

	Webcast	IdeaShare
APRIL	**N – NONE SCHEDULED**	**25 – EXTENDING A GLOBAL SERVICE STANDARD IN CHINA (L)**
MAY	**11 – SYMPOSIUM PREVIEW (ALL)**	
	16 – DATA CONVERTED TO THE RIGHT SERVICE INSIGHTS (D)	**31 – BREAKING THE WALL BETWEEN SALES, MKTG, & SERVICE (SM)**
JUNE	**15 – EMPLOYEE ENGAGEMENT (W)**	**22 – EVALUATING OUTCOME-BASED MODELS (L)**

Visit: www.servicecouncil.com/events

2017 Smarter Services Symposium

Sept 11-13 in Chicago

www.servicecouncil.com/symposium2017