



50 Years of Growth, Innovation and Leadership

Service Relationship Management (SRM) and its Relevance to the Utilization and Performance of Commercial Assets

A white paper by Frost & Sullivan

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An overview of the Decisiv SRM Ecosystem and SRM

One of the most critical factors to success in the transportation and logistics industry is asset uptime. Effectively managing service events and breakdowns is a critical requirement, especially when heavy-duty (HD) Class 8 tractors are driven an average of nearly 104,000 miles each year and owned for more than six years before replacement, medium-duty (MD) diesel engines are rated with an approximate usable life of 300,000 miles, and the lifecycles of construction machines reach 20 years in some instances.

The biggest challenge when an asset requires service, maintenance, or repair is turnaround time, taking into account the amount of time it will take to gather all appropriate authorizations, instructions, documentation, and approvals. To tackle turnaround time and reduce downtime, an effective method of communication, collaboration, and sharing of information among all parties needs to be established. Traditionally, communication is largely handled by phone and email or via individual software platforms, which can lead to a disjointed approach, increased repair costs, and a waste of productive time. This makes it important to manage interactions between vehicle manufacturers, dealers, service locations, and fleet owners as well as new market entrants.



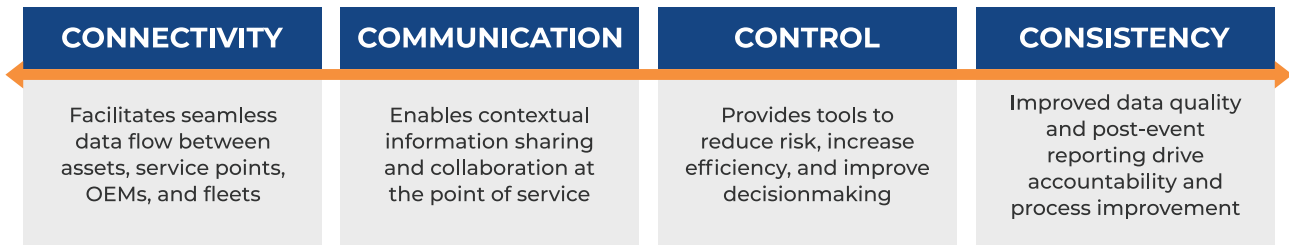
The Decisiv Service Relationship Management (SRM) Ecosystem fulfills this need by streamlining interactions into one connected service platform, with ready access to all participating partners: fleets, dealer and service locations, truck and component manufacturers, asset owners and operators, and equipment and component manufacturers. Decisiv started with a community of several key OEMs, their service providers and fleet owners. Since that time, our ecosystem has expanded in power and scope to include independent service providers, lessors, fleet management companies and systems providers, additional OEMs, Tier-1/aftermarket providers, dealer management systems, data providers, and a plethora of other digital service providers.

Currently, more than 7 million assets and 4,500 dealers and service providers are in operation, and the Decisiv SRM Ecosystem has 40,000 active users across the globe.

And we continue to grow. Vehicle manufacturers, telematics vendors, and fleet operators are increasingly adopting SRM to make their commercial assets more productive and their business more profitable.

The Decisiv platform effectively manages and measures complex service and repair events for high-value assets in trucking, construction, industrial power, and other industries to drive asset uptime and utilization. The platform offers a shared view portal, customized reporting, real-time notification and updates, integration with fleet and dealer maintenance systems, estimates and invoice matching, standardized repair plans, real-time communication, QR codes and mobile inspections, pending and recommended operations, and access through any device.

In short, the Decisiv SRM Ecosystem aggregates and organizes data from disparate sources, connects all stakeholders, and unifies the entire asset service event process based on Decisiv's 4C assessment methodology: Connectivity, Communication, Control and Consistency.



The emergence of SRM in this decade and its increasing role in the future

Ensuring asset availability and performance—present and future—is key for a business to generate revenue, support profitability, and drive greater customer value. Monitoring such values is easy in certain operations where active, direct control can be exercised on the asset. However, it is more challenging in operations that do not provide the same level of transparency or where more complex communication is required. These areas offer the greatest potential to tap into unaddressed opportunities using SRM.



