

Pentair Anticipates Huge Cost Savings by Streamlining Service Operations with ServiceMax



Company

Pentair (www.pentair.com) is a diversified operating company headquartered in Minneapolis, Minnesota. Pentair's Technical Products Group is a leader in the global enclosures and thermal management markets, designing and manufacturing thermal management products and standard, modified, and custom enclosures that house and protect sensitive electronics and electrical components. With 2008 revenues of \$3.35 billion, Pentair employs approximately 13,100 people worldwide.

Challenges

Pentair conducts up to ninety percent of its service through partners yet, there was very little visibility both into partner performance and inventory usage as well as for partner's into Pentair's business. This made the complex operations of delivering service on the company's products in an efficient manner difficult. Many processes were manual or kept track in multiple spreadsheets. One of the main issues was inventory leakage. Pentair could not tell accurately how much inventory service partners had on hand because it was not being tracked consistently—which led to costly write downs. The company was also losing money each year through incorrect, wrong, or fraudulent warranty claims on spare parts maintained at partner locations. "We really needed a solution that could help us track and maintain our service business much better than we had been doing in the past," says Mike Tacconi.

Solution

Pentair discovered ServiceMax and realized that the solution could help automate and streamline its service business. One of the key reasons Pentair went with the ServiceMax Suite is that it was based on a web-based cloud computing delivery model. There would be no costly hardware investment or software to maintain or upgrade. The Cloud architecture also meant that scalability wasn't an issue and customization was relatively easy. All Pentair partners and resellers were given access to the portal edition of the ServiceMax Suite. Partners enter field repair activity details via the partner portal, and they don't get paid if they don't update their inventory data. "With ServiceMax, we got a cost-effective and complete field service solution with the built-in sophistication our service operations require," says Tacconi.

Results

Pentair expects to save more than \$5 million annually by improving operational efficiencies, inventory management, and entitlement verification. The biggest win for Pentair with ServiceMax is capturing all installed base data including what is installed to the part number at each customer site, when it was serviced last, and warranty information. "This was huge for us," says Tacconi. "Just being able to know on any given day, at any time the history of all our products and their service status gives us a whole new way to run our business." From this foundation, Pentair can also manage its service partners more effectively to see how each is performing up to SLAs. And service partners get a secure view into Pentair's install base to ensure that they are delivering what was committed to customers. "ServiceMax gives us the insight and flexibility we need to remain competitive," said Tacconi.

Challenges

- Losing money on inventory write downs due to lack of visibility into service partner inventory usage.
- Inability to accurately determine customer service entitlements—losing money on giving away "free service."
- Manual processes create inefficiency and inaccurate information for running service operations.

Results

- Anticipated annual savings of approximately \$5 million per year by improving operational efficiencies, inventory management, and entitlement verification.
- Improved relations with vendors and resellers by increasing transparency.
- Increased response and repair turn-around times due to quick escalation, automatic notification, and seamless communication between tier 1 and tier 2 support groups.
- ServiceMax adoption is around 98 percent measured by role based daily logins.

"Our employees really like ServiceMax—our adoption rate is around 98%, and that includes partners. It's very easy to use, just like Salesforce CRM. We are really excited to expand on the solution with mobile capabilities for our field technicians."

Mike Tacconi, Director



ServiceMax

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