RICOH Service Advantage

Creating value through lifecycle services

Growing businesses face several common challenges as they expand into new markets. There are new laws and regulatory compliance. There is a need for service technicians to be "on-call" and ready to be deployed to your customer's facility at a moment's notice. And, of course, there is a high cost associated with market expansion. Managing all of this on top of creating innovative products that will sell in the new market can be overwhelming, at best.

This is particularly true when considering today's business landscape and our current marketplace saturation. According to research conducted by the Global Industry Analytics, Inc., while innovation has always been the key to business success, in the current volatile and tough economy, disruptive innovation is what brings real success in the marketplace.[1]

Disruptive innovation is an innovation that creates a new market and value network that eventually disrupts an existing market, and in doing so, displaces established companies. What worked yesterday may not work tomorrow. It is the new growth builder in the post-recession era.

1 Press Release, "MCP-6516: Product Lifecycle Management (PLM) – A Global Strategic Business Report." Global Industry Analytics, Inc.: A Worldwide Business Strategy and Market Intelligence Source, June 7, 2016.

As it becomes apparent that the old ways in which we approached product creation and market expansion are no longer sustainable, then we must ask ourselves — how **should** we approach them in today's economy?

For starters, an organization must be able to quickly scale to meet demand — not only in its existing market but also in potential global markets. Call center resources must be able to provide customer support when and where it's needed. Additionally, organizations must have a dialed-in distribution channel where products go seamlessly from manufacturing to wholesaler to retailer, or into your channel, and then finally to the end consumer. There is a considerable amount of up-front capital, time, and resources that go into successfully pioneering and expanding this type of service delivery and support organization.

This is true for all businesses, regardless of size. From startups entering the market for the first time, all the way up to large, global enterprises — growth companies all face similar challenges. In the simplest sense, these challenges typically align with the stages of the product lifecycle management process (PLM). As a business expands into a new market, the lifecycle management process kicks off, which begins at conceptual product design and continues through to product retirement and reclamation. Along the way, as companies design, manufacture, deploy, and reclaim their products from the market, they run into common and predictable struggles.

According to the same study conducted by Global Industry Analytics, Inc., the global market for product lifecycle management (PLM) is projected to reach $65.8 billion USD by 2022, driven by the growing focus on disruptive product innovation and the ensuing need for technology solutions that help align product development processes, systems, and investments with business objectives.[2] It's clear that the focus is shifting toward lifecycle management and the most effective strategies to deliver these solutions.

2 Press Release, "MCP-6516: Product Lifecycle Management (PLM) – A Global Strategic Business Report." Global Industry Analytics, Inc.: A Worldwide Business Strategy and Market Intelligence Source, June 7, 2016.

What role does Ricoh play in this?

Our focus has always been to envision what the future will look like so that we can help prepare you for success. Today that means empowering digital workplaces with our broad portfolio of services, solutions, and technologies — helping you remove obstacles to sustained growth.

As a manufacturer and service provider for over 80 years, Ricoh has broad experience in managing service operations and providing service delivery for electromechanical equipment technology. Ricoh has been in the business of creating new, cutting-edge products and services, expanding our growth into new regions, and placing our global resources at our customer's disposal.

A **RICOH Service Advantage** partnership will help you expand what you can do. We can help you reach new markets and deliver consistently exceptional customer service without increasing your overhead. Our service provides an established and extensive support infrastructure to technology manufacturers (OEM's) and private equity firms. We offer the scalability and flexibility to ensure your service needs are met with a high level of experience.

1   Product readiness and implementation

The issue

You've designed the hottest new technology — do you have the resources to get to market quickly and meet customer demand?

The situation

You're a young and well-funded startup company getting ready to launch your new product or service in the marketplace. After many hours of design, engineering, and manufacturing, you have an interested customer eager to use your product in their nationwide network of facilities. Your focus centers on deciding your strategy to most effectively plan the implementation and distribution of your product. Equally important is determining an approach to service this market to meet or, better yet, to exceed your customer needs. But where do you start?

