

**CARGOTEC**

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## Services – Regional distribution centers to bring efficiency to spares logistics



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# Service market outlook

## Key market drivers

- Growing container flow intra Asia, Asia – Europe, Transpacific
- Increasing road and rail transportation
- Increasing oil consumption and oil prices will increase service demand in offshore industry
- Demand for environmental friendly products
- Focus on core competences, outsourcing of other activities
- Increased intelligence/complexity of equipment requires sophisticated knowledge from service technicians

## Competitive landscape

- Increased focus on service as growth potential
- In addition to Western OEMs also Asian competitors starting to build own service networks and operate world wide
- Price competition through local and Asian competitors in emerging markets

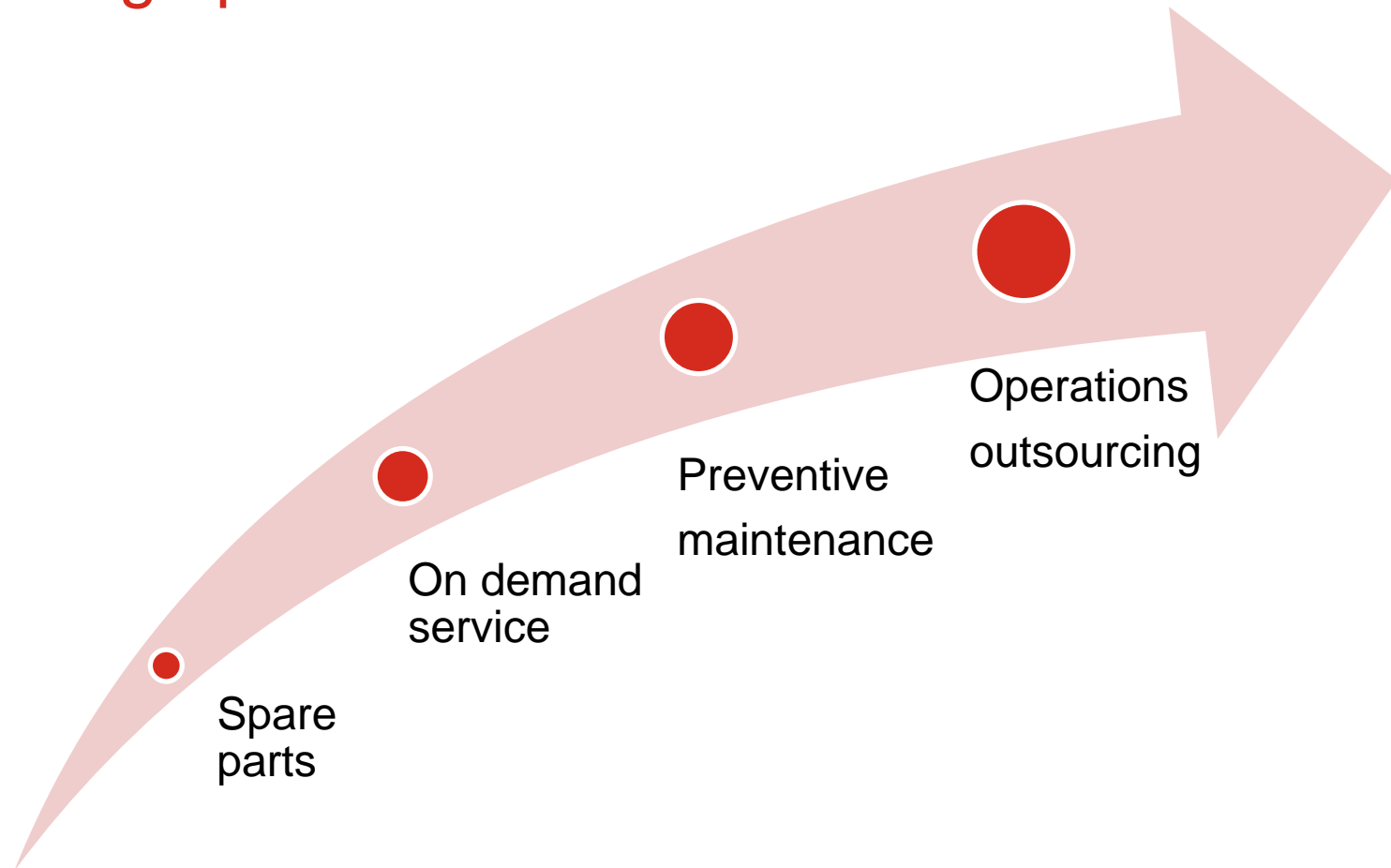
## Customer value proposition

Innovative added-value service solutions

