



Industrial Manufacturing Solutions
Aftermarket Service: Your Competitive Differentiator

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Agenda







- Leadership in Industrial Manufacturing
- Innovation in Industry Solutions
- Results Achieved by Oracle Customers

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Oracle in Industrial Manufacturing
 Did You Know?

-  **9 of the top 10** Fortune's industrial and farm equipment manufacturers run Oracle Applications
-  **8 of the top 10** Industry Week's leading machinery manufacturers run Oracle Applications
-  **10 of the top 10** oil & gas equipment companies run Oracle Applications
-  **7 of the top 10** construction equipment manufacturers run Oracle Applications

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The Challenges We're Hearing

Globalization and Consolidation:
 How can I accelerate innovation to differentiate my products / services?
 "With today's relentless pressure to deliver innovative products to the marketplace, the opportunities and challenges to deploy product life-cycle management (PLM) systems to manage the complexity of product development processes has never been greater."
 – Forrester April 2008

Improve Customer Experience:
 How do I develop more customer-centric processes and simplify order capture and fulfillment of increasing complex products?
 "A three percent improvement in perfect order fulfillment translates to a one percent increase in profits, while a ten percent increase means an additional 50 cents in earnings per share."
 – AMR Research

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The Challenges We're Hearing (cont'd)

Improve Operational Efficiency and Reduce Costs:
 How can I utilize Lean to increase efficiency and reduce costs throughout the enterprise?
 "The extension of Lean manufacturing concepts across the supply chain network of suppliers customers and partners can result in real value creation for the savvy enterprise."
 – Aberdeen Group

Expand Revenue and Increase Margins:
 How can I increase revenue and margin by delivering effective and profitable service offerings?
 "Many discrete industrial organizations are finding great value in aftermarket services... Yet many other organizations fail to recognize the potential benefit this business can bring in revenue growth, profits, customer intimacy, and operational excellence."
 – Jane Barrett, AMR Research

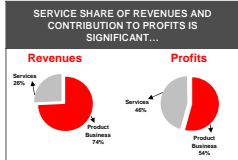
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Drive Revenue and Margin Growth Through Service Transformation

Expand Revenue and Increase Margins:
How can I increase revenue and margin by delivering effective and profitable service offerings?

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Source: ¹Dresdner Kleinwort Wasserstein, ²AMR, and ³Accenture

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Focus has shifted from building products to providing services related to the product

According to AMR Research, companies can regain 50 to 70 percent in lost revenue with service lifecycle management.

Developing and maintaining profitable, long-term customer relationships are essential, because keeping an existing customer costs a company about one-tenth as much as acquiring a new one.

Firms seek to retain customers through competitive pricing, loyalty discounts, and special personalized offers, but service excellence is the more powerful incentive. Increasingly, it will be service performance, not products that provide the competitive differentiation.

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“General Electric has been known as a company that makes great products. In the future we will be known as a company that provides great service, and also makes great products.”

-- Jeff Immelt, Chief Executive, GE

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Oracle helps manufacturing companies:

1. Improve multichannel customer support
2. Provide prompt field service at lower cost
3. Manage depot repair and spares inventory efficiently
4. Track and manage contracts for greater cost-effectiveness
5. Use analytics to improve service performance

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Drive Revenue & Margin Growth Through Service Transformation

Requirement	Oracle Capability	The Oracle Difference
Bundle product & service offerings & improve performance of service-level agreements	→ Oracle Sales, Contracts Configurator, Warranty Mgmt and Pricing	→ Complete solution to accelerate the release of new service offerings with the flexibility to manage multiple contract types
Expand & automate service delivery capabilities	→ Call Center, eSupport, Service, Field Service, and Depot Repair	→ #1 platform to automate service chain execution capabilities that enable touch-free service operations
Transform service operations into customer-centric profit centers	→ Service Parts Planning, Customer Data Mgmt, Analytics	→ Best-in-class technology & analytics to maximize customer value & profits through smarter decision making across the service lifecycle

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Bundle Service Offerings and Improve SLAs