You haven't had time to build the internal resources necessary to successfully and quickly stand up a service organization.

Alternatively, you may be an established company and have had success selling your products in your existing market. Now you have a great new product you'd like to launch into a different market sector that will help expand your business revenue. You worry that your internal resources will be stretched too thin to enter this new market successfully, or that your competition may get there first if you don't.

The challenges

You're not alone. There is a lot to consider when it comes to successful product deployment and service readiness. The burden is heavy on both current support resources and corporate budgets.

Here are some common challenges companies face when bringing a product to market.

Device configuration and preflight
In order to guarantee maximum onsite installation time, it's crucial that the equipment is appropriately configured, and field testing or pilot programs are performed before the final deployment. You will also probably want to stock the merchandise into the machine (if this step is required) before shipping to improve efficiency and speed-to-market. Again, this step takes considerable human resources, which are not always ready and accessible.

Device deployment cycle times
Meeting market demand is critical to ensuring successful market expansion. Therefore, it's essential to define your process around deployment cycle times. How quickly must these cycles be completed? The answer to this question may be challenging to come by since you don't yet have experience in this new market. However, it's critical to ensure product readiness.

Planning final installation and "production turn-up"
This step involves service enablement and initial product introduction into the new market. It's not enough to deploy a product—you also have to service it. You need enough resources to repair your products within a specific quota of time once you've received the service call. Additionally, your customer may require extensive training and documentation on how to use your equipment.

Faster speed to market gives you the advantage when it comes to innovation

2   Forging commercial partnerships

The issue

Your company has created an innovative technology, but you're not sure how to identify new commercial opportunities or implement cost efficiencies around its deployment and resources.

The situation

You are now faced with making decisions around commercialization. At its core, this encompasses forging partnerships with vendors, suppliers, and customers, and selling your product into the right marketplace. You're sure many companies might benefit from your product, but you fear you're not making the right connections within the right industries, or you worry about how you might support your sales and growth trajectory and meet your manufacturing goals.

Also, you may have questions about the logistics of manufacturing or maintaining a parts inventory or staging and stocking a warehouse.

As your business grows, it can be difficult to manage multiple vendors and suppliers while keeping a handle on cost. And, while growth is a good thing, you realize you may simply not have the space you need to fulfill large orders as quickly or as efficiently as you'd like to meet your customer's needs.

The challenges

There are many things you may not have considered as you were busy creating and launching your new product. Not only are you navigating the "newness" of your business or market, but you may also encounter many urgent needs or customer demands as business fluctuates. There are several common challenges that many growing companies face at the commercialization stage.

The challenge of finding new opportunities

You've done an excellent job identifying your initial key markets and customers, and you believe you can continue to grow the business in other areas. But the daily demands of running the business and staying on top of research and development have limited your imitative for seeking out additional opportunities.

Lack of manufacturing resources

You know you could be more cost-effective if you found a manufacturer for specific components of your equipment. Still, you aren't a large enough business or don't have the resources to find the right partner to outsource this work for you.

The high cost of growth

You're a growing company, but you don't currently have the physical space or resources for staging, storing, transporting, or fulfilling orders at the scope needed to fulfill demand.

It's challenging to concentrate on the big picture and strategy for future growth.

3   Expanding in the global marketplace

The issue

Worldwide demand – how to quickly shift to sell products in the global marketplace successfully.

The situation

Your sales have been high, and you are thinking about expanding your business into new global markets. Whether you're a new or established company set to increase its revenue stream, you know the only way to do this is to take on expansion outside of your home country. But you worry that you don't have the resources needed to enter a foreign market successfully, or that you're not entirely familiar with its laws and regulations.

At its heart, global expansion is about the physical movement of goods through a distribution channel to your consumer. That distribution channel to your consumer is now worldwide.

