



50 Years of Growth, Innovation and Leadership

Extension of SRM Integration to Manage New Sources, Providing Unrivalled Opportunities

A white paper by Frost & Sullivan

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Emerging demands drive an evolving asset service paradigm

A worldwide shift in distribution and delivery is already underway. Historically, Class 8 heavy-duty (HD) trucks and fleets of company-owned construction equipment have dominated the North American commercial vehicle industry.

However, dynamic developments in technology are changing the way commercial assets are used, causing the number and involvement of participants in the Service Relationship Management (SRM) ecosystem to continuously expand.

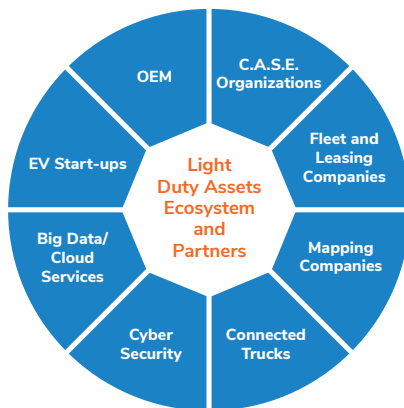
- **Light-duty (LD)** assets are primarily used today for urban delivery of cargo and packages. Many LD assets are also used as jobsite support vehicles by contractors and as mobile service vehicles by telecom, cable, internet, and power utility companies. Sales of LD assets are predicted to grow as US market participants expect their reliance on car sales coming from car ownership to decline. Growth in e-commerce, urban delivery and last-mile delivery is expected to drive the next growth phase of cargo vans in the next decade. Trends in urbanization, mobile service, and e-commerce have driven strong growth in the LD asset market. Growth in the cargo van market has been directly related to the strength of the broader economy as commercial businesses need to keep up with operational demands. Though the North American market has been slow to adopt LD trucks, volumes increased rapidly in previous years.



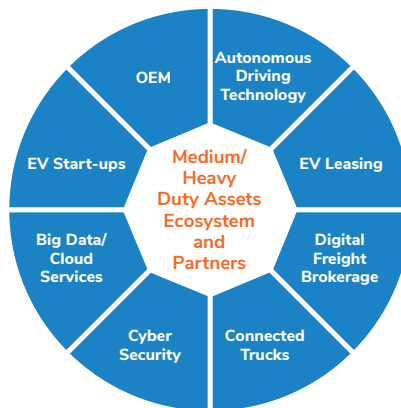
- The rise of e-commerce and growing urban population density are making it increasingly difficult for large Class 8 **heavy-duty (HD)** trucks to complete deliveries in North America's most populated areas. Additionally, fuel economy advantages provided by **medium-duty (MD)** trucks, compared to HD in final-mile delivery applications, are driving growth in the MD truck segment. With a large Class 4 segment that includes pickup truck models by automakers, as well as strong Class 6-7 truck demand for regional haul due to the proliferation of e-commerce, MD asset demand will continue to shift asset production and ownership. A fair share of HD trucks could move to MD in the future due to the relative slowdown in demand, but growth could increase going into 2025 due to the rise of autonomous hub-to-hub trucking.
- Rising large-scale investments in sectors such as transport, energy, and water infrastructure are seen as key reasons for an increase in the rental market within the growing **off-highway (OHW)** asset market. Construction companies are renting out used equipment to minimize project costs. Used and obsolete equipment also has to be replaced with new equipment. Introduction of fleet management software services as a package in vehicle fleets will further boost growth of the global equipment rentals market.

As a result of the above, new entrants and legacy participants are changing the LD, MD, HD, and OHW market dynamics, and the SRM Ecosystem continues to witness expansion and additional investments.

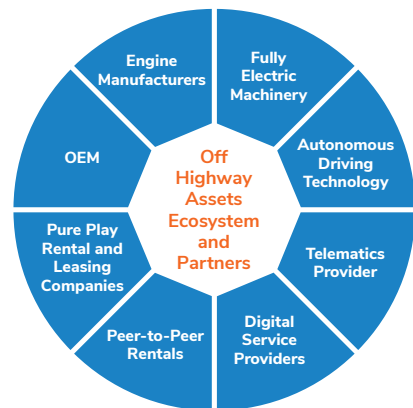
LD Market Ecosystem and Partners



MD-HD Market Ecosystem and Partners



OHW Market Ecosystem and Partners



Service Relationship Management (SRM): Triggering modernization and monetization of commercial assets