The advent of IoT has highlighted the emergence of SRM as one of the main drivers in dramatically improved operational efficiencies in such gray areas. SRM brings greater control and efficiency to service events by providing organized structures, streamlined communications, and outstanding visibility. In essence, it pushes all the levers of efficiency, yielding mutual benefits for all parties involved.

SRM was born as a collaboration tool between manufacturers, commercial

asset service providers and fleets to manage repair and maintenance activities. SRM facilitates rapid case creation, communication and scheduling, allows service status to be tracked, and records all the details of the service performed. Today, it has transformed the entire service value chain, connecting and integrating a range of diverse participants into a single, rich and interactive asset service ecosystem.

The effectiveness of an asset service ecosystem is drawn from the collective strength of its service event participants—manufacturers, service/call centers, service providers, fleet owners, fleet operators, leasing/financing companies, and technology providers—working together to enable direct and constant exchange of data, decision-making, approvals, and communication. As the sophistication of commercial assets increases, the need for collaboration and streamlined communication across a rapidly expanding ecosystem becomes even more critical.

Commercial assets in a future CASE and AI world

The benefits of connectivity, information exchange, and real-time data treatment will be further leveraged in the coming CASE and AI-supported world. These building blocks will evolve from individual, isolated concepts to converge and synergistically reinforce each other and drive the creation of new business models for additional monetization opportunities.

- **Connected:** Telematics are offering integration capabilities that meet the demand for connectedness and access to real-time insights across operations, processes, and multiple participants. The telematics market is expected to grow at a CAGR of 18% between 2018 and 2025, with vehicle-to-everything further enhancing communication between the vehicle, infrastructure and overall environment.

- **Autonomous:** Major commercial vehicle (CV) OEMs view North America as their main development and testing market for autonomous driving technologies, with the promise to deliver safer and more economically attractive solutions.

For example, hub-to-hub applications have the

potential to address the ongoing challenge of driver shortages in the HD vehicle arena, while bots and drones are poised to revolutionize last-mile delivery.

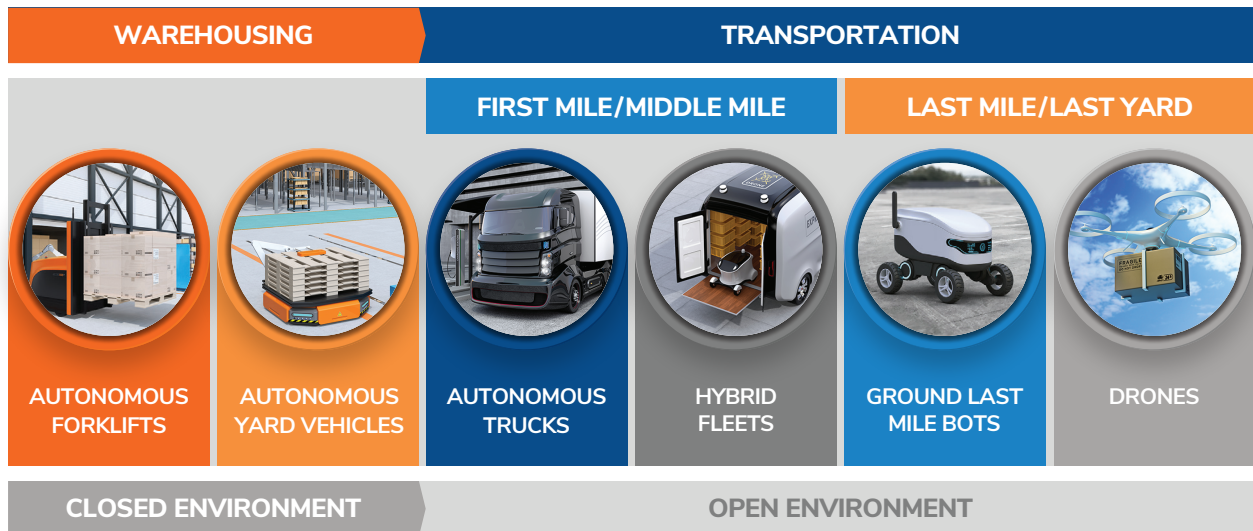
- **Shared mobility:** Spurred by digital transformation in the CV industry, digital freight brokerage—which is currently more than doubling in size every year—is likely to become the largest market segment in the US. A cohort of automated, on-demand brokerage service providers led by Uber Freight, Convoy, Transfix, and Loadsmart will make strong inroads into the market by tackling inefficiencies and the lack of responsiveness of traditional load brokerage companies. Concurrently, shared models of operation will herald the transition from an ownership-based approach to assets to a usership-based one as exemplified by Transportation-as-a-Service (TaaS).

