



Going the servitization way

Become a Renewable
servitization Enterprise
by adding the x-factor
of service to your
business model



In today's dynamic business environment, Digital Transformation is inevitable. Survival dictates the move from a rigid scope, capital intensive, legacy practice of managing products & services, to a responsive, adaptable, agile and intelligent alternative. Digital connectivity in the physical world is the norm across shared mobility, connectivity services, feature upgrades, omnichannel strategies and subscription-driven new digital business models.

Dawn of the new value delivery & business model

The rising need for Servitization

Accelerated by the Internet of Things (IoT), driven by connected technology at its heart, Servitization is the process of creating value by adding services to physical products. Decades ago Rolls-Royce created its 'Power-by-the-Hour'™ concept, which sold fully-maintained aero engine use by the hour rather than by the unit. Fast forward into the 21st century and you see Michelin charging car fleet operators by the kilometer driven, rather than just selling tyres. Consequently, Michelin are investing in developing longer lasting tyres!

Turning products into services in this age of digitalization opens new possibilities. There are additional costs in the short-term and revenue will be deferred when one makes a move to a subscription model rather than initial sale + service model which may be hard for some organizations to absorb and justify. Yet, servitization results increased margins and lower churn rates, via:

1. A better overall customer experience while bearing a lower total cost of ownership
2. more reliable products and recurring customer service revenues
3. High degree of collaboration and intimacy between customers and suppliers

Benefits with SAP S/4HANA® at the Core

There are different levels of servitization ranging from simply adding a bundled service or maintenance contract to a physical product, to, a completely integrated outcome-based approach that has been designed collaboratively by the supplier and customer. Servitization is built on the foundations of becoming customer focused with strong relationships and trust.

SAP S/4HANA is not just a new platform. It is designed for one integrated architecture. While we use the term manufacturers more often, servitization can be applied to any business, and SAP S/4HANA helps support any business in their digital priorities, by being the process, capability and intelligent backbone of the company.

And what does that really mean? It means you are ready for a cloud-based, scalable, end-to-end solution that revolutionizes your Customer eXperience (CX) and revenue streams moving to an as-a-service model that could run in parallel to your existing business model.



Turn into an outcome provider. Conquer your servitization ecosystem with Capgemini!

Servitization is a journey and Capgemini with SAP S/4HANA as the platform of choice allows your business to be flexible and support the new different options and changes as the business model changes.

Your journey to servitization need not be complex. Capgemini helps structure and design a tailored pilot for you to run alongside and see, how this would translate for your organization!

Capgemini's Renewable Enterprise™ Approach

Simple &
Transformational

Servitization
experience with
Fortune 500
industry leaders

Out of the Box maturity
assessments, rapid PoCs &
prototyping service offering,
strategy and structure,
resources and capabilities,
industrialized delivery

Capgemini's Differentiating enablers

Complete system
landscape overhaul

Service design,
organizational strategy and
overall data transformation

Product, technology,
finance, operations, supply
chain and customer services
alignment

Capgemini together with SAP S/4HANA®, SAP Customer Experience®, SAP Cloud Platform, Analytics and Asset Intelligent Network (AIN), provides all the components needed for a world class servitization solution. From modelling complex bundles of products and services, automated feedback of sensor metrics relevant to asset uptime, usage, telemetry data or complex sales and billing, we do it all in a single, streamlined solution!

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Let's make something complex and integrated - simple!

Get more insights here via the link below

<https://www.capgemini.com/resources/servitization-with-sap-s-4hana/>

We have a local presence in the form of Applied Innovation Exchange networks globally to help you with servitization, data insights & innovation.

Read more about the Renewable Enterprise here:

<https://www.capgemini.com/service/digital-core/>

About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology, and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. A responsible and multicultural company of 265,000 people in nearly 50 countries, Capgemini's purpose is to unleash human energy through technology for an inclusive and sustainable future. With Altran, the Group reported 2019 combined global revenues of €17 billion.

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www.capgemini.com