



# Aftermarket Disruption: The Journey from Break-fix to Maximized Product Uptime

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# The World Is **Changing**



**Service expectations  
are changing rapidly**

**Retailers are threatening  
OEM service parts revenue**

**After-sales garnering  
increased executive attention**

**Manufacturers must  
transform models to survive**

# Transaction-based Break/Fix Model





# Subscription-based Uptime Model







**Maximized Product Uptime is the Future...  
and the Future is NOW.**





# 66%

of **OEMs** said they feel pressure from the executive suite (and it is a critical priority) to shift away from a break-fix model and move forwards one focused on product uptime.

# 98%

of **end users** said they want to see more OEMs offer **service agreements** that offer maximized product uptime.



Do you believe it is possible for your service organization to develop and deliver a strategy based on maximized product uptime?

**33%**

YES,  
we are already  
doing this.

**39%**

YES,  
this will be possible  
in the next  
two years.

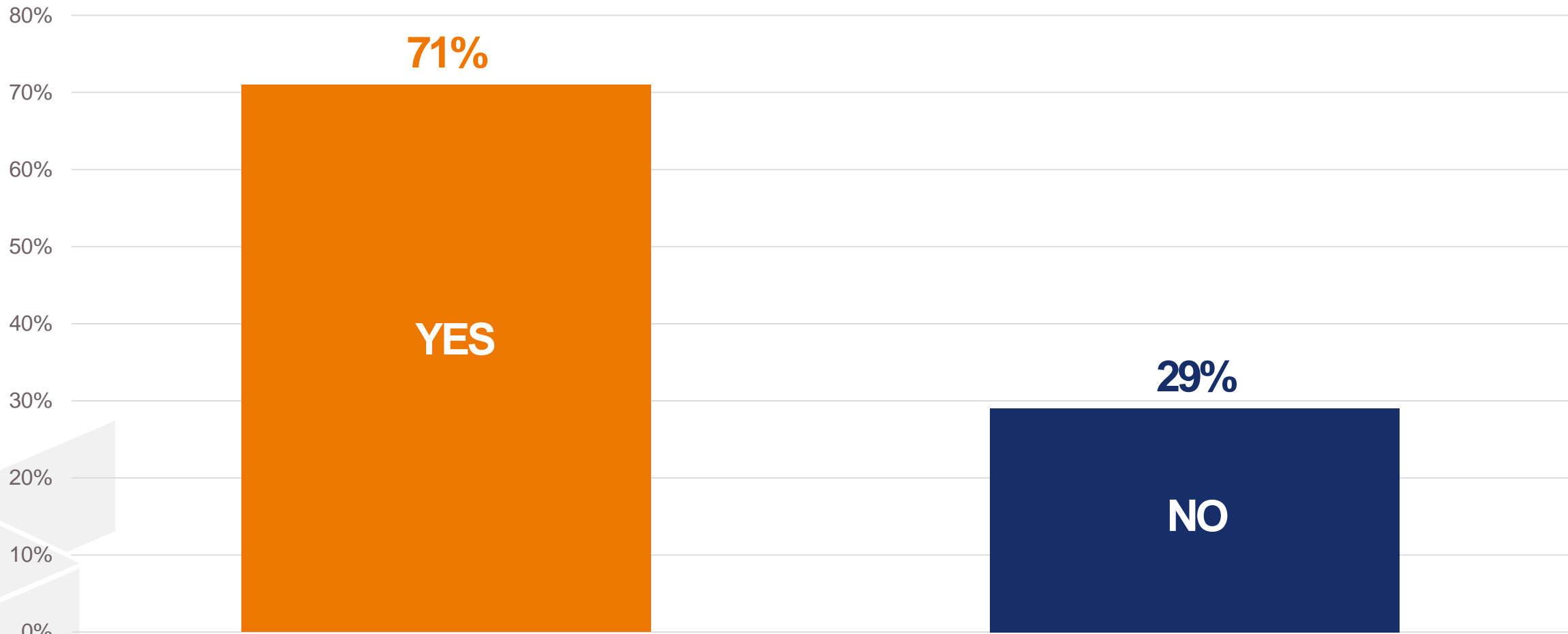
**22%**

YES,  
but this is 2+  
years away.

**5%**

NO,  
this is not possible  
for us.

