

# A GLOBAL LEADING OEM LEVERAGES INNOVATIVE CONNECTED SERVICES TO TRANSFORM FROM AN EQUIPMENT MANUFACTURER INTO A BUSINESS SOLUTION PARTNER

Capgemini Invent supported the client in defining future business models based on innovative connected services for direct sales to end customers, and in defining how processes and tools need to evolve to support these new business models

## Connected services play a key role in the strategy of the client of evolving into a business solution partner

The client is a premium construction equipment manufacturer and one of the world's largest manufacturers of articulated haulers, wheel loaders, excavation equipment, road development machines and compact construction equipment.

In recent years, the construction equipment industry has been changing significantly. The demand has been highly volatile, commoditization of machines erodes prices, and innovations in the area of connectivity and applications change customer expectations.

To cope with these developments, the client decided to further expand its connected services business, which today already includes innovative services like remote machinemonitoring and uptime services. This will allow them to continue evolving into a business solution partner.

## The global OEM will expand its connected services business through new business models in which they engage directly with end customers

In addition to launching new service offerings, the client plans to expand its connected services business through new business models in which they engage directly with end customers.

On the one hand, this influences their current business model, in which they sell products and services to dealers, which in turn sell them to end customers. On the other hand, this poses new requirements on the support processes and tools. Even though the current support processes to configure, price and invoice services are efficient, they are not scalable for future ambitions in which the number of buyers changes from hundreds of dealers to potentially millions of customers.

To maintain the strong relationship to their dealers despite the change in the business model, and to define competitive requirements for support processes and tools, the applicant decided to engage with Capgemini Invent to leverage cross-industry experience from comparable projects and thus ensure a competitive solution.

### Overview

**Customer:** Premium construction equipment manufacturer

**Industry:** Manufacturing/Automotive

**Location:** HQ in Europe and R&D and manufacturing sites throughout the world

#### Client Challenges / Business Need:

Expand the connected services business to increase and sustain revenue, increase profitability, differentiate from competition, and better fulfill customer needs.

#### Solution-at-a-glance:

Created future business models based on innovative connected services for direct sales to end customers, and defined how processes and tools need to evolve to support these business models.

#### Results (Benefits):

- Clarity on how the future business model will engage end customers
- Better fulfilment of customer needs
- Automated support processes resulting in reduced errors and risks
- Higher cost-efficiency and scalability

*“Capgemini’s cross-industry experience with innovative connected services was crucial to ensure competitive requirements for this new digital business model.”*

Client,  
Vice President,  
Customer Solutions

## Creating new business models requires a deep understanding of market requirements, connected services, and cross-industry best practices

In a first step, the joint client and Capgemini team validated current and future connected services based on market research and cross-industry best practices. In a second step, we conceived and defined future business models for direct sales to end customers as well as for direct sales from third parties through the clients platform. Furthermore, we also determined which models can be used for which connected services.

Based on the new business models and connected services, we redesigned support processes to configure, price and invoice services, and derived requirements towards new tools to support these processes. Furthermore, we conducted a tool selection, created a business case and a wave-based realization roadmap to support the new business model.

## Results count – the client will further strengthen its leading position while creating added value for machine owners and machine operators

Expanding the connected services business allows differentiation from commodity providers and better fulfillment of customer needs, and thereby nurturing their position as a top provider of construction equipment. Furthermore, the client has clarity on how the future business model will engage end customers.

Automating the support processes results in reduced errors and risks, higher cost-efficiency and scalability. And the wave-based realization roadmap ensures a short ROI due to a fast ramp-up and low upfront investment.

### The Collaborative Approach:

The Collaborative Business Experience™ is central to the Capgemini philosophy and a pillar of our service delivery.

- A consequent, joint team-set up and a tailored, workshop-based working mode enabled the international client team to work together in a time-efficient and solution-oriented manner
- Key stakeholders from business and IT from different countries and departments worked as one team
- Together, we involved the right people at the right time and right location to develop one common approach to conceive and develop the new business model
- We used the latest digital tools to connect the client's global network with the international Capgemini invent network

## About Capgemini Invent

As the digital innovation, consulting and transformation brand of the Capgemini Group, Capgemini Invent helps CxOs envision and build what's next for their organizations. Located in more than 30 offices and 22 creative studios around the world, its 6,000+ strong team combines strategy, technology, data science and creative design with deep industry expertise and insights, to develop new digital solutions and business models of the future.

Capgemini Invent is an integral part of Capgemini, a global leader in consulting, technology services and digital transformation. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion. People matter, results count.

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