- **Electrification:** The CV industry is making significant strides toward full-electric trucks, with low daily operating-range trucks expected to be fully electrified first. Light-duty (LD) vehicles, vehicles for vocational use applications, such as refuse and yard or drayage trucks, and trucks like the Tesla Semi and Nikola for longer-range applications will follow suit. In the off-highway (OHW) segment, the shift will be more toward hybrids than full electric.

- **AI** will be the great enabler in this transformation, simultaneously being the backbone for the development of autonomous systems, the engine to monetize data from connected vehicles, the driver behind the optimization of digital solutions, and the source of new services and business models.

These building blocks will evolve from individual, isolated concepts to converge and synergistically reinforce each other for even better and faster execution, and the creation of new business models for additional monetization opportunities.

HOW CASE-IFICATION WILL CHANGE THE COMMERCIAL ASSETS LANDSCAPE



These evolutions will create challenges and impose changes in asset service and maintenance, and generate new requirements that can most effectively be met within the collaborative framework of an SRM ecosystem.

- Connectivity will continue to strengthen linkages across the Decisiv SRM Ecosystem, further enhancing service quality, creating new revenue opportunities, and fostering data monetization. This shift will be paralleled by an increase in the number and range of participants—data, analytics, and technology providers among them—who can engage in the service process. Asset history captured by SRM will fulfill the stringent servicing and maintenance record and auditability requirements of autonomous technologies.
- Shared mobility will intensify the use of assets and blur traditional models of ownership. At the same time, autonomous trucks will create a challenging environment where the trucks themselves will request servicing, even as new providers enter the ecosystem to service all of the components and software that autonomy demands. As tech-heavy and asset-light new business models are targeted within shared mobility, the central dilemma will hinge on risk-sharing—who owns what risks? To move past traditional ownership models, risks need to be measured, managed and controlled such that they can be priced accordingly. Against this backdrop, the role of SRM will become increasingly prominent. SRM will benefit shared mobility models by providing systematic gathering and centralization of information.
- The transition from traditional internal combustion engines to 100% battery electric-powered assets is likely to create an expansion of service locations where existing and new vehicle technologies will be serviced, repaired, maintained, swapped, tested, and overhauled. Everything from electric batteries to electric motors to all new components will be fully supported by the process- and data-driven nature of SRM, which allow it to readily support large amounts of diversity and multiplicity in asset types, service needs, and parts.
- AI will find a perfect home in cloud-native solutions combining complex quantitative and qualitative data.

Benefits for participants in the LD, MD-HD, OHW industry and markets

With such dynamic developments in commercial assets service, the Decisiv SRM Ecosystem continues to expand and attract diverse new partners. Nevertheless, a common element remains in the way SRM links these participants across the entirety of the service supply chain, allowing each of them to contribute to and benefit from unsurpassed improvements in asset performance and utilization. In essence, the most significant value that an SRM ecosystem brings is a tremendously expanded connected network that drives the productivity of all players, boosts the efficiency of the model, and enables a shared repository of valuable insights.

Performance, availability, and efficient utilization will be rooted in SRM's unique capabilities that support:

- Intelligent service process management, regardless of the nature and diversity of assets.
- Intelligent asset management over a complete lifecycle, ranging from acquisition, utilization, return and disposal. This is achieved through pertinent and highly granular analytics based on robust data generation.



