"This technology can level the playing field for smaller service providers and help them compete for any size customer."

— *Kevin Rusin, CFO, McKinley Elevator Corporation*

McKinley Elevator Uses ServiceMax & PTC Software to Compete With Bigger Firms

Most companies fear commoditization. It is a big threat to small service organizations as they typically lack the ability to control prices in their market, and it certainly had CFO Kevin Rusin worried as he considered the future of McKinley Elevator Corporation. McKinley provides residential elevators and accessibility lift products for homes, public-sector locations, and businesses. It serves a regional market that includes California, Nevada, and Arizona. While McKinley has a strong industry reputation as a distributor and is sought out by leading manufacturers to sell their products, it is not a unique provider in its market. That reality was disquieting as Rusin candidly admits. "Other companies sell what we sell." Without differentiators, the company ran the risk of being commoditized. Rusin knew McKinley needed stronger offers to avoid this trap and the inevitable downward pricing pressure that went with it.

Hollywood Points to Another Way

As Rusin mulled over ideas, he recalled one of McKinley's old service tickets. The company had installed a residential elevator for a well-known celebrity, and it had stopped working while the star was traveling. Rusin recalls thinking, "What if we could use sensors and software–an Internet of Things (IoT) application–to detect inoperable or failing parts and schedule maintenance calls before customers even knew there was a problem?" Creating a smarter service strategy fit well with the needs of McKinley customers who value having reliable elevators and accessibility lift products. In the most basic sense, downtime is simply not an option for someone who relies on a wheelchair lift or elevator. Rusin began to construct a strategy for delivering a service placed a high value on uptime, well-maintained equipment, and exceptional first-time fix rates. "That's where I saw the opportunity for us," he says.

Customer Quick Facts

INDUSTRY: Residential & Commercial Services

HEADQUARTERS: Irvine, CA

WEBSITE: www.mckinleyelevator.com

Bring in the Rocket Scientists

Rusin hired two actual rocket scientists with the engineering backgrounds required to develop and integrate equipment, sensors, and software. For over two years, this team and other staff worked on prototyping a homegrown IoT solution. While the company was making progress, Rusin hit a snag when a large customer liked the company's beta solution so much it asked for a full-scale rollout. "We didn't know how to make that happen", Rusin says. To create a market-ready solution, Rusin turned to ServiceMax, a company that for several years has been providing McKinley with cloud-based and mobile field service software and analytics solutions. "We formed a strategic partnership with McKinley," says ServiceMax certified consultant Thurman Keene. "It was a natural fit and a good way to create an offer McKinley could sell."

Combined PTC and ServiceMax Solution Delivers Insights

McKinley integrated its sensor data with ServiceMax's field service management application. This approach generated more client-specific information, but it was not the robust IoT solution that the team envisioned. A partnership between ServiceMax and PTC provided those missing capabilities. PTC worked with ServiceMax to integrate its outstanding field service portfolio into the PTC ThingWorx IoT platform. The integration provided the IoT-device support that Rusin originally wanted along with software features for enabling remote, predictive, and proactive service using outcome-based business models. "Now we can go back to our customer and tell them how we are going to roll out our service for them", Rusin says.

The new service from the ServiceMax and PTC partnership is called Connected Field Service (CFS). By combining smart sensors and complementary infrastructure and analytics, it will accelerate and simplify the onboarding process for implementing an IoT solution. Customers working with authorized business partners such as McKinley will be able to deploy turnkey solutions in as little as 90 days. McKinley already is seeing benefits from having increased visibility into its installed base of equipment. While the service industry's average first-time fix rate is around 60 percent, McKinley has achieved 88 percent and expects to eventually reach the mid-90 percent range.

Shift to Results Over Price

An additional IoT-enabled level of visibility into customer operations will soon empower McKinley to predict part failures and optimize parts stock in its warehouses and technician vehicles. Such insights will enhance first-time fix rate and maximize equipment uptime. Data provided by the solution also will support diagnostics ahead of site visits. It will be much easier for McKinley to dispatch technicians with the necessary parts and information to bring assets back online quickly, or ideally, before they fail. CFS analytics and algorithm-based alerts to customers and McKinley's service team will provide a treasure of actionable information.

Being alerted to potential safety issues and actual and imminent equipment failures will be the game-changer Rusin envisioned. With it, McKinley will be able to transition from being a reactive to a proactive service partner. "Our varied customer bases share the common priorities of getting their equipment fixed fast and identifying safety issues early," says Dave Carevich, McKinley director of business development. "To them, that is five-star value." Being able to fix equipment more quickly–or even before it fails–is allowing McKinley to achieve its overall objective. "We are changing the conversation with customers," Rusin says. "For organizations, we are talking about data and how we give them insights into their operation. And for homeowners, our insights allow us to deliver a previously unreachable level of safety and service. The conversation is not about price. It is now about extending the life of assets and maximizing uptime."

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About Predix ServiceMax

ServiceMax, from GE Digital, leads the global industry of field service management software—an estimated $25 billion market worldwide. The company creates solutions for the 20 million people globally who install, maintain, and repair machines across dozens of industries as the leading provider of complete end-to-end mobile and cloud-based technology for the sector.

About GE Digital

GE Digital is the leading software company for the Industrial Internet, reimagining industry's infrastructure by connecting software, apps and analytics to industrial businesses to drive a Predix-powered world. GE Digital creates software to design, build, operate and manage the entire asset lifecycle—enabling industrial businesses to operate faster, smarter and more efficiently. For more information, visit www.ge.com/digital.

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