

Service Before the Sale

by Roger Henson, Southwest Training and Consulting

My articles for the NASM newsletter usually set the scene that one group has primary responsibility for product or services sales and another group has primary responsibility for providing the services. I have a friend who pointed out that there are many professionals that have both responsibilities for sales and services, especially the professional realtor. She told me there is a lot of quality service that must be provided before and after the sale. As a matter of fact, she went on to tell me, without demonstrating the quality of service first, there often is never a sale. Now we all know that buying a service contract is the assurance that a service will be provided and we assume that it will be prompt and of high quality when needed. But, this is different. Actually demonstrating your commitment to a high level of service without the guarantee you will be paid.

This led me to think about what it would be like to demonstrate our service before the sale. I picked a company within the NASM family that manufactures and sells a reliable product that requires service including scheduled service, preventive service and restoration service. As I thought about it, I went back to a real situation where I was at the center of demonstrating our services before the sale was inked.

To win this contract, the competing vendors had to provide a detailed installation plan and the ongoing service process that would be used to support this networked system. The vendor had to coordinate their product installation with the installation of another vendor's product. Vendor One just delivered their product; ours required an on-site rep for hardware installation, loading software and then running operational tests on-site.

We outlined a detailed installation plan using real dates for hundreds of pieces of equipment in over 40 states with more than 200 locations. We created organizational and operational plans and appointed a customer care account rep with the authority to speak for management on most problems. We created a video for each customer office detailing the system operation and the after-installation support network. As is usually the case, the planning was the easy part, but, because the planners were also the operations team, they anticipated what could go wrong and established common-sense contingency plans. The business was ours, if we delivered on our promises and contractual obligations. Although there were issues, a totally open communications process and a lot of presale trust resulted in a win-win partnership. In the lessons-learned debriefing session between supplier and customer, the word trust came out over and over again. They trusted our promises that if and when something went wrong we would accept responsibility and quickly remedy the situation. We trusted them that they would give us the opportunity to correct an issue. The final outcome could not have happened without the time it took to get to know the people on both sides who were making the promises and had their careers on the line.

Question: When it is not in writing, whom do you trust? We know that upfront terms and conditions are often not delivered, but after the sale it is often too difficult to undo a less-than-expected level of service, so we live with it. However, when we give our word that we will deliver a service, it can often be a better agreement because it is personal, not corporate. Thus, the phrase often heard about service people: they went the extra mile.

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- Networking
- Spring and fall events
- Golf outing
- Education programs

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and click on the “About” tab.

JobTarget Website

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The JobTarget website offers employers and job seekers an opportunity to find each other.

A Letter from the President

Hello NASM members:

As Jim Mueller, our NASM Past President, mentioned in the March newsletter, I was recently elected NASM’s new President. I thank Jim for his many years of dedicated service to NASM as a member, board member and President the last three years.

Jim presided over NASM during a phase of transition in which he shepherded the organization through the development of a new strategic plan. Our focus was sharpened as we developed, and are piloting, new Educational and Certification programs which promise increased visibility for NASM as a premier professional organization. With Jim’s and the Board of Directors’ assistance, I will continue to move NASM toward our strategic goals.

I’d also like to thank Greg Swiderski and Tom Barnes of P&H Mining Equipment, A Joy Global Inc. Company, for hosting the NASM Spring Meeting on April 22, 2010, at the facility in Milwaukee, WI. Those in attendance felt the meeting was a great success!

If you haven’t done so already, please take the time to register for the annual NASM Golf Outing. It’s being held on Thursday, July 8, 2010, at the Bristol Oaks Country Club in Bristol, WI. Although I’m not a golfer, Jim Mueller convinced me to play the last two years and I had a great time. I plan to play again this year if anyone will have me on their team.

NASM is here to serve you, the NASM member. NASM is your organization, and if there are topics of interest NASM is not addressing, please let me know.

If you haven’t done so already, please visit the NASM website and take a look at some of the new content. If you do not have the member User ID and Password, please contact Angela Antinucci at the Ken Cook Co. at angelaa@kencook.com or (414) 847-1268. If you have any questions or suggestions for me, please contact me at davidejones@eaton.com or (817) 410-5230.

Thank You,

David Jones
NASM President

P&H Mining Equipment Exhibits Large-Scale Manufacturing and Product Support

A Brief Report to the NASM Membership by Paul Blankenheim and Brian Stringer

P&H Mining Equipment, Inc. and Greg Swiderski hosted the NASM on-site Spring Meeting on Thursday, April 22, in Milwaukee. Participants were treated to a history of P&H Mining, a thorough facilities tour and a product support presentation.

