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

- Spare parts
- On demand service
- Preventive maintenance
- Operations outsourcing
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

- Environmental scanning
  - Employees
  - Customers
  - Suppliers
  - Competitors
  - Other industries
  - Legal
  - Technology

Idea collection and assessment

Feasibility study

Concept study

Development

Roll out

Product portfolio
Footprint, market and segment development
Services footprint development opportunities

- Latin America
- APAC
- Middle East
- Africa
Offshore Service market development opportunities

- Present Offshore Service Competence centers
Grow the spares business
From main hubs to Regional Distribution Centers

Distribution Centers AMER
Distribution Centers EMEA
Distribution Centers APAC
Improved time zone support in line with the Regional Distribution Centers

- sharing knowledge across time zones
- support global co-operation
- ensure global continuity
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
we keep cargo on the move™