Service-driven Manufacturing

IT/Enterprise Service Management for competitive advantage

IFS | Platned

From Product-Centric to Service-Driven:
A New Era in Manufacturing

At Platned, we are witnessing a profound shift in manufacturing—from a focus on products to a service-driven approach. For decades, success in manufacturing was defined by the volume of physical goods produced—cars, appliances, and countless other items. Companies competed fiercely on product features, cost efficiency, and supply chain strength. It was an era dominated by tangible deliverables.

But times have changed, and so have consumer expectations. Today, customers value not just the product but the entire experience surrounding it. This shift is not just a passing trend; it is a fundamental transformation that manufacturers cannot afford to ignore.

A 2022 survey by PwC revealed that over a quarter of respondents stopped doing business with companies due to poor experiences. Customers now seek solutions, outcomes, and experiences rather than just products. Manufacturers who adapt to this new reality are not just surviving—they are thriving.

In this ebook, Platned takes you on a journey through this transformation. We will explore the critical role of IT Service Management (ITSM) and Enterprise Service Management (ESM) in helping manufacturers excel in a service-driven world.

The Imperative of Service-Centric Manufacturing

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Navigating the Service-Driven Manufacturing Landscape

The transformation from a product-centric to a service-driven model is not just a theoretical concept—it is a real-world evolution shaped by the challenges and trends facing the industry today.

Current Challenges in Manufacturing

Manufacturers today face several significant hurdles:

Globalisation and Competitive Pressures
The world is more interconnected than ever. Global trade in goods and services reached over US$32 trillion in 2022, increasing global competition and driving the need for new avenues of differentiation.

Product Commoditisation
With the rapid pace of technological advancement and more informed consumers, products are quickly becoming commoditised, making it harder to stand out based on product features alone.

Supply Chain Vulnerabilities
The COVID-19 pandemic exposed critical weaknesses in supply chains, with 73% of companies reporting disruptions. Manufacturers now need to focus on resilience and adaptability.

Sustainability Pressures
With manufacturing responsible for about 30% of global greenhouse gas emissions, sustainability has become a business imperative as customers increasingly favour eco-friendly brands.

Trends Driving Service-Centricity

Amid these challenges, several key trends are pushing manufacturing towards a service-driven future:

Servitisation
The shift from selling products to offering bundled services or delivering outcomes is gaining momentum.

Digitalisation and Industry 4.0
The integration of digital technologies is revolutionising manufacturing, enabling data-driven decision-making and more personalised services.

Customisation and Personalisation
Customers expect products and services tailored to their unique needs, and they demand personalised experiences at every interaction.

As the manufacturing landscape evolves, companies are redefining their roles from producers to providers of comprehensive solutions and experiences. In this dynamic environment, ITSM and ESM, as recommended by Platned, are becoming indispensable tools.

Unpacking ITSM & ESM in Manufacturing

ITSM and ESM Principles and Core Components

At Platned, we see ITSM and ESM as more than just tools—they are holistic approaches that permeate every aspect of an organisation.

1 **Service-Centric Mindset**
ITSM and ESM start with a shift in mindset, focusing on delivering value across all processes, functions, and interactions.

2 **Service Catalogues**
These provide a comprehensive menu of services within the organisation, ensuring transparency and efficient request management.

3 **Service Level Agreements (SLAs)**
SLAs set clear expectations for service quality and delivery, ensuring accountability and alignment with customer needs.

4 **Automation and Workflows**
Automation streamlines processes, reduces manual effort, and minimises errors.

5 **Knowledge Management**
Capturing and sharing knowledge is critical for improving service delivery and supporting continuous improvement.

Benefits of ITSM and ESM Adoption in Manufacturing

By embracing ITSM and ESM, manufacturers can unlock significant benefits:

Enhanced Efficiency

ITSM/ESM reduces manual effort, streamlines processes, lowers costs, and boosts productivity.

Improved Service Experience

A service-centric approach places people at the forefront, enabling manufacturers to meet end-users' expectations for a seamless experience.

Better Resource Allocation

ITSM and ESM provide visibility into key activities and processes, ensuring that resources are applied where they are needed most, reducing waste and optimising resource use.

Faster Problem Resolution

In manufacturing, downtime can be costly. ITSM/ESM's automation and knowledge management capabilities facilitate quicker problem resolution, minimising production interruptions.

Data-Driven Decision-Making

Both ITSM and ESM generate a wealth of data that can be leveraged for informed decision-making, an essential asset in today's competitive landscape.