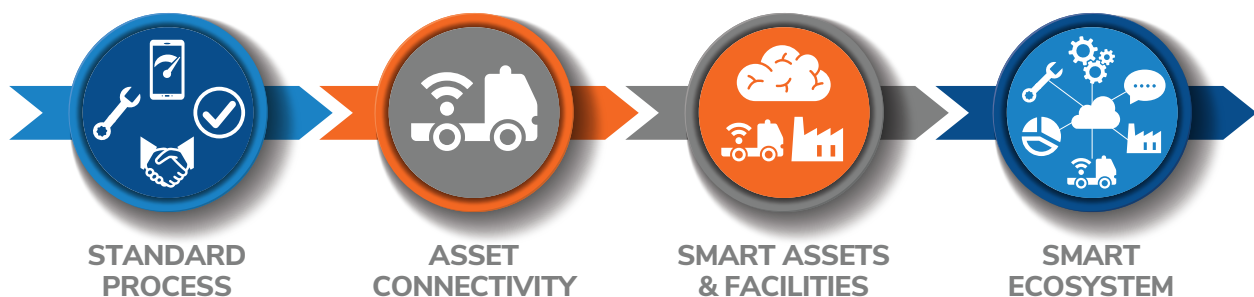
The unique service focus of SRM allows information related to the commercial asset's service and critical performance history to accompany it throughout its lifecycle, thereby strengthening the likelihood of service continuity across successive owners. It presents the opportunity to supplement parts and service sales with new revenue streams created by the impact of telematics, digital brokerage, digital retail, AI technology, and big data services.

As a result, business models that integrate new monetization models into their future vision are becoming a priority for OEMs and other ecosystem participants. The Decisiv SRM platform allows the large pool of information generated by ecosystem partners to be monetized. For instance, unstructured data from a multi-million assets repository is transformed into structured data, providing deep insights into both processes and components use over the lifecycle of each asset. This could cover the spectrum from fuel, brakes and tires to lubricants and axles. Simultaneously, asset service and replacement data can be used to identify unique patterns for strategic decision-making.

Strategically, this also allows OEMs, dealers and asset managers access to asset performance data to which they would otherwise not have access.

By integrating data generated at multiple points across the value chain, SRM creates value for stakeholders by empowering them to make informed decisions. Decisiv is already integrating these points within the ecosystem, helping clients to not only improve uptime from asset modernization but also boost asset monetization.

HOW SRM SUPPORTS NEW OPPORTUNITIES



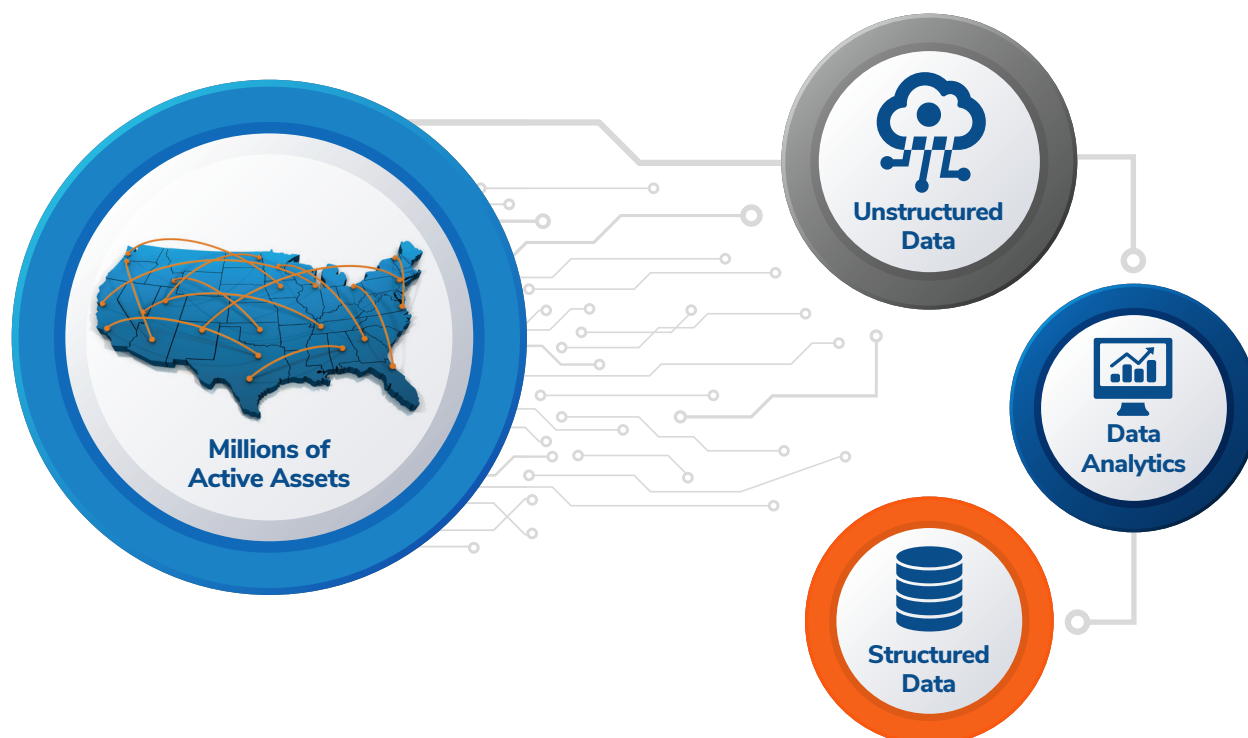
SRM: Leveraging structured data analytics to help grow companies