Service Sales and Marketing

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Service Sales and Marketing

Maximize Customer Lifetime Value and Profits

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Contract Management

Manage Multiple Contract Types

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Ingersoll Rand Expands Service Offerings

COMPANY OVERVIEW

- \$9 billion global diversified manufacturer, based in Hamilton, Bermuda
- Major brands include Bobcat, Club Car, Hussmann, Dresser-Rand, Thermo King, Schlage and Krytoxite

CHALLENGES / OPPORTUNITIES

- Manage sales and service through both direct and reseller channels via one integrated solution
- Share customer information across its 30 operating units and 2,600 reps

SOLUTIONS

- Call Center
- Order Configurator
- Pricing
- Partner Relationship Management

CUSTOMER PERSPECTIVE

"Sales reps can now configure a product while on-site with a customer. Our customer order managers can then quickly check the order and push it directly to our manufacturing system. This process saves a great deal of time and has resulted in improved order accuracy."

Robert Martens, Director of CRM

RESULTS

- Increased revenues by \$6.2 million in one year from cross-selling
- Improved sales process by automatically pricing configured orders and generating proposals
- Improved sales productivity and speed of service

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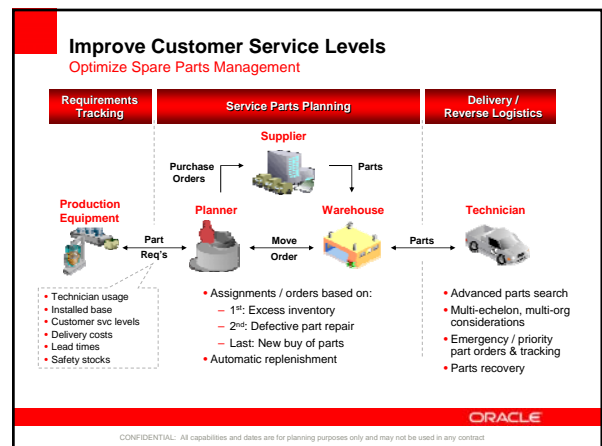
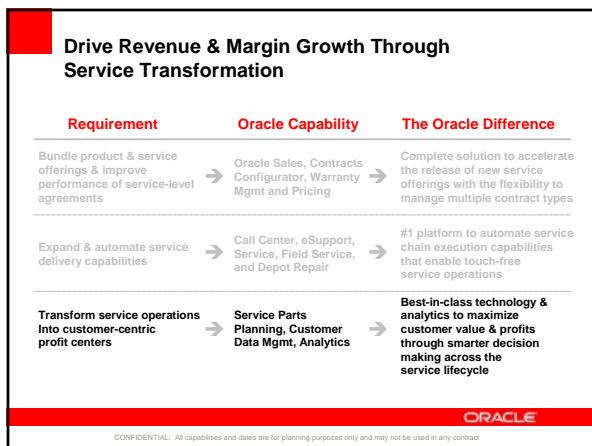
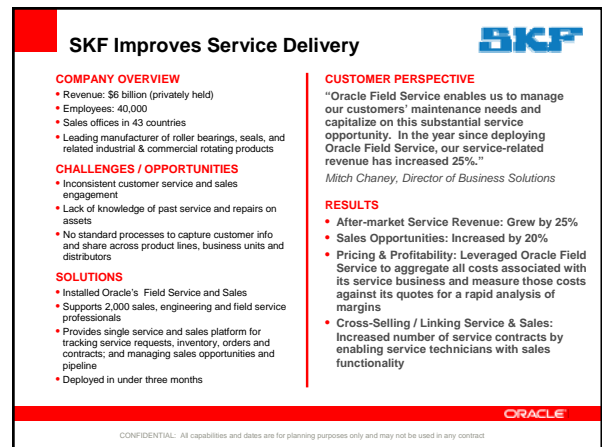
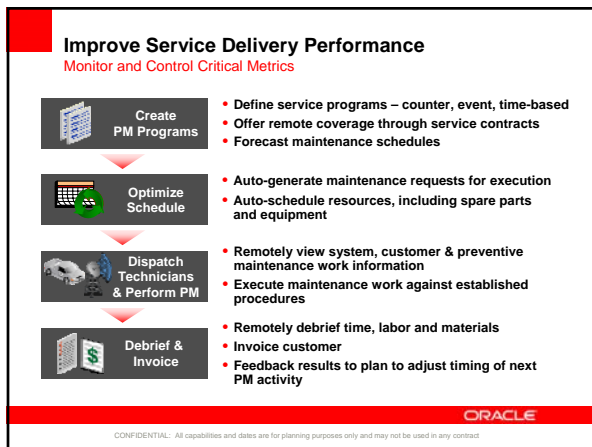
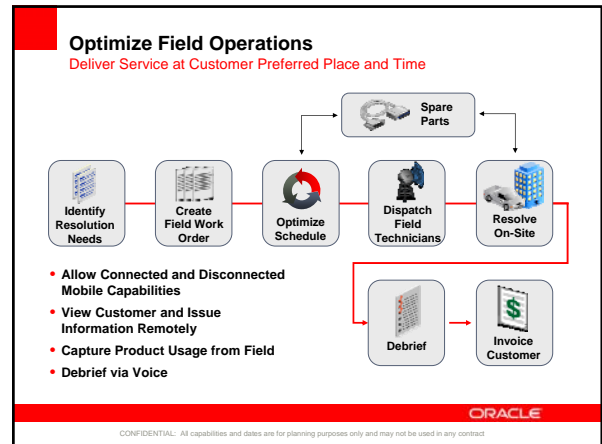
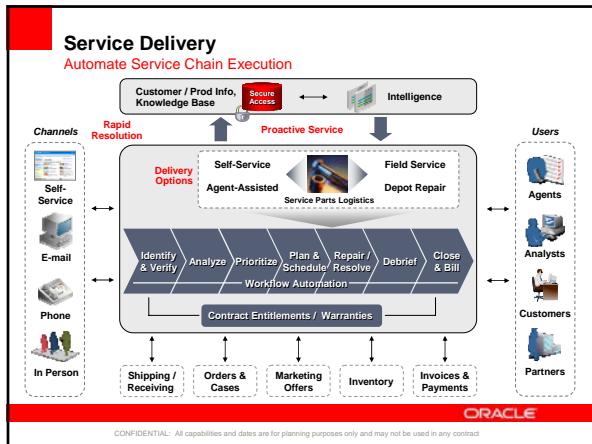
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Service Analytics

