



Weaving a Customer-centric Supply Chain Through Effective After-sales Services

Procurement Outsourcing (PO)

Market Report – August 2020: Complimentary Abstract / Table of Contents

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- Tracking services | Service providers, locations, risk
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Membership information

- This report is included in the following research program(s)
 - [Procurement Outsourcing \(PO\)](#)
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Background of the research

Enterprises have been trying to manage their supply chain efficiently but have faced multiple challenges such as high cost of operations, changing customer preferences, and increasing risk and compliance issues. Customers are the final link in a supply chain and consumers of a product or service, and it becomes critical to ensure they are satisfied throughout the journey. After-sales services, commonly known as post-sales services, is a component of Supply Chain Management (SCM) that deals with the support a customer needs after purchasing a product or service. It includes multiple interaction points with the customer and can become a deal breaker or maker for an enterprise in this highly competitive landscape.

Efficient after-sales services help enterprises meet ever-changing customer demands and improve business outcomes. In recent years, enterprises have been leveraging digital elements such as analytics, IoT sensors, and blockchain in after-sales services to deliver value and improve experiences for multiple external stakeholders including customers, service partners, and regulatory bodies. Despite these steps, enterprises are failing to achieve the desired benefit because of multiple shortcomings in their execution. This report aims to provide ingredients for successful management of the after-sales service function based on multiple success stories across enterprises and service providers.

Scope of this report

- **Services:** After-sales services in supply chain management
- **Coverage:** Global

Overview and abbreviated summary of key messages

This research examines the importance of after-sales services and will assist enterprises and service providers in understanding the role of after-sales services in supply chain management to meet ever-changing customer demands and improve business outcomes. It provides comprehensive coverage across dimensions such as buyer objectives, key considerations, service provider initiatives, after-sales market size and adoption, and service provider landscape

Some of the findings in this report, among others, are:

Key emerging themes

- Objectives for supply chain are evolving beyond timely availability of raw materials / products
- After-sales services plays a key role in customer satisfaction and financial improvement

Key enterprises challenges and considerations

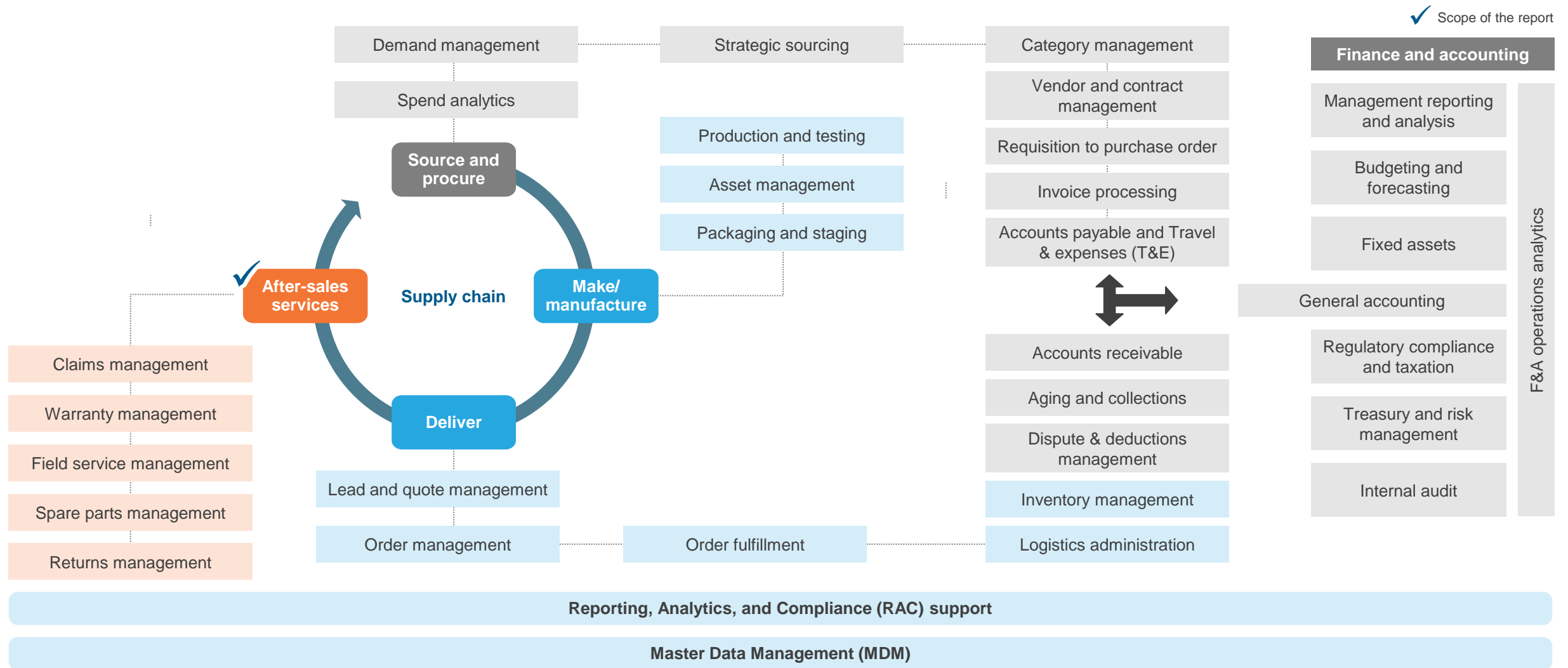
- Enterprises are facing multiple challenges in managing the after-sales services such as inability to achieve desired margins, customer dissatisfaction, risk and compliance issues, and business continuity risks
- Enterprises can leverage a few considerations such as adoption of digital technologies and process improvement to overcome the existing challenges in after sales services