The tech-heavy commercial vehicle industry of the future will be powered by the convergence of four primary solutions: Connected, Autonomous, Shared Mobility, and Electrification (CASE). In a pre-CASE world, the Decisiv SRM platform has the ability to reduce downtime to less than half of the industry average, including triage time, diagnostics time, and fix-it-right-the-first-time. This allows dealers and OEMs to generate additional parts sales and associated service revenues. Decisiv's SRM platform demolishes the silos built by companies whose business and asset management systems are not designed to share data and proactively brings them together on a platform where they can "talk" to each other.

CASE convergence within the commercial asset arena is already impacting how assets will be serviced. Over time, market participants will accelerate growth by leveraging unstructured data mines to create structured data farms and data lakes. Structuring data from a multi-million assets base by partnering with ecosystem participants will drive and develop a marketplace that supports the best matches, fulfilling requirements for fleets and partners while creating new business opportunities.

The Decisiv SRM data platform connects all participants across the service supply chain and provides additional value to its existing clients by increasing awareness of their available products and services. The SRM platform also can provide OEM and component manufacturers a profit-sharing and revenue stream opportunity by providing access to data generated by the SRM platform as a base and add other data obtained from telematics sources to help check and analyze asset performance under certain test conditions. They can then evaluate those with zero risks, rapidly cut the size of recalls and number of assets recalled, and enable substantial savings in terms of cost, time and effort. In essence, this can help companies go beyond just modernizing or even monetizing legacy systems that have remained unchanged for a long time to actually empowering them.

HOW SRM OFFERS ITSELF AS A PLATFORM TO EMPOWER COMPANIES TO ACTION



SRM: A catalyst for ecosystem partners to embrace advanced diagnostics and prognostics

By applying diagnostic and prognostic techniques to asset data, companies can reveal how assets and their systems are currently performing (diagnostics) and how they are likely to perform in the future (prognostics), thereby determining whether they will perform when needed. Asset maintenance factors, such as prognostics and remote diagnostic capabilities, are increasingly gaining prominence among fleets. Prognostics are useful for predictive maintenance, product improvement, and warranty claim optimization. While powertrain-related data has been the most sought after for prognostics in this decade, each building block of CASE—battery health monitoring, motor performance, and autonomous sensor suite health, among others—is expected to offer additional value to fleet and asset managers in the future.

However, establishing significant benefits for all value chain participants remains a challenge, as not all of them can convert unstructured data into monetizable information. With electrification of trucks picking up pace, predictive maintenance and the scheduling of battery recharge and replacement will drive the adoption of prognostics in the mid-term. The advent of autonomous trucks and platooning will spur the implementation of AI- and machine learning (ML)-based prognostics in the long term.

Technological advances and longer commercial asset lifecycles are underlining the importance of quality maintenance. However, the shortage of trained technicians, proprietary OEM parts, and the increasingly high costs of repair work pose challenges. Prognostics are a way of tackling these challenges. They aim to predict component failure, thus helping to reduce unscheduled breakdowns and boost overall equipment uptime. As a result, service flexibility improves as dealers are better able to serve their customer base through customizable solutions, on-site visits and optimized maintenance schedules.

Legacy systems have proved to be a huge hurdle since few were built to conduct any equipment prognosis. Now, however, systems are being designed that will allow remote diagnostics and even prognostics applications.

Over the next 5-10 years, explosive growth in the amount of data being collected and analyzed will transform global commercial asset services by creating a foundation for increasingly intelligent asset management. The Decisiv SRM system is well-positioned to provide that foundation.

SRM IS THE CORE TO PROGNOSTICS-AS-A-SERVICE ADOPTION



Conclusion

The Decisiv SRM Ecosystem, its solutions and platforms are unique. In our opinion, there is currently no other company that offers a value proposition similar to Decisiv across the entire commercial vehicle market. Decisiv also understands that its SRM platform will benefit a wide variety of market participants, including new entrants within the LD-MD-HD-OHW commercial asset market in the US and globally. The company also recognizes that value chain participants have only begun to realize the monetary benefits of converting unstructured data into useful information. As OEMs move toward prognostics, data analytics is set to evolve from aiding key mechanical components such as wheels and powertrains, to futuristic software-based systems such as autonomy, platooning and Advanced Driver Assistance Systems.

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