Every company will, at some point, contemplate and evaluate the most affordable ways to move goods to its customers. In the end, it's imperative that your distribution channel successfully supports your product demand.

The challenges

There's a lot to consider when it comes to effectively delivering products and parts on time in a new market where transportation methods, regulatory compliance, and customs are different. Not only are you navigating the "newness" of the region, but you're also trying to navigate the fastest and most cost-effective distribution channels. There are common challenges that many companies face in this stage of the product lifecycle management process.

Navigating in-country regulatory compliance is difficult

You know that to be successful in new markets, you may need to transfer information into multiple languages that adhere to international compliance and governance requirements. International procedures can be tricky, particularly if you do not speak the language of the region. The more you divert your vital resources to navigate regulatory compliance, the fewer resources you have to focus on your core business needs.

The high costs associated with market expansion

There are so many costs to consider when it comes to a market expansion that it's difficult to know where to begin. You need to hire in-country resources to provide customer service, billing, and support, train technical staff, and you need to sacrifice IT infrastructure expenses to support your product expansion — and this is only a starting point. You will likely need to pull resources away from focusing on and running your core business, although that is not advisable. You don't want to undersell your potential. Still, if you get into a situation where you oversell yourself, you, your company, and your essential resources could take a big hit.
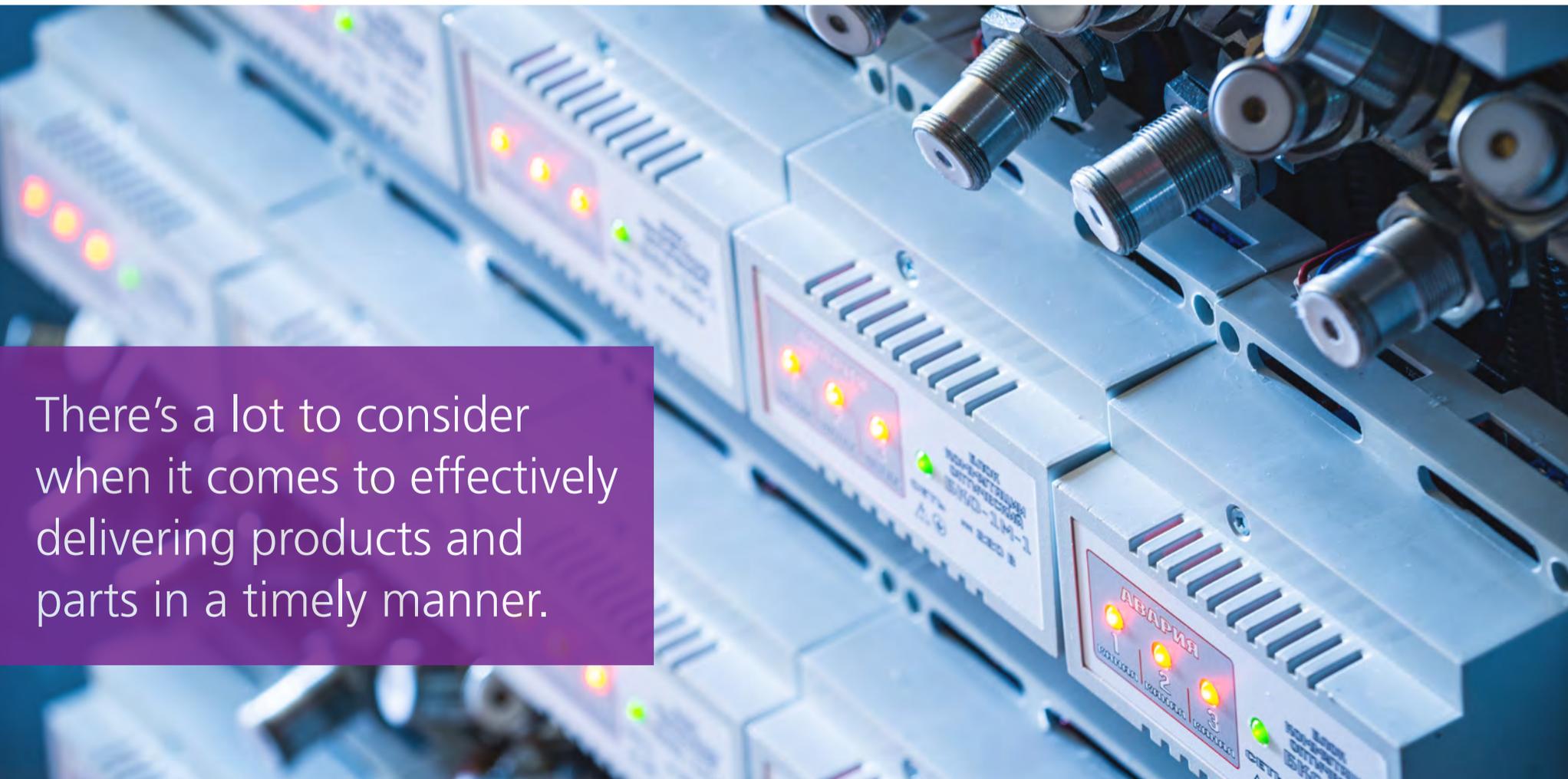
There's a lot to consider when it comes to effectively delivering products and parts in a timely manner.