A Complete Solution for the Entire Service Lifecycle



Service Analytics

Complete analysis of the business aspect of the services organization. Includes analysis of the call center and field service business to understand the true cost to serve in a complex service business.



Contact Center Telephony

Enables the measuring and managing of multi-channel contact center operations. Key business processes and activities by providing increased operational effectiveness through detailed staffing, headcount and scheduling analysis

Also provides increased business value through complete campaign and sales performance insight by agent and across customer, product, service and region.

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Improve Service Performance

Pre-Built Analytics, Dashboards and KPIs to Manage Entire Service Lifecycle

Activities

- # of Activities Moving Avg
- # of Activities with Agreements
- # of Billable Activities
- # of Products with Activities
- # of Outbound Activities
- # Partners with Activities
- Activity Completion Rate %
- Activity Costs

Assets

- # Active Assets
- # Asset Managers
- # Assets Moving Average
- # Companies with Assets
- Average Original Cost
- Average Value of Assets

Customer Satisfaction

- # of Survey Accounts
- # of Survey Contacts
- # of Surveys
- # Surveyed Partners
- Average Service Accessibility
- Average Service Quality
- Average Survey Score

Contracts

- % Contract Margin
- Contract Amount
- Contract Cost
- Contract Gross Margin
- Average Contract Gross Margin
- Agreement profitability

Service Orders

- # Partners with Orders
- # Purchasers Selected Product
- Average # of days from Quote
- Average Days Outstanding
- Average Order Age
- Average Order Discount (%)
- Average Order Item Discount

