



# RENEWITY

RMA & SERVICE MANAGEMENT

DISRUPT THE  
**STATUS  
QUO**  
OR FAIL TO  
**SURVIVE**

**THE  
DIGITAL  
AGE**



While customers have evolved, some companies haven't—they are stuck with the status quo. If they don't disrupt the status quo, then their businesses will fail to survive. It's a fact: In the last 15 years, 52 percent of the Fortune 500 companies have disappeared:

"Research shows that since 2000, 52 percent of companies in the Fortune 500 have either gone bankrupt, been acquired, or ceased to exist as a result of digital disruption... While the disruption is immense, so is the opportunity. The value of the digital economy continues to grow in size and importance in every company in every industry. Nearly 3 billion consumers, businesses, government agencies, and institutions of every nature interact every day using computers, laptops, tablets, smartphones, and a growing range of mobile devices. The relentless speed of change of customers, markets, and technology has given rise to enormous opportunity."

— *Harvard Business Review*, July 2017

In today's 24x7 global environment with tech-savvy customers, to remain competitive a company must be able to align quickly with its customers' expectations. It's surprising, therefore, that many companies in the product service industry are still bogged down with largely manual or home-grown Returns and Service Management (RSM) systems. With no scaling ability at all unless they are willing to hire more staff—and, even then, they fail to communicate with their customers in the way that customers expect and demand.

**ARE CUSTOMERS GOING TO DO BUSINESS  
WITH A COMPANY THAT EXPECTS THEM TO  
USE COMMUNICATION METHODS FROM  
THE DARK AGES?**

## DON'T SHACKLE SERVICE TEAMS WITH OUTDATED RSM SYSTEMS

What's also surprising, is the prevailing view that the service business is a drain on a company's resources, rather than an opportunity to deliver a superior and memorable customer experience—one that will reinforce the company's brand promise. How can a product manufacturing company keep its brand promise when it fails to give its service team the tools that will enable it to deliver that critical customer experience? It can't.

For instance, an increasing number of customers are demanding a customer portal and better online service. Failure to meet this demand means a failure to maintain a competitive edge—simply put, when a competitor meets its customers' demands and expectations, are those customers going to do business with a company that expects them to use communication methods from the dark ages! No, they are not. These customers will stay loyal to the brand that lives up to and exceeds its promise to them—especially when it comes to returns handling, service and repairs. Traditionally, this has always been an irritating and time-consuming chore for most customers.

Sticking to the status quo doesn't work in the long term. Situations such as those listed below, will inevitably arise:

- ✓ The company is growing internationally, so it needs control and visibility into many global repair shops to ensure consistent service delivery and to enforce RSM processes.
- ✓ As the company grows, selling more product and adding new product lines, returns and service requests rapidly increase.
- ✓ The company is considering outsourcing returns handling and service and repairs to a third-party and requires control and visibility into its RSM processes.

How can an organization manage these critical situations with a manual or home-grown RSM system? It can't. It's that simple. Even so, an argument can be made that the "status quo" for handling product returns and repairs and service requests works—it may be slow and inefficient and inconsistent, but it works and it's okay for now.

That kind of thinking only signals a lack of far-sightedness by C-suite executives, understandable considering the strategic aim of the business is to maximize return of capital for its stakeholders. Therefore, as the service department is perceived as a drain on profits, it's unlikely to get funds to automate and streamline its processes.

This thinking is short-sighted. The company persists in expecting the product service team to meet customer demands with largely manual or home-grown RSM systems—that are ad hoc and unwieldy. That's one way to kill morale and demotivate employees as they will consistently fail to deliver the customer experience necessary for the business to survive and succeed in the future.