P&H Mining Equipment, Inc. (P&H), a subsidiary of Joy Global Inc. (JOYG: NASDAQ), is a world-leading manufacturer and supplier of above-ground mining equipment, providing a full range of life-cycle management support for P&H and other equipment lines through its P&H MinePro Services network. P&H's heavy-duty products are relied upon in mines from Canada to Australia to Chile, mining substances including copper, iron ore, diamonds, gold, coal, oil sand and more. Currently, more than 90% of the world's surface mines count on P&H shovels, draglines and drilling equipment.

The company, which employs around 1,000 people locally and over 3,200 worldwide, traces its roots to the small machine and pattern shop started by Alonzo Pawling and Henry Harnischfeger in 1884, which began by making small parts and machines for industrial firms in Milwaukee. Important milestones along the way included expanding to manufacture bridge cranes, designing and building its own line of

AC and DC motors and controls, expanding to digging and earth-moving machines, manufacturing its first shovel, moving to an all-welded design, buying the walking dragline product line from Page Engineering Company and expanding to include drilling rigs. Coming shortly will be a new in-pit crushing and conveying system capable of breaking up and transporting large volumes of material without the need for trucks.

After introductions from Greg Swiderski, Director of Technical Development, and Bob Mueller, Factory Manager, the group split in two and toured the facilities. Winding in and out of buildings and around workstations, tour guides Bob Mueller and Dave Biddle, Manager of Technical Services,



pointed out how the components fit into the finished product, and the processes and equipment required to manufacture them, including their evolution throughout the years. The facilities were

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NASM Certification – Your Key to Service Management Success!

NASM Certification recognizes those individuals who accomplish a prescribed level of competence in the Service Management field.

Some companies also use NASM certification as a prerequisite for hiring Service Managers, and as a basis for salary increases and promotion.

NASM offers the only certification program for service executives nationwide.

Three certification levels are available:

- **ASE: Granted for seven years**
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- **LCSE: Permanent certification when it is achieved**

Each level has specific requirements and goals.

Go to: www.nasm.com and click on “Service Management Certification” for more information on application procedures.

Don't delay, take that next step toward NASM Certification!

Articles for NASM Newsletter

NASM publishes the newsletter quarterly.

Please submit articles/information to Ken Cook, Ken Cook Co. (kenc@kencook.com).

Deadlines are:

August 1
for the September issue

November 1
for the December issue

February 1
for the March issue

May 1
for the June issue

What's on Your Reading List

Please take a moment to think about what you've read lately that would be of interest to your fellow NASM members. Be sure to include the complete title, author's name, a brief book overview and where it's available. Send your recommendations to kenc@kencook.com and we'll include them in subsequent newsletters.

P&H Mining Equipment (cont'd.)

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in full swing; despite the recent economy, P&H continues to run three shifts at near peak production, as high commodity prices drive demand. Attendees witnessed welding, forming, cutting and other operations, all tailored to work on the massive components that make up P&H's equipment. Because of the assembled size of the equipment (can be over 1,500 tons and 68 feet tall), shipping the unit components can require four railroad cars and 20-40 semitrailer loads. Even after parts reach the mine site, it takes months to assemble and prepare the unit for operation.

Following the tour, Tom Barnes, Manager – Product Support and Parts Marketing, presented *P&H Product Support Overview*. Their philosophy is based on the following product support vision: *That we provide the best customer experience in the industry, in every use of our products and in every interaction with P&H or P&H MinePro Services.*

For P&H, effective product support starts with reliable product design. Given the moniker "The Anvil," P&H's equipment is ruggedly built to withstand some of the planet's harshest conditions, and typically has a 93-94% "ready time." Because of these conditions and the continuous hours of use, it is important to have a service and support structure in place. This is when MinePro Services, P&H's wholly-owned dealer network, comes into play.

MinePro Services provides 24/7 service and product support for all P&H equipment, as well as other manufacturers' mining equipment. To best ensure lowest downtime levels and highest mine operating efficiency for their global customers, there are more

than 2,600 specialists at over 30 MinePro locations worldwide. These centers provide sales, service, rebuild/manufacturing/exchange capabilities and life-cycle management (LCM) programs for the life of the units, resulting in quicker response time and greater equipment uptime. It is also an avenue through which unique problems and experiences, and customer input and suggestions, can be shared, creating and making available for use an ever-expanding knowledge base.

Life-cycle management programs help keep equipment up and running while minimizing risk through life-cycle management contracts, cost per hour/ton, parts contracts and parts alliances. Using these strategies, mine owners have a better idea of the costs involved and the budget needed to support the equipment throughout its usable life – the total cost of ownership. Also, parts can be changed out before they fail, increasing safety and reducing downtime. P&H manufactures almost all of the repair/service parts used in its equipment to ensure that the quality and design match the original.