Third-party provider landscape and after-sales BPO overview

- Various kind of third-party providers such as engineering services providers, last-mile support providers, IT support providers, after-sales specialists, and broad-based BPO providers provide after-sales support
- BPO providers offer a unique value proposition to enterprises, leading to fast-paced growth in the after-sales market
- The after-sales BPO market registered a growth of about 21% to reach ~US\$500 million in 2019
- Industrial economies of North America and Europe lead after-sales BPO adoption as they look to cut costs and streamline processes
- Stand-alone after-sales BPO contracts are limited and are often sold along with broader SCM services or as part of multi-tower deals

Scope of the report

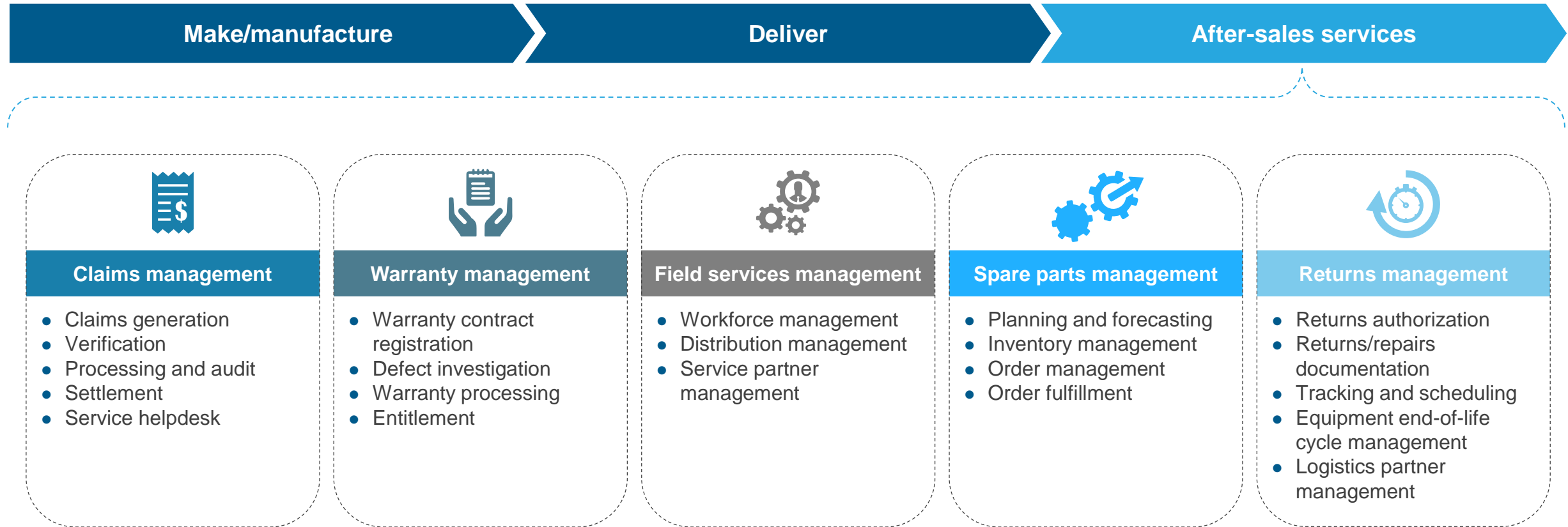
After-sales services – one of the three key subfunctions of Supply Chain Management (SCM)