Global presence, local support

High quality on demand services

# Growing up the value chain



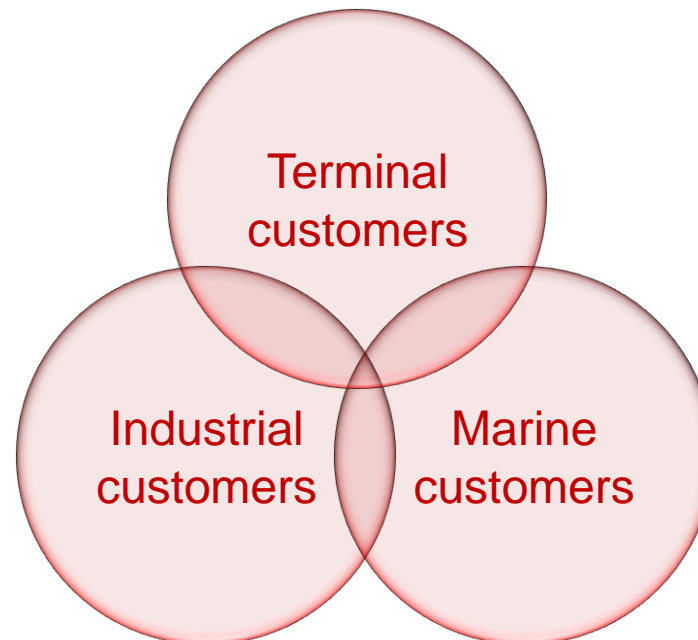
Develop new Service solutions

# Improved understanding of customers businesses and needs

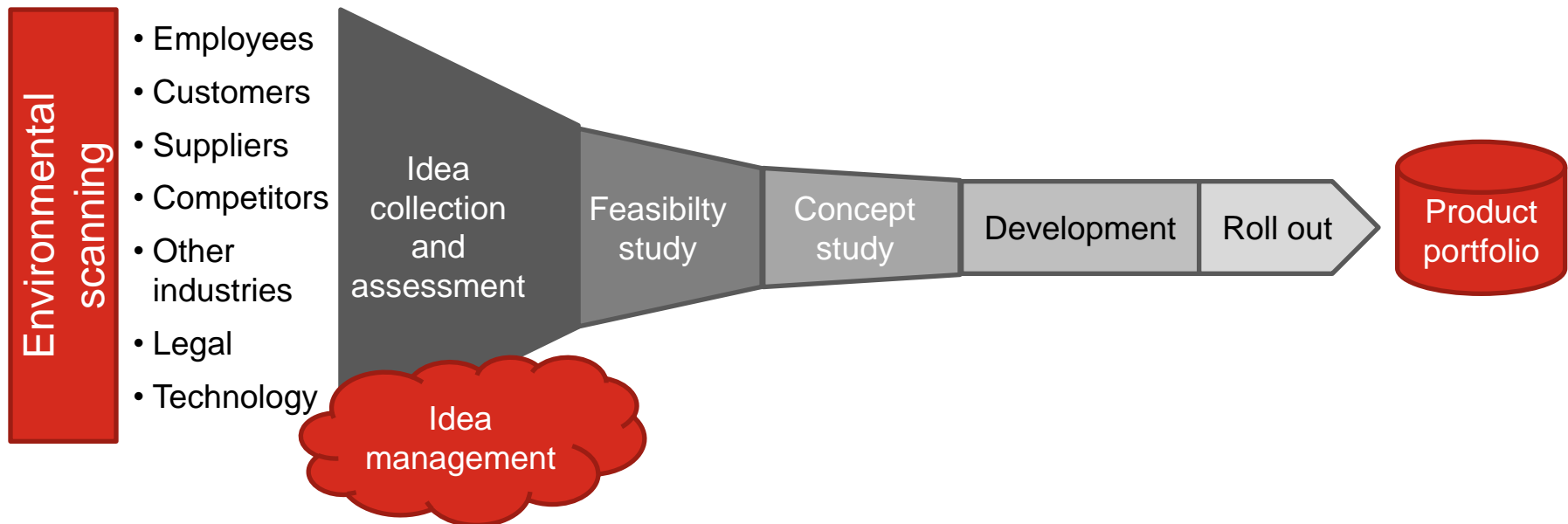


**From product orientation....**

**...to customer orientation**



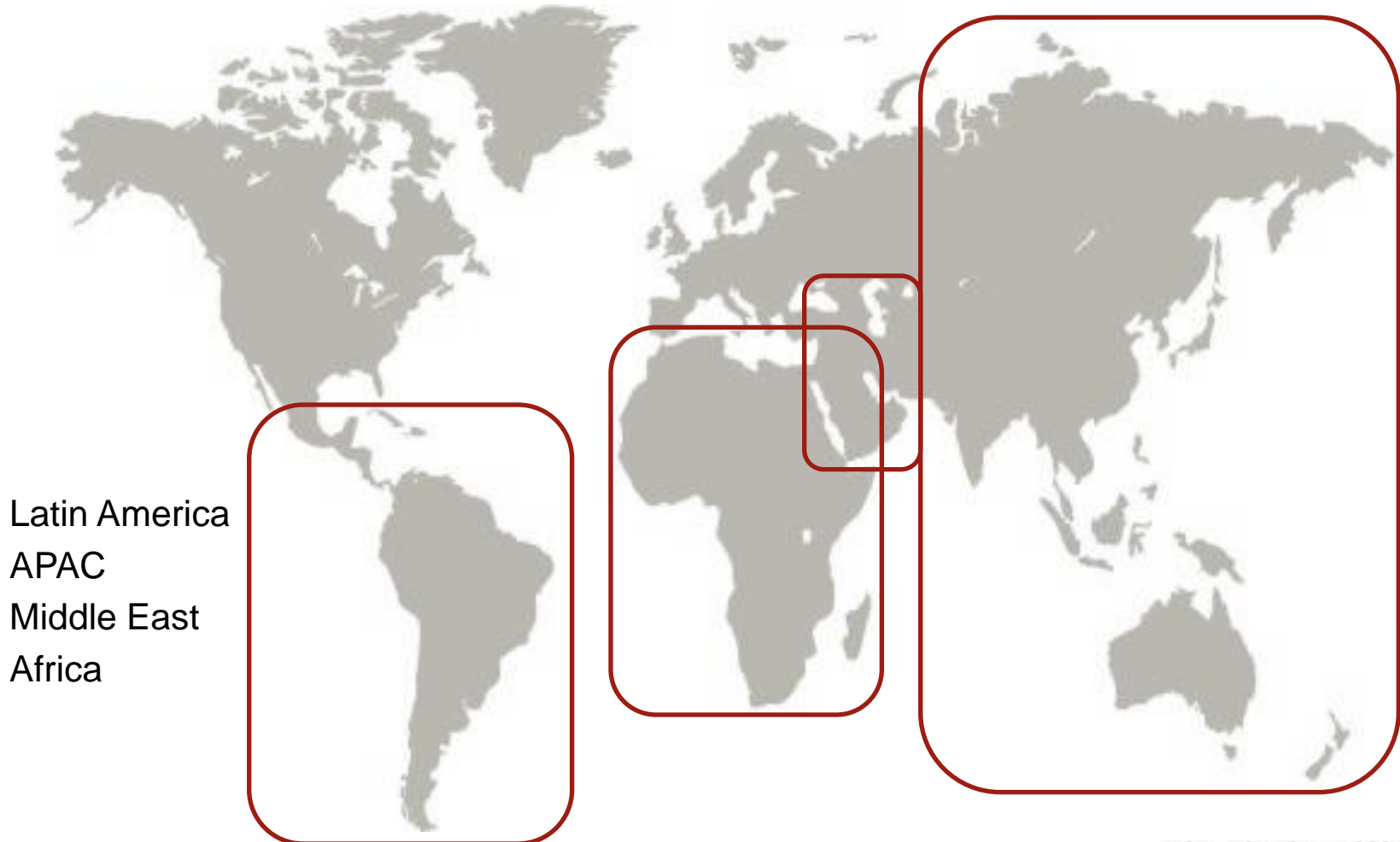
# Implementation of an „industrial“ process to generate ideas and develop new service products