Scaling Service-Driven Initiatives

The move from a product-centric to a service-driven paradigm is not just a concept—it is an evolution grounded in the challenges and trends reshaping the industry.

1

Standardisation

Standardising business processes across departments reduces complexity and accelerates scaling efforts. ITSM and ESM enable this by equipping each department with the tools to unify their services and simplify key tasks through automation and workflow management.

2

Digital Transformation

Embracing digital technologies amplifies scaling efforts. Digitalisation streamlines processes and enables more efficient resource allocation. ITSM and ESM ease the challenges of technology implementations by supporting organisations through the early stages of their digital initiatives.

3

Scalable Infrastructure

A scalable IT infrastructure is crucial. An ITSM/ESM platform with simple licensing models, like IFS Assyst, accommodates the expansion of service offerings and complex activities without significant upfront investments or confusing pricing structures.

4

Talent Development

Scaling is not just about technology; it is about people. Investing in talent development ensures that your workforce has the skills and knowledge to support scaling efforts effectively. Removing barriers like tedious tasks and ineffective technology is also crucial in enabling them to do their best work.

5

Partnerships and Alliances

Collaboration can be a powerful scaling strategy. Partnering with complementary businesses or entering alliances can expand your reach and resources.

Expanding Service Offerings

Expanding service offerings is a critical aspect of scaling in a service-driven manufacturing model. It is about diversifying the portfolio to meet evolving customer demands:

1

Market Research
Stay attuned to market trends and customer preferences. Conduct regular market research to identify new service opportunities.

2

Customer Feedback
Customer feedback is a valuable resource for expanding services. Listen to your customers' needs and preferences, and tailor new offerings accordingly.

3

Service Ecosystems
Consider building service ecosystems where multiple services work together synergistically. This enhances the value proposition for customers and creates new revenue streams.

4

Continuous Innovation
Do not rest on your laurels. Innovation is the lifeblood of service expansion. Invest in research and development to create new, market-leading services.

Overcoming Growth Challenges

As manufacturers scale their service-driven initiatives, they will inevitably encounter growth challenges. Here are some strategies to overcome them:

1 **Scalability Testing**
Before full-scale implementation, conduct scalability testing to identify and address potential bottlenecks or weaknesses in your systems or processes.

2 **Change Management**
Scaling often necessitates organisational changes. Effective change management strategies can help employees adapt to new initiatives and system implementations.

3 **Risk Mitigation**
Understand the risks associated with scaling and develop comprehensive risk mitigation plans to minimise potential setbacks.

4 **Data Security**
With the expansion of digital services, data security becomes paramount. Invest in robust cybersecurity measures to protect sensitive customer information.

5 **Customer Focus**
Amid growth, do not lose sight of your customers. Continue to gather feedback, analyse customer data, and adjust your offerings to meet their evolving needs.

Real-World ITSM and ESM Transformations in Manufacturing

As manufacturers scale their service-driven initiatives, they will inevitably encounter growth challenges. Here are some real-world examples of how IFS Assyst has helped businesses transform:

Streamlined Operations at Allied Bakeries

Allied Bakeries, a leading player in the UK's bread market, faced the challenge of siloed operations. Their help desk system was separated from their in-house asset database, leading to inefficiencies and customer dissatisfaction. By implementing IFS Assyst, Allied Bakeries achieved increased visibility of IT infrastructure, effective monitoring of SLAs, and significantly improved communication—resulting in higher customer satisfaction.

A Culture of Efficiency with ESM at Cintas

Cintas, a leading provider of workplace safety and hygiene solutions, needed to unify their IT infrastructure and develop a single source of truth. ESM was their solution. With the implementation of a CMDB, Cintas gained greater visibility of their entire infrastructure, enabling quicker issue resolution and the ability to deliver high-quality services to customers.

Gaining Control and Efficiency at NHBC

The National House Building Council (NHBC) had to move away from multiple, disconnected systems and unify their IT service delivery. The result was the adoption of IFS Assyst, which helped NHBC streamline and automate workflows, increase service transparency, and improve end-user satisfaction.

Your Journey to a Service-Driven Future

At Platned, we believe in the transformative power of service-centricity. As manufacturers shift from product-centric models to service-driven approaches, we are here to guide you on this journey. By adopting ITSM and ESM, you can not only adapt to the changing landscape but also lead it.

Our consultancy, coupled with the capabilities of IFS Assyst, empowers you to unlock new efficiencies, enhance customer experiences, and scale your operations for future success.

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