Service Requests

- # of SRs with Agreements
- # One and Done SRs
- Average Days Open
- Average Fee Reversal Amount
- Average Open SRs per Rep
- Average Resolution Rate

Pre-Built Dashboards

Service Executive

- Executive Overview
- Resolution Rate Trends
- Financial Performance
- Contract Renewal

Service Manager

- Employee Effectiveness
- Service Effectiveness
- Customer Satisfaction

Service Employee

- My To Do List
- Customer Analysis

Activities

- Overview
- Field Service
- Email

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Service Supply Chain

DeLaval

COMPANY OVERVIEW

- World leader in automatic milking machines since 1878
- One million customers globally
- 4,400 employees, 1,250 dealers
- Revenues: \$1.2 billion (part of \$13 billion Tetra Laval)
- After-sales services make 50% of revenue

CHALLENGES / OPPORTUNITIES

- Consolidated view to customers and equipment
- Managing moving spare part inventory in hundreds of service trucks and selling parts from the trucks
- Creating and managing preventative maintenance service contracts with spare parts
- Field service work planning, scheduling and execution
- Share same service tools with own people and dealers

SOLUTIONS

- Oracle CRM as front end, SAP ERP back-end
- Field service technicians in Northern Europe use Oracle field service with offline laptops (currently 400 users, future rollout to up to 2,600 users)

RESULTS

- Single global customer database with installed equipment
- Ability to manage moving inventory and sell spare parts from service trucks
- Ability to create and manage preventative service contracts with spare parts
- Mobile IT tools to field service people
- Standardized service delivery process covering both DeLaval own service technicians and dealers

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Summary: Deliver Revenue & Margin Growth Through Service Transformation

Effectively Bundle Product and Service Offerings & Manage Multiple Contract Types

- Target Segments with Unique Service Bundles and Prices that Grow Revenue and Increase Service Profitability
- Manages Multiple Contract Types to Align Proposals with Unique Service Offerings

Expand & Automate Service Delivery Capabilities

- Provides #1 Platform to Automate Service Chain Execution Capabilities
- Enables Touch-Free Service Operations

Transform Service Operations into Customer-Centric Profit Centers

- Plan Service Parts to Improve Service Levels & Increase Profits
- Integrate Customer Information to Improve Decision-Making & Maximize Customer Lifetime Value

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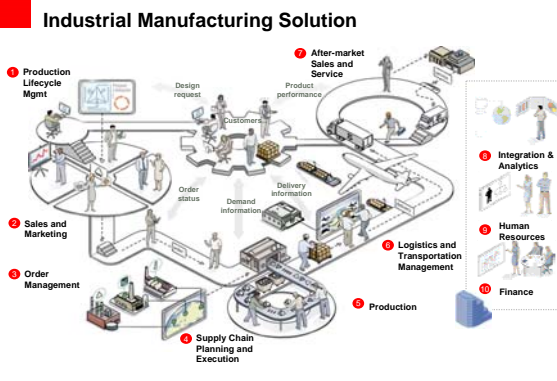
Oracle's Industrial Manufacturing Footprint

Oracle
ISV Partners

Customer & Distribution Channels			
Order Capture	Goods & Services	ETO/CTO	Sales
Marketing	PRM	eCommerce	e-Billing / Payment
Service			
Analytics			
Marketing Analytics	Operations & Manufacturing		Manufacturing / MES
Sales Analytics	Pricing & Contract Mgmt	Field Service / Depot	
Supply Chain Analytics	Project/ Project Mgmt	Asset Lifecycle Management	Global Trade Mgmt
Financial Analytics	Product Lifecycle Mgmt	Demantra / Supply Chain Planning	
Service Analytics	Transportation & Logistics	Export Compliance	Direct Procurement
Corporate Administration			
CPM	Financials / Cash Mgmt	Indirect Procurement	Facilities Management
Human Resources	Projects	Compensation	Helpdesk HR IT
Infrastructure			
Hubs (Asset Hub, Product Hub)		Customer Data Hub	
Integration Framework (e.g., BPEL)			
Technology (e.g., Database, Application Server, RAC, Oblix, TimesTen)			