4   Creating a support services infrastructure

The issue

Now that your products are being distributed in the market, you're faced with the challenge of how to provide services and support coverage — both onsite and via a remote call center.

The situation

Customer service and support are your top priority. These service lifecycle management stages are essential because they focus on improving and growing customer relation-ships. Checking in and communicating with customers to ensure their equipment is working well. Perhaps you already have a maintenance department, but you may need to address some of the gaps in your current support process. Or, maybe you realize that there is value in creating after-market revenue by planning programs and services that generate post-sales revenue streams.

Either way, there is a lot to consider when providing and building the proper training and support infrastructure. Do you need to provide support over the phone, via a call center both online and onsite—when your product breaks down or requires maintenance?

You need access to trained support technicians certified in the specific areas that are critical and customized to your organization. More importantly, you need a workforce that is flexible to meet business demands, efficiently and cost-effectively.

The challenges

You have optimized your distribution channel and set your deployment cycle times to meet market demand. But you quickly realize that this is only the beginning. You need skilled service technicians in your new market, and you need them fast. You only have so much time to spare from when you first receive a support or maintenance call to when you can deploy a technician to your client's location. You need to move quickly to ensure minimal downtime. Still, you may not have the physical or capital resources to add such a large staff.

Understanding your parts inventory

Once your product deploys in the field, you enter a new phase of your relationship with customers. Customers consistently need to swap devices or receive replacement parts and upgrades. Efficient parts and inventory planning are critical to seamlessly delivering materials in new markets. Deploying a service technician to your customer's location to fix an issue without the right parts is just as damaging to your reputation as not deploying anyone at all.

Building reoccurring revenue streams

When it comes to maintenance, it's not only critical that you have enough resources required to answer and attend to customer calls. There is also the opportunity for after-market revenue generation. For example, you can create programs and services that generate post-sales revenue, such as extended warranty programs or managed support services. You know your products will require ongoing maintenance, so why not create a proactive plan that addresses this? By providing routine preventative maintenance service on your products, it is less likely that they will break down at all. However, to make this a profitable venture, your field service technicians must have the skill sets and certifications necessary to provide leading customer support.

Service lifecycle management can help companies grow revenue and improve customer service.

Create a clear path for growth

Advancements in automation and robotics continue to improve efficiencies throughout the supply chain. AI informed commerce is changing the way companies interact with their consumer, and additive manufacturing/3D printing is quickly becoming part of many business growth strategies. The landscape is continually evolving with consolidations, mergers & acquisitions, and breakthrough discoveries and technologies. In today's economy, you need to focus on innovation to stay ahead.