Other product support functions/services include a product safety committee, product reliability and zero hour review boards, OE order shipping reporting, parts books and marketing literature, service letters, notices and bulletins, an aftermarket product council, service conferences, a customer contact center and training programs for emerging technologies.

A key aspect to diagnosing and solving equipment issues is the PreVail Remote Health Monitoring Administration system. It can be likened to the black box in an airplane, constantly monitoring and recording key machine specifications

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Field Service Conference 2010

By Brian Stringer

The Field Service Conference held in Scottsdale, Arizona, on April 26th-28th was well-attended this year. Here are some nuggets of the conference discussions from prominent companies in attendance:

GE Aviation

- The speed to resolve problems is key to customer satisfaction and retention.
- Consider offering increasing levels of service the customer is willing to pay for.
- Plans for growth should include China and India, as that's where the revenue will be.

Ingersoll Rand / Trane

- Service is the OEM brand. Innovate to create value.
- Show data to customers that supports proactive repair.
- Build service leadership organization - it's all about the people.

Bosch Security Systems

- The feeling of being close to the customer during a call is essential when "off-shoring" call centers.

Toshiba Medical

- If you don't capture the service agreement when making the sale, you may not see the customer again.

Eaton Aero-Space

- Managing service contracts properly is critical for profitability.

DirectTV

- Technician retention and training is essential to great CSI scores.

Medrad Medical

- Your company reputation is attached to the quality of service you provide.

The keynote address of the conference was artfully crafted by Larry Wash, president of Global Services for Ingersoll Rand's Climate Solutions division. *Building World Class Services* was the theme of the address, where the talent of the people within the service organization is key to service revenue growth. The big HOW behind the success of building a great service organization was outlined with the following four-step process:

1. Create a competency roadmap.
2. Develop compelling service offerings.
3. Build services leadership – It's all about the people.
4. Drive a culture change.

Service revenue is growing at a double-digit rate at the Climate Solutions division, where one dollar of product sold can create four dollars of aftermarket sales. Growth is primarily limited by the talent of people, according to Wash. World-class organizations now have 50% of revenue derived from services, and accounting for as much as 60% of profit.

Bosch Security Systems presented global strategies for managing call centers. Language quality is paramount to provide positive customer experience when off-shoring call centers while achieving a 5% call drop rate goal. India has the second-largest pool of English-speaking scientific labor and is growing toward number one. Cost-effective service support is being facilitated by highly educated resources found in India today.

Round-table discussions were held with 6-8 people, each with one moderator on the topic of "how automation can help service offerings." Discussions were summarized in that technology has enabled great volumes of data to be generated to better support customers. However, definitive processes are then essential to deliver data correctly in the right format for specific customers' needs.

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Field Service Conference 2010 (cont'd.)

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Attendees had choices of twelve specialized workshops to attend. Conference and workshop speakers included a good cross-section from equipment and services industries. Rich knowledge sharing of industry professionals was conveyed by the following speakers who were willing to share details of their best practices.

- Mary Cay Kosten, Vice President, Global Customer Services, **Sun Microsystems**
- Mark Hessinger, Executive Director, Worldwide Customer Service, **Gerber Scientific Intl., Inc.**
- David Baker, Senior Vice President, Field Service, **DIRECTV**
- Larry Wash, President of Global Services, **Trane**
- John Tarascio, President, Böwe, Bell & Howell Service, **Böwe, Bell & Howell**
- Bernadette Lodico, General Manager, BSSG Service and Support, **Eastman Kodak**
- Tribby Warfield, President, Power Transmission North America, **The Gates Corporation**
- Wayne Moore, B.Sc., MBA, FASE, President, Advanced Development Group, Chief Strategy Officer, **Unisyn Medical**
- Ivin Smith, Vice President, Customer Service & Worldwide Support, **Pitney Bowes**
- Michael Olmsted, Vice President, North America Services & Quality, **Satisloh, North America**
- Dick Frishkorn, Managing Director, Global Customer Field Support Group, **GE Aviation**
- Mike Emmelhainz, Director, Defense & Government Services, **Boeing**
- Ted Nemetz, Vice President, Service, **Toshiba America Medical Systems, Inc.**
- Christian Verstraete, Chief Technologist, Manufacturing & Distribution Industries, **HP**
- Jim Fetterman, Vice President, Service, **FEI Company**
- Mohamed Zarringhalam, Vice President, Service, **Nikon Precision**
- Don Bernard, Vice President of Service and Operations, **Dustcontrol, Inc.**

P&H Mining Equipment (cont'd.)

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and conditions while operating. The system allows specialists to view data in real time, and remotely diagnose problems at any time of the day from any location worldwide. The customer can also log on and review the maintenance history to determine the actions necessary to keep the equipment operating correctly and to create an accurate maintenance plan.

