6 Steps to Successful Installed Base Management

Chris Dunn

☏ +44 7927 638711
✉ enquiries@chrisdunnconsulting.co.uk
🔗 www. chrisdunnconsulting.co.uk

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01 Collect & Colate Data

Key Questions

1. WHICH DATA DO YOU COLLECT?

Product type, serial number, age, warranty status, usage, service history, location etc.

2. HOW DO YOU OBTAIN THIS DATA?

- Remotely from the product itself
- From your field teams
- Directly from your customer?

3. WHO OWNS THE DATA COLLECTION PROCESS?

- Local teams or central management?
- Is the process in-house or subcontracted?

4. WHERE WILL THE DATA BE STORED?

- On local or central systems?
- In the cloud or on company servers?
- Integrated with CRM and ERP systems?

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02 Quantify & Qualify Data

Key Questions

1. HOW MANY ACTIVE UNITS ARE IDENTIFIED?

You know how many units you've sold but how many are still in use?

For these units have you collected usage data?

2. WHAT LIFE STAGE ARE THEY AT?

Each life stage represent an opportunity from service contracts to parts and repairs to overhaul, upgrade and trade-ins

3. WHAT USAGE DATA DO YOU HAVE?

This knowledge enables targeting of complementary products an services

4. HOW DO YOU IDENTIFY MORE UNITS?

What is the best way to register new products and incentivise customers to provide data on existing units?

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03 Measure & Monetise

Key Questions

1. HOW WILL YOU SEGMENT?

Product category, industry sector, geography are all common segmentations

2. HOW WILL YOU TARGET ACTIVITY?

- Sales or service teams?.
- Are new product and services needed?
- Which segments will you prioritise?

3. WHAT KPIS WILL YOU INTRODUCE?

- Revenue/margin per product?
- Ratio of after sales revenue/margin vs. finished product revenue/margin?

4. HOW WILL YOU DRIVE THESE KPIS?

- From the centre or through local teams?
- What rewards will be offered for success?

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04

Share & Strategise

Key Questions

1. WHAT IS THE FULL POTENTIAL FOR THE INSTALLED BASE?

How much money is being spent using, maintaining and upgrading your installed equipment?

2. WHAT IS YOUR CURRENT SHARE?

- Of consumable revenue?.
- Of service income?
- Of spares, add-ons, overhaul and/or upgrade budgets?

3. WHO ARE YOUR COMPETITORS?

- Who else lives off your installed base?
- What benefits do they offer? At what point do they switch from you and why?

4.WHAT IS YOUR STRATEGY?

- To increase your knowledge of the installed base and share of revenue generated?
- How will you communicate this strategy?

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05 Retain & Regain

Key Questions

1. HOW DO YOU DETECT NEW INSTALLATIONS?

- Do you partner with intermediaries who sell/install your products?

- Can your product be made to self-register?

2. HOW DO OU RETAIN CUSTOMERS?

- What are the critical touch points in the ownership cycle?.

- How do you continue to add value at each point?

3. HOW DO YOU IDENTIFY OST CUSTOMERS?

- Does your system alert you?

- Do you rely on field intelligence?

- Can you predict drop out danger?

4. HOW DO YOU WIN BACK BUSINESS?

- Do you have a specialist win-back team

- Do you know how to target competitor weaknesses?

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06 Enhance & Expand

Key Questions

1. HOW DO YOU IMPROVE DATA COLLECTION AND DATA USE?

- Can you automate?
- Can you encourage sharing across teams and territories?

2. CAN YOU COLLECT COMPETITOR DATA?

- On your installed base competitors to retain and regain.
- On finished product competitors for increased product sales

3. HOW DO YOU INTEGRATE & SHARE?

- Data must be accessible at point of need
- Mobile and cloud based systems are a must as is data security

4. DO YOU MONETISE OR NOT?

- Your installed base can be a goldmine
- Your business may change focus from product led to service driven.

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Check List for Success

✓ **Appoint an Installed Base Manager**

✓ **Collect and analyse data**

✓ **Develop an IB business strategy**

✓ **Set KPIs to measure and monetise**

✓ **Create lockins for attached assets**

✓ **Target revenue at unattached assets**

✓ **Win back campaigns for lost business**

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Further Information

This presentation has been updated in February 2020

About the Author

Chris Dunn is passionate about the power of digital transformation and customer experience to create brand value, customer loyalty and competitive advantage.

His career stretches back 35 years during which time he has developed fast growing, profitable businesses serving B2B and B2C markets in the UK and internationally.

His company Chris Dunn Consulting Services Limited provides business coaching and management consultancy to companies to help them drive change management and business development.

Chris is a long-standing mentor on the Cambridge Venture Project run by the Cambridge Judge Business School.

He writes a regular blog to pass on business advice as well as posting handy hints and tips through regular posts on LinkedIn and Facebook.

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