# Are you currently gathering data from sensor-equipped products in the field?







**25%**

**Yes, we are already using the data collected from sensors to support maximized product uptime.**

**51%**

**We have the systems in place, but we will have more work to do.**

**20%**

**We are just getting started.**

**4%**

**We are not doing this at all.**



**70%**

**Lack of staff & training to support the model**

**59%**

**Challenges with pricing**

**55%**

**Lack of infrastructure to support the model**

**53%**

**Budget constraints**



# Strong Customer Demand from the Market



**How important are an OEM's  
ability to deliver the following  
to your business?**



# 83%

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Said **predicting part failure before it occurs** is extremely important

# 67%

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Said **optimizing product functionality based on usage** is extremely important

# 61%

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Said **stronger analytics on product performance** is extremely important to my business

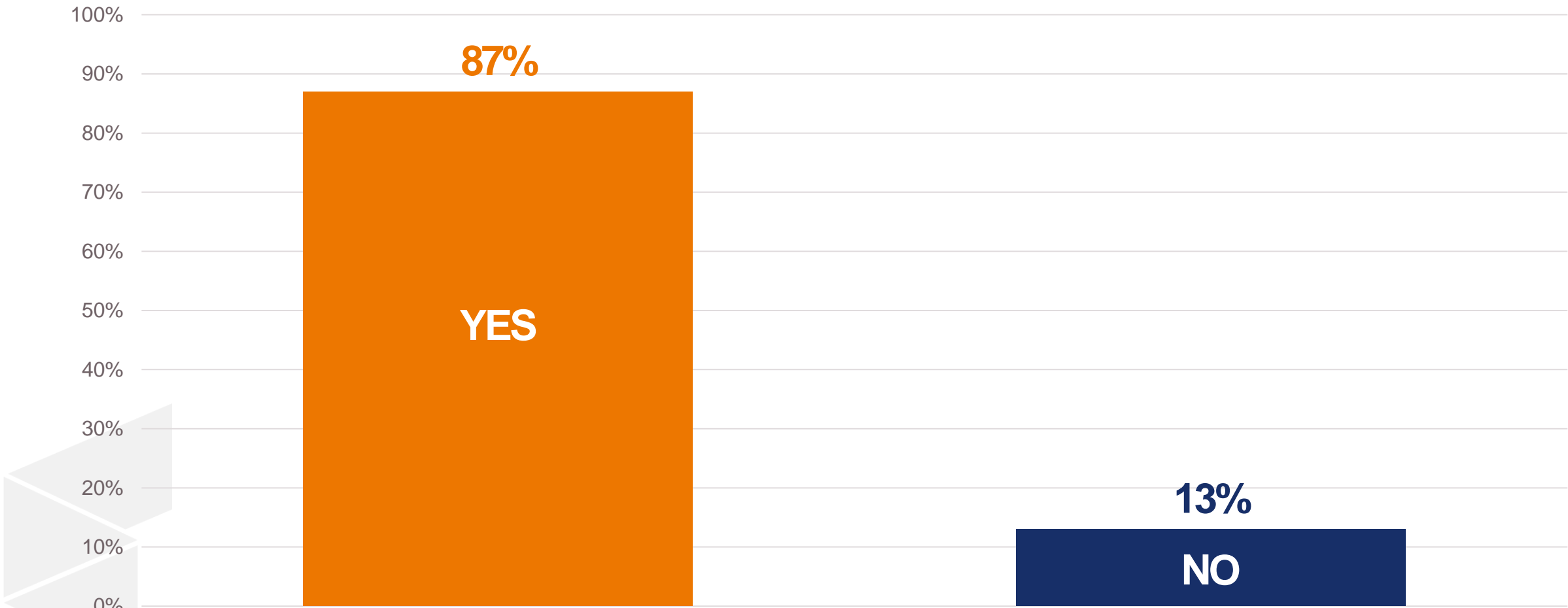


# 56%

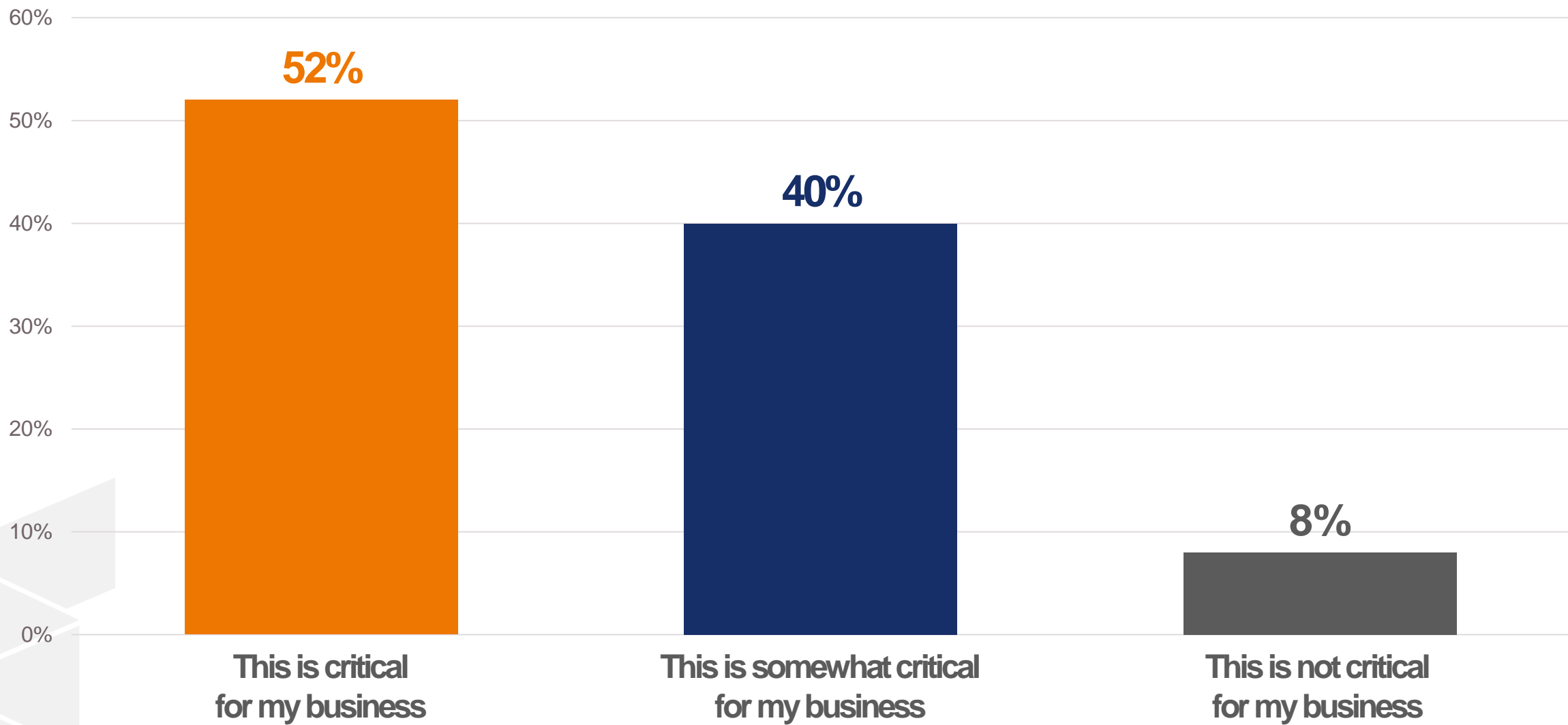
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Said **autonomous production** is  
**extremely important to my business**

# Do you think that a service agreement that guarantees maximized product uptime offers your business a competitive advantage?