As demonstrated during the NASM meeting, the commitment to product quality and its customers makes P&H a leader not only in the manufacturing of mining equipment, but in product support as well.

Member Profile – Dwight Aylesworth

Dwight Aylesworth is an Executive in Service Management, focusing on service operations management, customer support, service training and project management. He has held senior-level positions with 3M, MTS Systems, Bell+Howell and Pitney Bowes.

Dwight is a graduate of Texas A&M, Commerce, with a degree in Industrial Technology.



He also holds a Master's degree in Project Management from Keller Graduate School of Management. A certified Project Management Professional (PMP®) and a Certified Service Executive (CSE®), Dwight serves on the Education and Certification Committee for the National Association of Service Managers.

Welcome New Members

Jack Hochadel, Fresenius Kabi LLC

Brad Nagel, The Toro Company

Tim Spannbauer, Handtmann, Inc.

Ed Weninger, Daktronics, Inc.

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Business Meeting and Annual Golf Outing

Mark your calendar!

Bristol Oaks Country Club:

Wednesday, July 7, 2010

Business and Board meeting

Parking level meeting room

Lunch – 12:00 pm, Meeting – 1:00 pm-5:00 pm

Thursday, July 8, 2010

Golf Outing and Dinner, Tee time – 10:00 am

- Best Ball
- Raffle Tickets
- Networking

Fees:

- **\$100.00** per member and/or guest; includes 18 holes of golf, cart, dinner and prizes!
- Golf **OR** Dinner only – \$50.00 per person

Please register **No Later than June 30, 2010.**

Location: Bristol Oaks Country Club
16801 75th St. (Hwy 50)
Bristol, WI 53104
Ph: 262-857-2302
www.bristolocks.com
(Bristol Oaks is located 1-1/2 miles
West of I-94 on Highway 50.)

Please **register for the Golf Outing** by completing the registration form, calling Angela Antinucci at 414-847-1268 or e-mailing angela@kencook.com. (Include name(s), daytime phone number(s), e-mail address, method of payment and number of guests.)

You can also register online at www.nasm.com.

Ask Angela about:

- Sponsorship Opportunities
- Donating Prizes

For people traveling from out of town:

Comfort Suites/Kenosha has given NASM a reduced rate of \$67.99 per person per night, plus applicable taxes and fees.

Call 262-857-3450 by June 6th to make your hotel reservations; special room rate referred to as: **NASM** (rooms are 1 king bed/no smoking).

Location: Comfort Suites/Kenosha
7206 122nd Avenue
Kenosha, WI 53142
Ph: 262-857-3450
Special room rate: **NASM**

Service Before the Sale (cont'd.)

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Getting back to my realtor friend, I was again reminded that many times I have received the services of realtors and never paid for their services. A good example is her knowledge of the local school system where she lives and works. She has first-hand experiences which can be vital information for a family moving to a new area. Yet, just because she provides a superior service of information does not guarantee a sale. The buyer and the seller both want superior service; the realtor has to satisfy both before there is a sale.

Thinking about our service businesses, are there ways we can or should provide a service before the sale? Some of us do so on a regular basis, the front-line people that “walk the

talk” that leads to the contract renewal and the next product sale, but we do this while we are being paid for the present services provided.

Perhaps we can't directly provide a trial run of our services within the confines of our business, but we can demonstrate our commitment to service to others through our volunteer activities. Have you ever known a service person that wasn't also a volunteer? Service is a way of life for the “service professional” whether on or off the job. Are we service professionals?

Roger Henson
RHensonDFW@aol.com

2010 Events

Note: Dates and locations are subject to change.

Interlog Summer 2010

June 14-16, 2010

Omni Hotel
San Diego, CA

www.interlogsummer.com

Remote Device Monitoring Summit

June 21-23, 2010

San Jose, CA

NASM Golf Outing

July 8, 2010

Bristol Oaks Country Club
Bristol, WI

Field Service East 2010

September 15-16, 2010

Atlanta, GA

www.fieldserviceeast.com

NASM 2010 Business / Board Meeting Schedule:

Business/Board meetings are monthly teleconferences (**1-800-630-9030, pass code 4616060#**), unless otherwise noted. Typical meeting dates are scheduled for the 4th Tuesday of each month, starting at 10:00 am central.

June 22, 2010 10:00 am (cdt)

July 27, 2010 10:00 am (cdt)

August 24, 2010 10:00 am (cdt)

September 28, 2010 10:00 am (cdt)

Note: With some exceptions, there will be face-to-face meetings that coincide with other NASM events. The face-to-face meetings will have available phone-in to the teleconference for those unable to attend.

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