What do you want to do?
Our consultative approach to technology lifecycle services helps you discover the best value of your resources when you're considering the following for your business:

- Scale operations nationally or globally
- Set up up a support infrastructure
- Product implementations and deployments
- Implement operational efficiencies
- Monetize your call center or support programs.

Benefits for private equity firms

Maximizing profit and growth while keeping capital expenditures to a minimum is a crucial driver of ROI for your portfolio companies. Outsourcing technology support functions keep capital investment in people and equipment to a minimum without sacrificing the customer experience.

Find a real partnership solution

Ricoh Service Advantage offers one of our greatest assets, our worldwide network of partners who provide, with us and through us, services and solutions to scale. We level the playing field for organizations of all sizes and industries to develop and thrive.

We'll work tirelessly to help identify new opportunities to sell and distribute your product through our global partnerships, utilizing our capabilities to support your organization's global business initiatives.
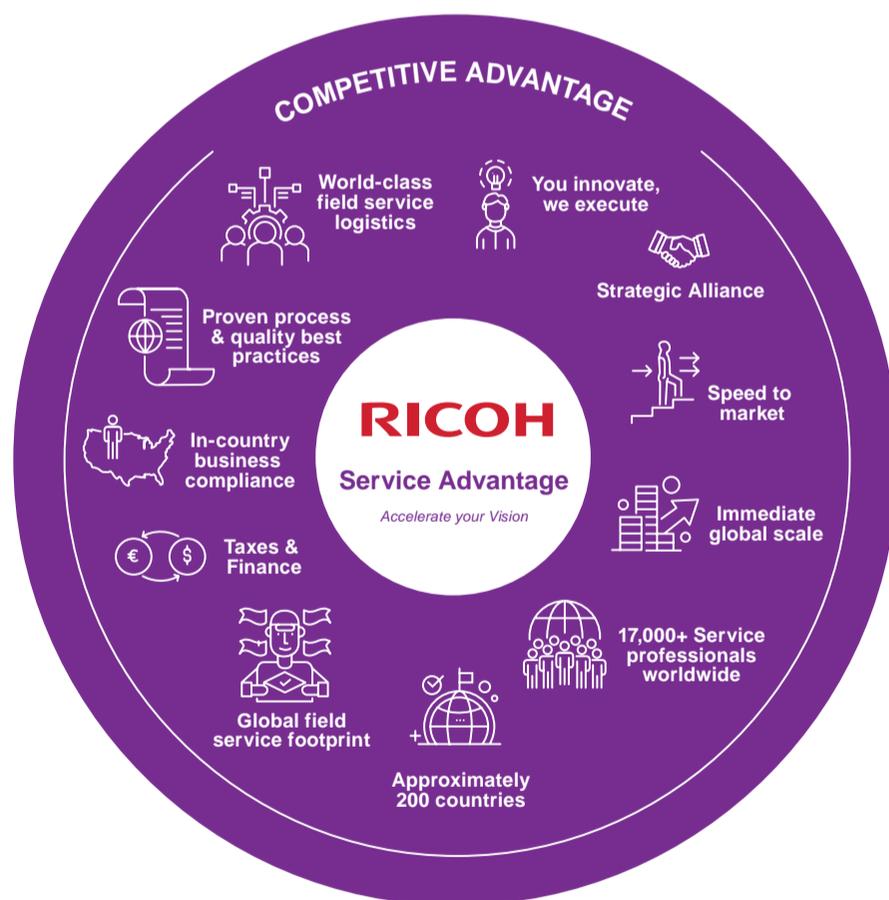
Now that you have seen a sampling of the competitive advantage that Ricoh provides through our global infrastructure and technology lifecycle management services, you can better understand how we can help you support your products and organization scale-up quickly, go global, or empower operational efficiencies. Because every client that we partner with has unique equipment and customer needs, our services can be customized and arranged to best suit your organization's requirements.
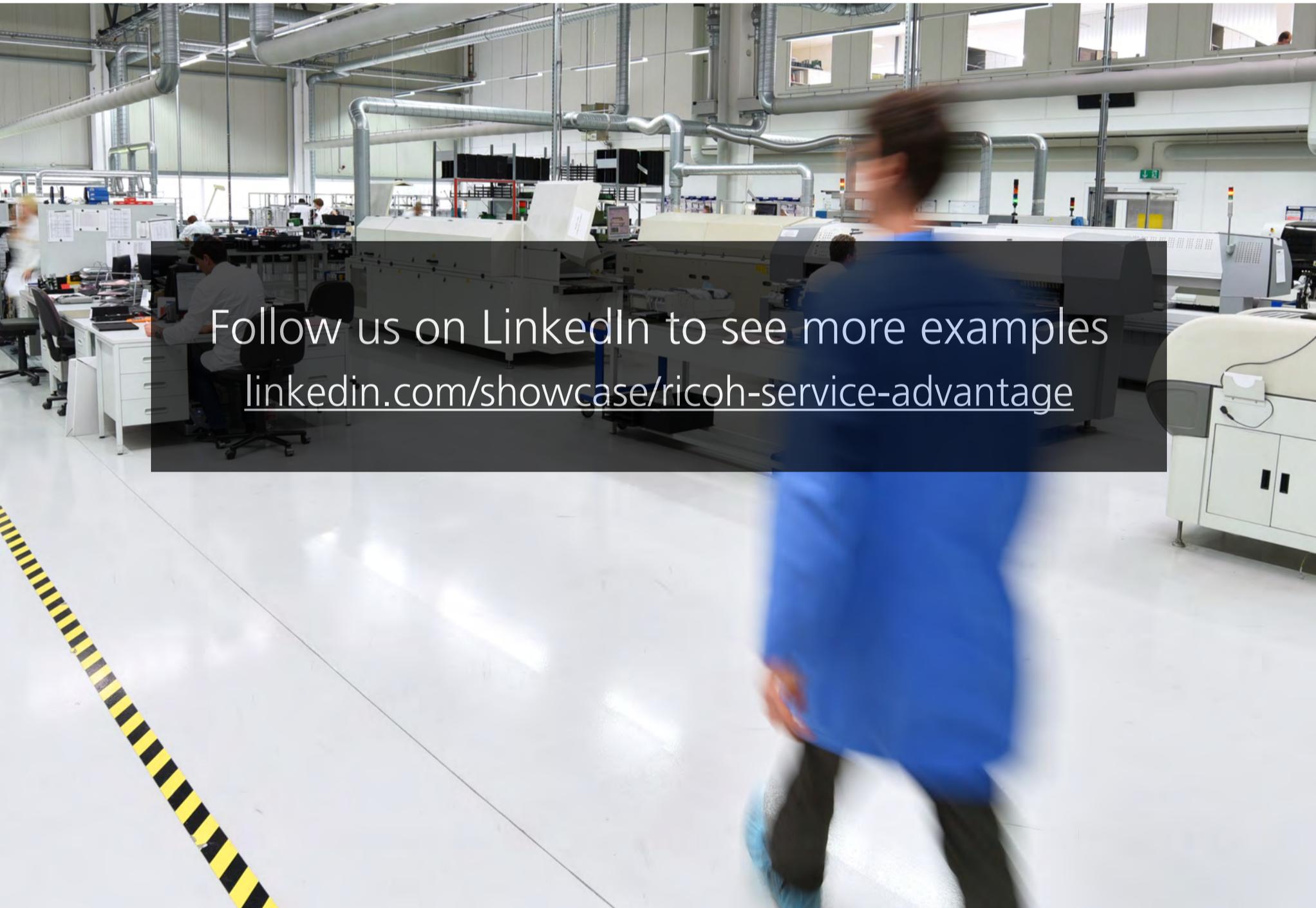
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