**BECOME A CUSTOMER-FOCUSED COMPANY, OR  
DISAPPEAR LIKE MANY OF THE ORGANIZATIONS  
IN THE FORTUNE 500.**



## FACTOR IN UNANTICIPATED SITUATIONS

What will happen when this consistently slow and inefficient system faces a major, unanticipated situation—the “it works and it’s okay for now” thinking places the service team in an untenable position: frequently failing to meet customers’ demands and expectations. Let’s take a look at some possible unanticipated situations:

1. A key new customer has demanded a customer portal to have visibility into their returns and repairs.
2. A key customer has left because of poor service or lack of visibility into repairs and service.
3. A key prospect is demanding to see internal RSM processes before signing a contract—a manual and home-grown system for service and repair tracking doesn’t cut it.
4. Customers are complaining about poor service or poor product quality—some have recently gone public on social media eroding the company’s brand.
5. New staff have been hired to handle repairs and service to keep up with demand that the inefficient RSM system can’t meet—placing increasing strain on an already over-stretched budget.
6. Attempts to build out functionality to handle the company’s unique RSM processes by engaging an ERP or CRM vendor to enhance and customize its inappropriate “RMA module” has failed and exceeded budget.
7. A new product must be recalled, and the process must be rapid, seamless, and professional.
8. The company has failed an audit for compliance because it has no audit trail or verifiable RSM processes (ISO, Food and Drug Administration (FDA), Sarbanes-Oxley (SOX).
9. A competitor has just installed and implemented an efficient online service customer portal.
10. Increasingly, it is getting harder to compete on product price, so the company must find new sources of revenue to boost the bottom line—with increasing pressure on product margins, the service business is now more profitable than the product business.

If a company wants to remain with the status quo—keeping the slow and manual returns management system “running”—then it should be aware that 2018 is forecast to be a big year for customer experience. So, if C-level executives don’t embrace the opportunities inherent in becoming a customer-focused organization that delivers an exceptional customer experience, then like many of the organizations in the Fortune 500, the company will disappear—with distressing repercussions on the employees and the community.



**FORRESTER FOUND THAT IN MORE THAN 40 INDUSTRIES THERE WAS A DIRECT CORRELATION BETWEEN GOOD CUSTOMER EXPERIENCE AND POSITIVE BUSINESS VALUE.**

## TRANSFORM THE SERVICE TEAM INTO A BUSINESS DRIVER



Digital transformation is key to a corporation's future survival and success. So, arm the service team with a flexible RMA solution that's tied to a powerful RMA & service management automation backend. Such a solution, combined with a customer portal and fast and consistent handling of the returns once received, will yield a truly exceptional customer experience. The company will avoid disruptions like those above, easily handle unanticipated situations, and the service business will support the corporation's drive for success and profitability by delivering a trustworthy digital experience that will build customer value and loyalty.

In a survey conducted by Forrester, in more than 40 industries there was a direct correlation between good customer experience and positive business value: "Companies that have invested in delivering better customer experiences report greater ability to collaborate internally, reduced operational costs, greater productivity of their frontline personnel, and greater business agility ..." (Forrester, 2013).

Seize this "enormous opportunity." Stop thinking of the service business as an overhead or a drain on profits. Transform it into a business driver. With a powerful and flexible RMA and RSM solution, the service team will have the tools to deliver a superior and memorable customer experience that will build brand loyalty and create lifetime customers—critical to a corporation's future survival and success. And it is critical: A Deloitte Research study found that when "Confronted by low-cost competitors, the escalating complexity of their global supply chains, and ever-increasing customer demands, manufacturers ignoring the needs of the service business do so at their peril" (2006).

But, if the company wants to stay with a slow and manual returns and service management system and doesn't think change is urgent, W. Edwards Deming would sort of agree. As he said, "It is not necessary to change. Survival is not mandatory."

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## ABOUT RENEWITY

As the global leader in RMA & service management automation solutions, Renewity excels in defining, implementing and automating processes for Returns and Service Management (RSM) for top manufacturing companies with its flagship platform—RenewityRMA.

Renewity continues to work with many of the world's most prestigious brands such as Panasonic, Honeywell, Illinois Tool Works, Ametek, Flex Electronics, FLIR Systems, and Stanley Black & Decker. In addition, Renewity has worked with many small- to medium-size manufacturers. Renewity assists manufacturers to transition from primarily manual processes for service and returns management to an automated system configured to their specific needs and facilitating compliance, brand protection, and enhanced customer experience.

With its in-depth knowledge of RSM—having worked with hundreds of companies worldwide—Renewity's solutions deliver a flexible and easily configured software platform that enables service teams to quickly set up unique workflows and data for exceptional product service. Renewity not only has the software, but it also has the expertise in the RSM domain—a unique combination that ensures the continuous success of its clients' RSM processes.