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Industrial Manufacturing Solution



The diagram illustrates a comprehensive industrial manufacturing solution. It features a central hub with various components:

- 1 Production Lifecycle Mgmt:** Includes Design request, Product performance, and Customer interaction.
- 2 Sales and Marketing:** Involves Order status, Demand information, and Delivery information.
- 3 Order Management:** Focuses on Supply Chain Planning and Execution.
- 4 After-market Sales and Service:** Includes Product performance and Customer interaction.
- 5 Logistics and Transportation Management:** Involves Demand information and Delivery information.
- 6 Production:** The core manufacturing process.
- 7 Integration & Analytics:** Connects various data points.
- 8 Human Resources:** Manages the workforce.
- 9 Finance:** Manages the financial aspects.

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Process: Top to Bottom Support for Industrial Mfg



#1 Enterprise Software Vendor

- ERP, CRM, SCM and more
- Most scalable, reliable, secure infrastructure
- Most complete range of on-demand and on-premise deployment options

Built-In Industrial Manufacturing Capabilities

- Enterprise PLM Solution
- Configurator-Driven Product Ordering
- Integrated Lean Supply Chain Solution
- Complete Service Contracts and Delivery Functionality
- Best-in-Class Technology and Analytics

Largest Software Support Team

- 21,000+ development and support engineers
- 145+ countries

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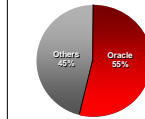
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Platform: Oracle Fusion Middleware Leads the Market

Best-Selling

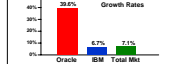
- 32,000+ Customers Deployed
- 70% of World's 50 Largest Firms
- \$1B+ Business

--- #1 Middleware By Share ---



Source: Gartner's Market Share Application Integration & Architecture

--- Fastest Growing Middleware ---



Source: Gartner's Market Share Application Integration & Architecture

Highest Rated

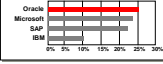
Only Vendor in Gartner and Forrester Leader Quadrants for All Middleware Components

--- Oracle Leads the Pack ---



Source: Forrester Research Ranking of Application Platform Servers

--- SOA Vendor of Choice ---



Most Comprehensive

Industry's Most Comprehensive Platform for Developing, Deploying & Integrating Enterprise Apps

--- Rich Functionality ---

	ORCL	IBM	SAP
J2EE Server & Dev Tools	●	●	○
Enterprise Service Bus	●	●	○
Portal, Content, Content Mgmt	●	●	○
BPEL Process Management	●	●	○
Activity Monitoring	●	●	○
Business Rules Engine	●	●	○
SOA Management	●	●	○
Business Intelligence	●	○	○
Identity Management	●	●	○

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What Customers are Achieving



reduced inventory 15% overall, increased productivity 15%, material costs reduced 5% and 15% cycle time reduction with Oracle E-Business Advanced Planning



consolidated 13 Systems to a single global instance servicing 120 countries. Also reduced raw material and finished good inventory by 56%



purchase order release efficiency improved over 700% and 800,000 items were loaded in a unified corporate catalog with Oracle E-Business Suite Procurement



30% decrease in order cycle time, 20% increase in on-time delivery and 30% increase in inventory turns with JDE Order Management and Manufacturing



shortened lead times by over 70%, reduced inventories by over 70%, increased productivity by over 20% with Oracle E-Business Suite CTO capabilities



gained \$6.2M in incremental sales 1st year, improved sales productivity through automated pricing and proposal generation with Siebel CRM

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The Oracle Difference

Only Oracle...

- ✓ Identify and target right segments of the customers with rightly priced service offerings
- ✓ Accelerate release of new service offerings with the flexibility to manage multiple contract types
- ✓ Automate the entire service chain execution to optimize call center operations and field service delivery
- ✓ Ensures complete and accurate service parts and repair services across the service lifecycle
- ✓ Provides 360° visibility into service metrics for measuring and optimizing customer lifetime value

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