# How critical is maximized product uptime for your business?





# Infrastructure & Resources are Critical to Meet Consumer Demands

# Internet of Things (IoT)

**22%**

**Major Investment**

**28%**

**Moderate Investment**

**33%**

**Minor Investment**

**17%**

**No Investment**

# Artificial Intelligence & Machine Learning

51%

Major Investment

29%

Moderate Investment

16%

Minor Investment

4%

No Investment



# Predictive Analytics

**44%**

**Major Investment**

**46%**

**Moderate Investment**

**8%**

**Minor Investment**

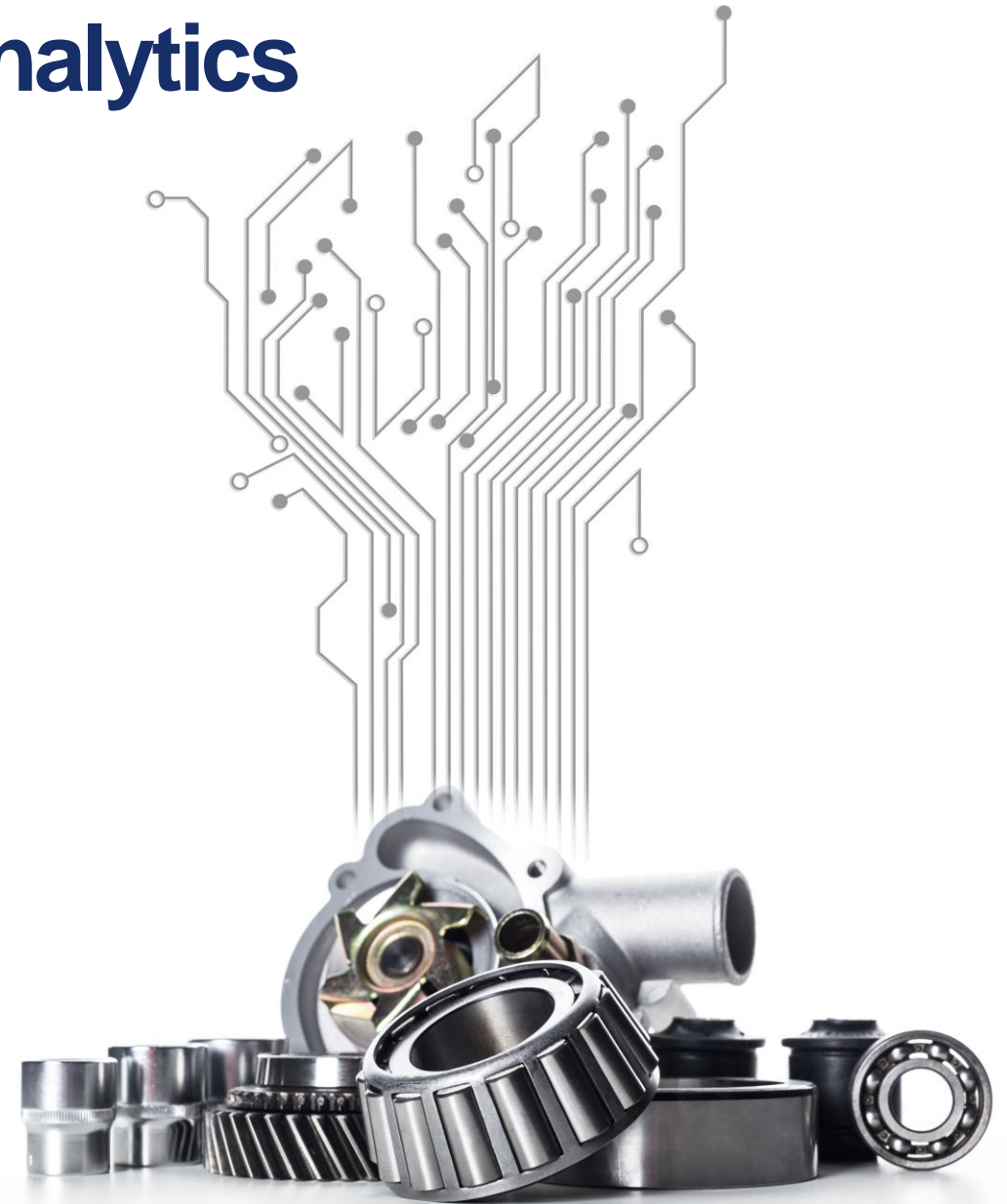
**2%**

**No Investment**

# In order to leverage predictive analytics you have to:

- Have data from your parts (IoT)
- Identify the patterns in your parts (AI & Machine Learning)
- Pass that data back to a team that can do something about

**Ultimately enabling you analyze the patterns from your parts to predict failure before it occurs.**



# 1

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# Predictive Demand Forecast



# 2

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## Predictive Pricing

# 3

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## Predictive Maintenance

# Infrastructure & Resources are Critical to Meet Consumer Demands

# 82%

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of OEMs surveyed said that they believe prospective customers would view their ability to deliver maximized product uptime as a factor in their purchasing decisions.



# 87%

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of end users said that a service agreement that guarantees maximized product uptime give them a competitive advantage.

# 58%

of OEMs said they believe customers are willing to pay more for service agreements that offer maximized product uptime.

# 57%

of end users said they would be willing to pay more for service agreements that offer maximized product uptime.

**Service expectations are changing**

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**Major retailers are threatening manufacturers'  
service parts revenue**

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**After-sales service garnering executive attention**