Introduction of after-sales services in SCM

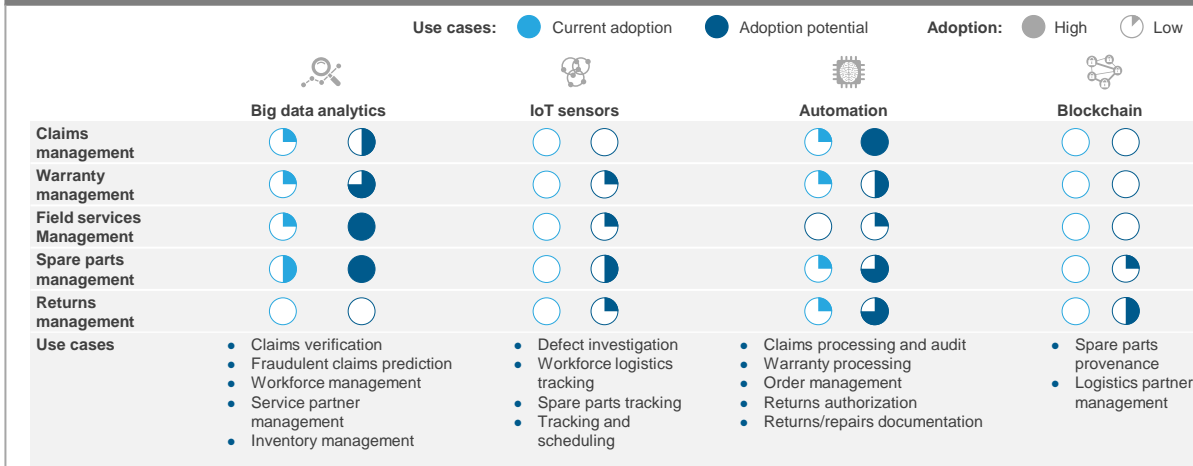
After-sales includes the services that enterprises provide consumers post sale of a product or service

Enterprise supply chain flow with deep dive into after-sales services



This study offers four distinct chapters providing a deep dive into key aspects of after-sales SCM market; below are four charts to illustrate the depth of the report

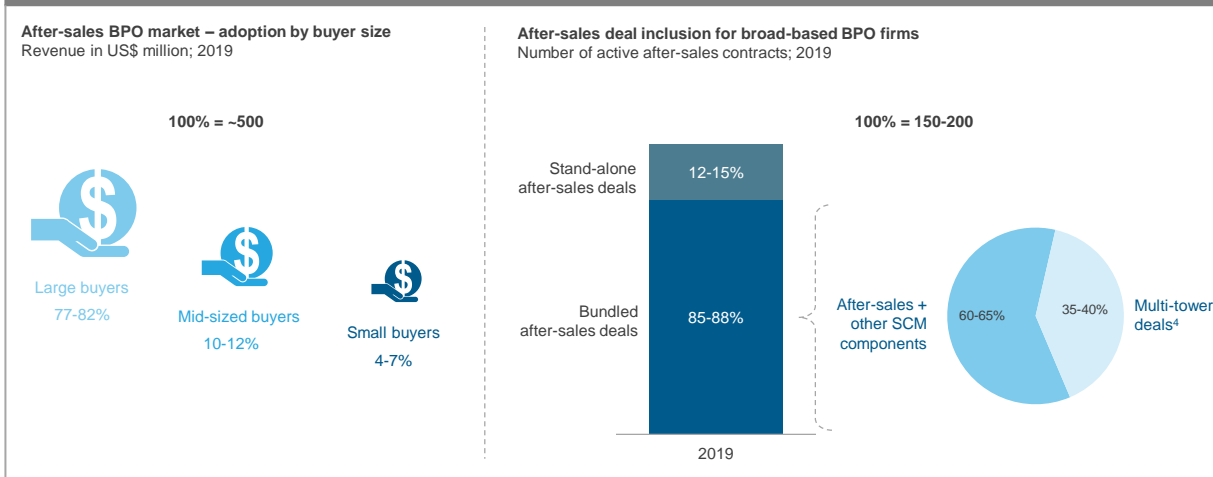
Adoption trend of digital solutions across after-sales processes