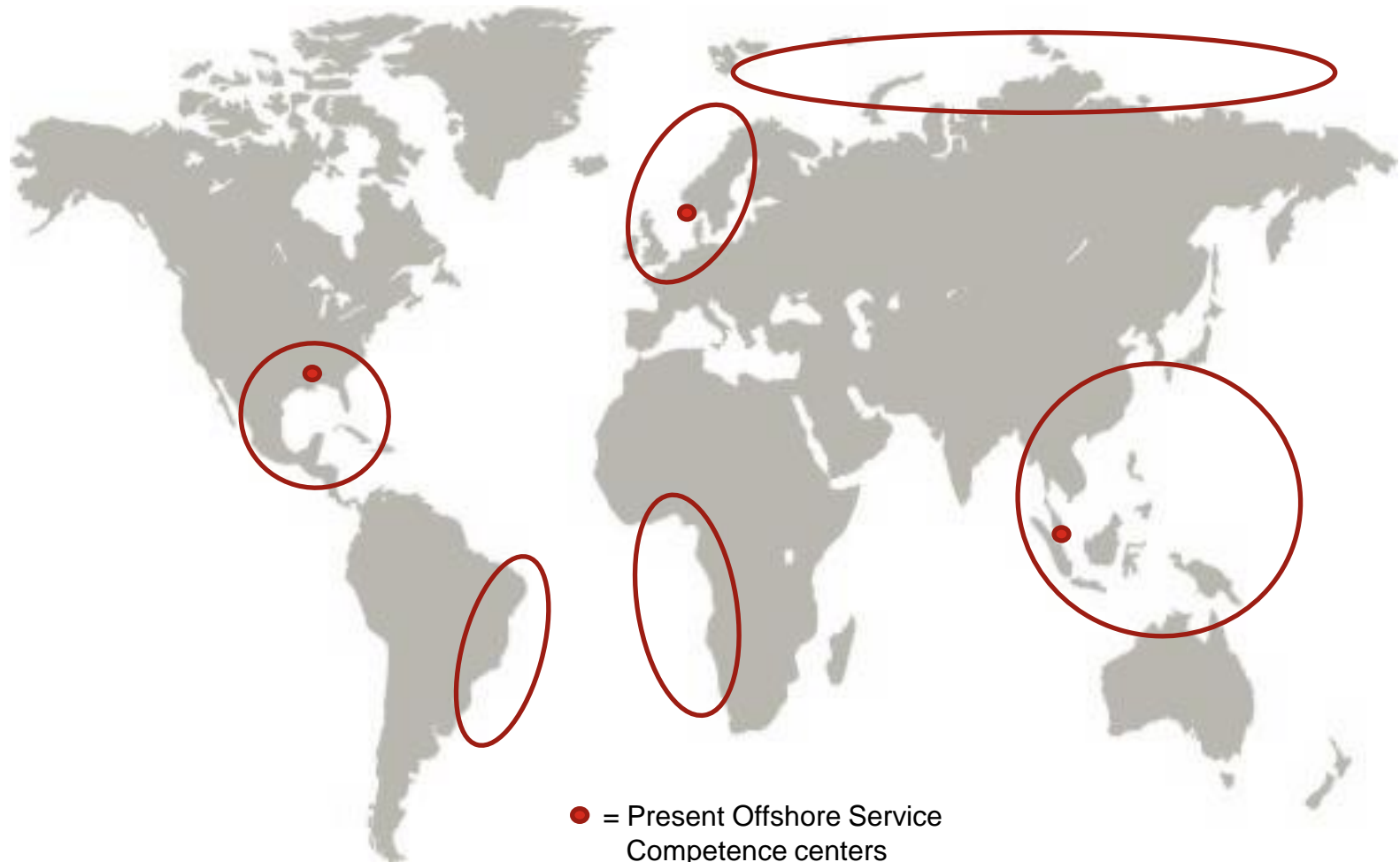


# Footprint, market and segment development

# Services footprint development opportunities

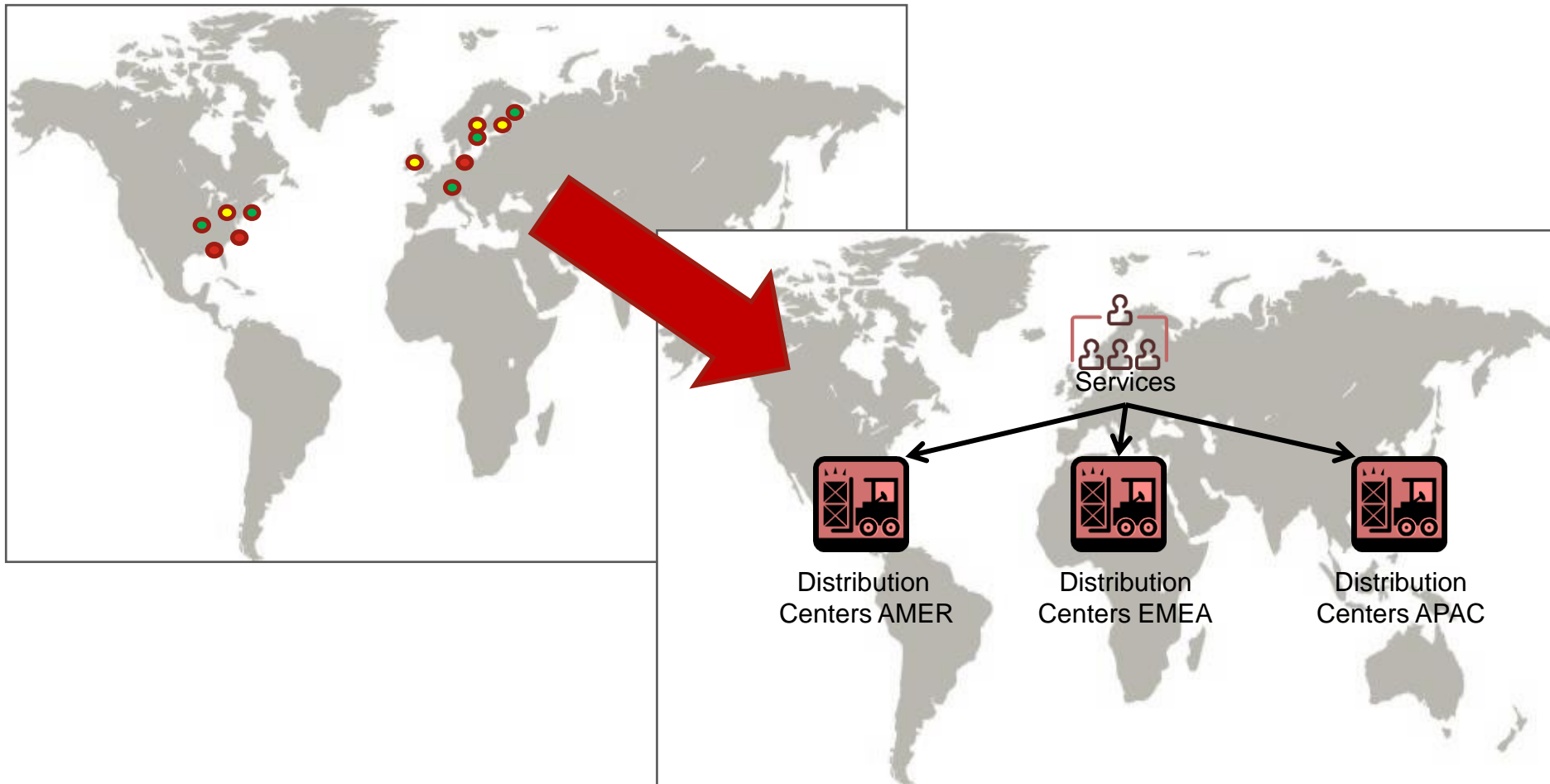


# Offshore Service market development opportunities

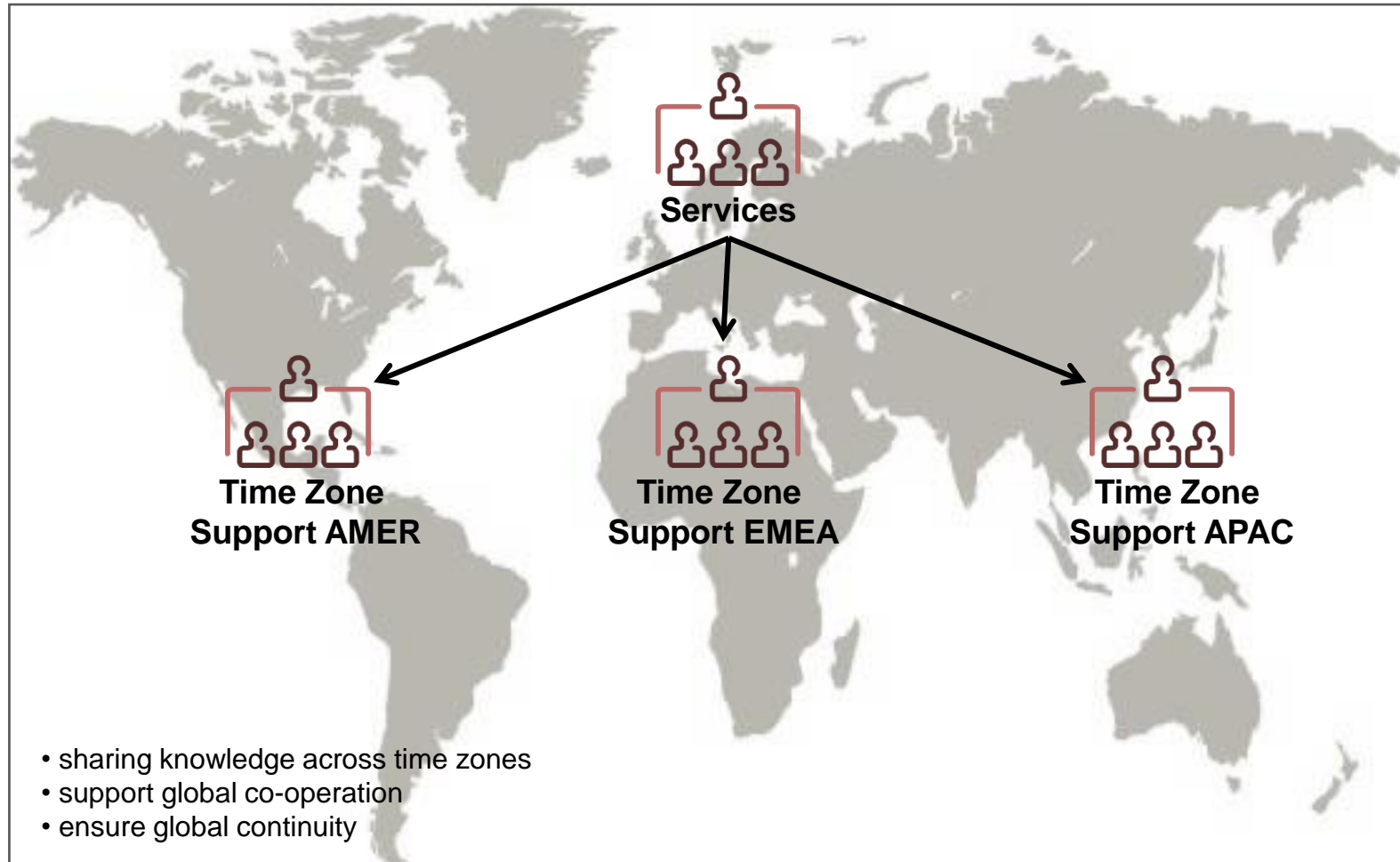


# Grow the spares business

## From main hubs to Regional Distribution Centers



## Improved time zone support in line with the Regional Distribution Centers



## Other spares related initiatives

- Merge central parts purchasing organisations
- Consolidate the supplier base and move base to CEE/CIS countries and far east
- Extend e-commerce (C-Parts)
- Operate and extend implementation of Spare part & Service product and pricing management tool



# Building the Cargotec Services organisation



## Two steps to build the Cargotec Services organisation

1. Building the central Services organisation
  - Customer focused competence centers
  - Central functions for spare parts, services development and projects
2. Building Cargotec service regions
  - One frontline organisation to serve our customers



## Benefits from one Service organisation

- Economies of scale in parts business
- Use of best practices
- Bigger pool of service engineers (cross training)
- Better utilisation of service engineers
- „footprint expansion“
- Synergies in management and administration



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