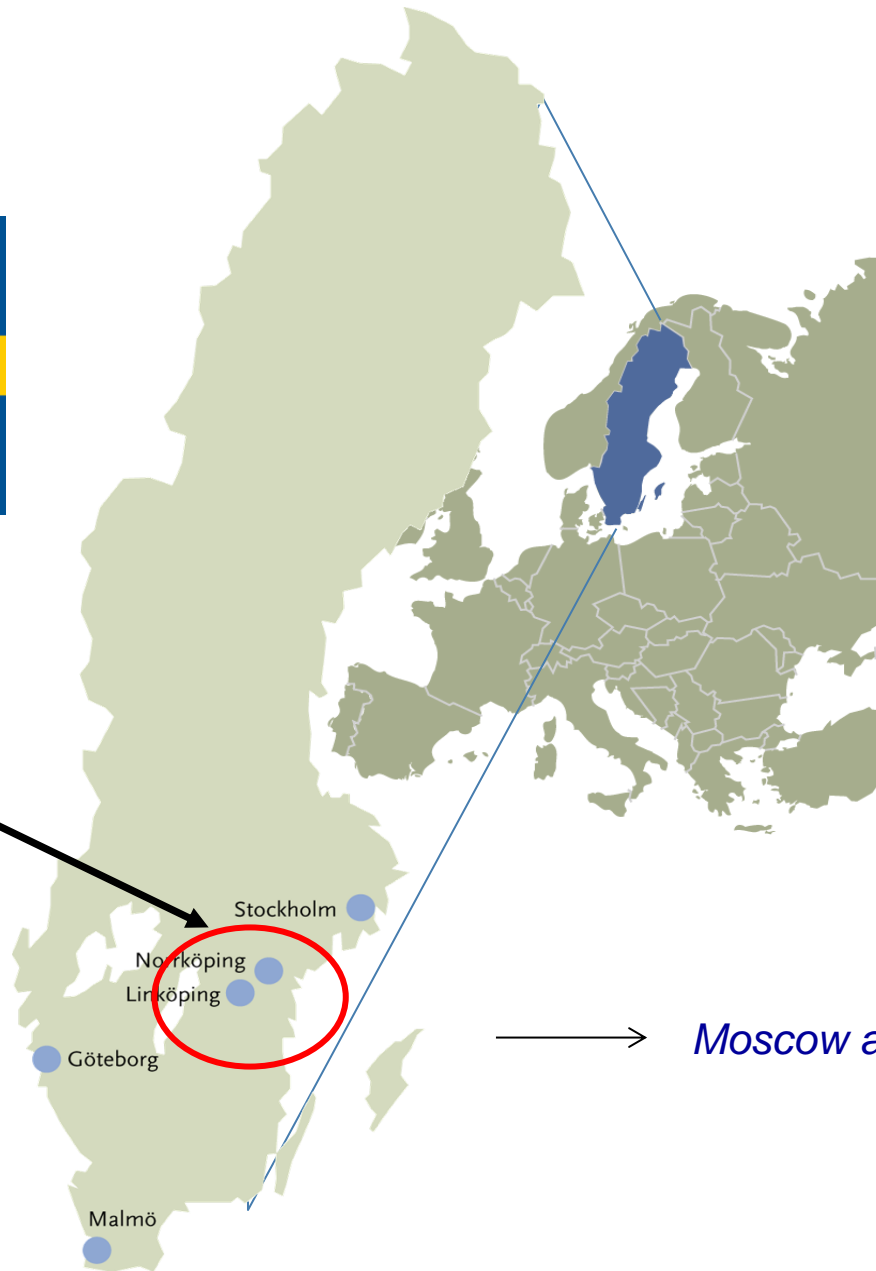


Procuring industrial service solutions, Exploring enablers for co-creating value

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Objective and research questions of paper

- **Objective:**
Explore value perceptions for buyers of industrial service solutions in a context with complex product platforms.
- **Research questions:**
RQ1: What goals do procuring organizations have regarding industrial service solutions?
RQ2: Are the potentials for co-creation of value fulfilled?
RQ3: Which important indirect customer benefits occur?
RQ4: Which main enablers for co-creation of value occur?

Research methodology

- **A case study:**
.. covering one commercial and three governmental customers procuring industrial service solutions. Two of the governmental customers concern military operations and act within the same organization (Customer-F), but only one of them concerns military aircrafts. The case study was initiated after a four year longitudinal case study at the four customers' common supplier of service solutions.

Results

Table 1: Overview of different aspects in the case study.

| Customer: | A | C | F1 | F2 |
|-------------------|----------------------|---------------------------|------------------------|----------------------------|
| Goal | % of turn-over | Costs | Costs | Costs & efficiency |
| Aircrafts | 7 | 3 | 2 | 35 |
| Flight h | 4500 | 3500 | 2500 | 6500 |
| Engine | No | Yes | Yes | Yes |
| Mission e. | Parts of | Preventive | Yes | Yes |
| Special arrang. | Separate helicopters | Contract via manufacturer | Customers share costs | Separate modification |
| Fulfilled goal | Very satisfactory | Cost-effective | Yes | Yes |
| Indirect benefits | Know-how | Proposed changes | Modifications proposed | Matured organization |
| Enablers | A pre-contract | Aircrafts & ext. support | Relationship | Competition, then directed |

Conclusions from case study 1(2)

- **Goals that customers expect:**
Direct monetary benefits are in focus for the customers; however, for various reasons they have difficulties in verifying if this cost goal has been fulfilled. Nevertheless, they are satisfied with the availability of commercially successful industrial service solutions and their own procurement of such services.
- **Fulfillment of potentials:**
Various factors had forced customers to exclude parts of the product systems from the service solutions. Further, one of the cases indicates that sharing the product platform with other customers can decrease fixed costs for some service solutions, and this might be possible also for other customers.

Conclusions from case study 2(2)

- **Indirect customer benefits:**

Providers' unique competences seem to be highly valued among customers, and some customers were actually eager to learn from the provider. Further, contractual requirements on more strict procedures regarding operations (such as detailed and directive planning) can result in a more disciplined and cost-conscious customer and end-user organization.

- **Enablers for co-creation:**

Close relationships during the procurement process are important for signaling capability to deliver service solutions. Further, the end-users seem to be an under-used, but important stakeholder also regarding contract issues.



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Thank you for your attention!

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