



After Sales

The purpose of this practice is to create customer solutions. These can include a variety of after sales services such as training, consulting, technical support, repairs, upgrades, inspections, and maintenance. The addition of these services boost revenue, provide opportunities for upselling or cross-selling, provide further understanding of customers, and are a source of differentiation. However, it is accepted that the provision of these services adds greater complexity to the business and skilled management is required.

Using 'After Sales'

Step 1: Identify the products that are to be supported. This requires the selection of options from, for example, current or past products, those considered low or high-end, or those from other suppliers.

Step 2: Design a portfolio of service products. Create various options for customers derived from their requirement for support and their ability to pay. For example, these could range from a 'silver' option which is slower and cheaper, to 'gold' support which is faster, but more expensive. Key to this stage is achieving a balance between having too many or too few support options.

Step 3: Employ a business model based on the product and level of support offered. The available options can include pay-per-use, a fixed warranty price, leasing with or without an option for purchase, a fixed price plus agreed upon margin, a performance-based model, or payments made for each hour of the service used.

Step 4: Determine the organisational structure, clarify responsibilities, and ensure that any conflicting goals are aligned. It is not uncommon for the after sales service to be outsourced.

Step 5: Create a supply chain for the new service by deciding under which circumstances products will be replaced or repaired and where inventory will be stored. These decisions determine the cost and speed of the service.

Step 6: Monitor the performance of the service by ensuring that customer-focused metrics, including waiting times, are acceptable. It is beneficial too for the organisation to keep track of new technologies that have the potential to enhance the service.