Alignment of external stakeholders' expectations with internal enterprise goals



After-sales BPO market – adoption trends



After-sales BPO market – service provider landscape

Service provider	Market standing ¹	Capabilities and investment ²	Comments
Service Provider 1			<ul style="list-style-type: none"> Service provider 1 leverages its strong domain expertise in broader SCM to support clients in after-sales services It offers digital field services solutions by leveraging IoT sensors to help clients in services such as asset monitoring and predictive maintenance
Service Provider 2			<ul style="list-style-type: none"> Service provider 2 after-sales portfolio is relatively small. However, it has made significant investments over the past few years to develop a comprehensive set of after-sales capabilities Some of the investments include blockchain-based reverse logistics, custom sensors, and IoT platforms for supply chain security
Service Provider 3			<ul style="list-style-type: none"> Service provider 3 is one of the few providers with strong experience in serving mid-market manufacturing clients
Service Provider 4			<ul style="list-style-type: none"> While Service provider 4 has good digital capabilities, its current focus on after sales segment is relatively less It offers solutions such as Product Predictive Maintenance and Customer Analytics Dashboard to optimize spare parts and reduced warranty costs
Service Provider 5			<ul style="list-style-type: none"> Service provider 5 has an analytics-led approach supported by its strong analytics practice to help enterprises make targeted decisions through solutions such as behavior analytics
Service Provider 6			<ul style="list-style-type: none"> It has small clientele in the after-sales services segment and most of its current after-sales are part of broader IT+BPO deals It leverages partnership network such as with MIZE and PTC to offer spare parts and warranty management solutions

Research calendar – Procurement Outsourcing (PO)

Flagship PO reports

Release date

Procurement Outsourcing (PO) Annual Report 2019: Evolving Imperatives for Procurement and What a Chief Procurement Officer (CPO) Should do to Remain Relevant.....	July 2019
Supply Chain Management (SCM) BPO – Service Provider Landscape with Services PEAK Matrix® Assessment 2020.....	December 2019
Supply Chain Management (SCM) Business Process Outsourcing (BPO) Service Provider Compendium 2020.....	February 2020
Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020.....	June 2020
Procurement Outsourcing (PO) Service Provider Profile Compendium 2020.....	Q3 2020
Procurement Outsourcing (PO) State of the Market Report 2020.....	Q3 2020
Supply Chain Management (SCM) BPO State of the Market Report 2020.....	Q3 2020

Thematic PO reports

Journey Toward Integrated Supply Chain Management.....	June 2019
The Changing Priorities of Chief Financial Officers (CFOs) and Chief Procurement Officers (CPOs).....	July 2019
Business-Process-as-a-Service (BPaaS) Adoption Debunked – Current and Future Direction.....	September 2019
Application of Blockchain in Supply Chain Management – A Trailblazer Analysis.....	October 2019
Unlocking Digital Category Management.....	March 2020
Weaving a Customer-centric Supply Chain Through Effective After-sales Services.....	August 2020
Buyer Trends in Procurement and Supply Chain Outsourcing.....	Q3 2020

Note: For a list of all of our published PO reports, please refer to our [website page](#)

Additional PO research references

The following documents are recommended for additional insight on the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

- 1. Journey Toward Integrated Supply Chain Management** ([EGR-2019-22-V-3215](#)); 2019. Supply Chain Management (SCM) is evolving from ensuring supply chain security to an all-encompassing activity where everything from cost savings to turnaround-time reduction to regulatory compliance management are important. Integration across different supply chain functions is of prime importance to cater to the broadened scope of SCM. BPO service providers – with the right people and technology resources – are the best suited to help enterprises in achieving supply chain integration
- 2. Supply Chain Management (SCM) BPO – Service Provider Landscape with Services PEAK Matrix® Assessment 2020** ([EGR-2019-22-R-3451](#)); 2020. This report examines the dynamics of the global SCM service provider landscape and its impact on the SCM market. Based on the comprehensive Everest Group PEAK Matrix, each of the 14 SCM service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights into service provider position and growth in the market, changing market dynamics, and assessment of service provider delivery capabilities. It will assist key stakeholders (service providers, organizations, and technology providers) to understand the current state of the SCM service provider landscape.
- 3. Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020** ([EGR-2020-22-R-3763](#)); 2020. With increasing emphasis on delivering business outcomes, service providers are investing in value creation levers such as service delivery automation, advanced analytics, and category expertise to act as strategic partners for organizations in their procurement transformation journeys. This is driving rapid changes in the Procurement Outsourcing (PO) service provider landscape. This report examines the dynamics of the global PO service provider landscape, and detailed profiles and assessments of 17 PO service providers featured on Everest Group's PEAK Matrix® for PO Services.

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