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Some of the benefits that SRM provides to multiple participants include:

- **Asset owners, fleets, operators:** Drives asset performance and uptime, reduces overall lifecycle service costs, enables greater visibility into and control over service process, improves access to data at the point of service, supports superior analytics, ensures higher portability of service, and allows for higher asset utilization, fewer breakdowns and a longer useful life.
- **Service providers, dealers:** Improved efficiency of workshop and service bays, availability of all pertinent information and records, better accuracy of diagnostics, faster turn times, efficient and effective customer interaction, higher parts sales and revenues, easy handling of warranty, and improved customer experience, satisfaction, and retention.
- **Lessors, fleet management companies:** Enhanced traceability, better coordination of service events, more reliability, higher levels of safety, and financial benefits that include lower total cost of ownership.
- **OEMs, fleet management systems providers, Tier-1/aftermarket providers:** Increased customer satisfaction and customer retention through competitive advantage, valuable insights into repair operations, customer experience, and customer knowledge; specifically for OEMs, enhanced dealer engagement and a differentiated and improved customer experience, leading to loyal customers and potentially increased sales. Improved asset service across more connected service points enables better cost control, reduces risk, and improves financial performance. More forward-looking benefits include maximizing the use of telematics and diagnostics data, future-proofing by gaining the flexibility required to connect with new and innovative players, and acquiring the transparency and control necessary to offer Testing-as-a-Service.



Improved asset service across more connected service points enables better cost control, reduces risk, and improves financial performance.

These benefits span all categories of Commercial Assets:

- **Light Duty:** The emergence of a fleet and leasing business in the traditional professional and public sectors, the new business and efficiency requirements that result from the growth of e-commerce and last-mile delivery, and the introduction of global, platform-based models simultaneously offer expanded opportunities for car companies to target the CV world while strengthening customers' expectations about improved ways to secure asset performance. Both from historic and current perspectives, LD CVs have not had a role in the lifecycle and service relationship, typically handing over such responsibilities to the dealer and, in the process, the next sale to the same customer as well. They are now increasingly recognizing the importance and financial benefits of embracing an asset lifecycle relationship with the customer.
- **Medium and Heavy Duty:** MD-HD trucks are the backbone of the logistics sector, which is grappling with extreme competitiveness and continued consolidation. As cost-based competition intensifies, and as the levels of sophistication in freight management increase, SRM will be critical to strengthening cost and operational efficiencies in fleet through visibility into the service process and insights into the asset lifecycle performance, providing a definite competitive advantage. This has already been substantiated by SRM's adoption by Volvo, Mack, Kenworth, Peterbilt, Isuzu, and Hino, through visibility into the service process and insights into the asset lifecycle performance.

- **Off-highway equipment:** Rentals are an important part of North America's large OHW equipment market due to contractors looking to reduce fleet size and, thereby, operational costs. This, along with the emphasis on proactive maintenance and challenges related to ensuring proper documentation throughout service-critical operations in remote locations, highlight the central role of telematics and expanded SRM capabilities in effective asset management and utilization.



Conclusion

Leveraging the Decisiv SRM platform for the first time, manufacturers, service providers, and asset owners have full insight into asset performance, asset utilization, and customer experiences from beginning to end, including:

- More than 4,500 service locations, 7 million assets, 40,000 users and 750 integrations.
- Proven, quantified value: 25%+ less downtime, 70% less triage time and 90% repair effectiveness.
- Global, cloud-based, performance-focused platform driving more than 4 million service events per year.



Decisiv unifies the service supply chain by:

- Connecting people, places, systems, and things on a common platform.
- Driving asset uptime, consistent service delivery, customer satisfaction and brand loyalty, reducing warranty and support costs, and cutting down administrative overhead.
- Unifying management of internal, external, and mobile service events.
- Using a cloud-based, domain-specific software platform built on flexible AWS infrastructure with API-based UI and integration frameworks.

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