

How Should Companies Respond to the Current Economic Upheaval? – The Role of Customer Service and Product Support

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As the realization sinks in that the global economy is now in a recession, many CEOs and CFOs are asking their senior managers to answer some tough questions. These questions include:

1. How can we lower our costs and reduce cash requirements?
2. How can we reduce the need to borrow and finance investments?
3. How can we increase revenue?
4. How can we increase our margins and our profit?
5. How can we absorb future shocks in the demand for our products and in the utilization of our capacity?

All business functions and strategic business units are scrambling to find plausible answers to these questions. For the most part the potential remedies will be painful and costly, e.g. employee layoffs, capacity cutbacks and divestiture of underperforming businesses. There is one area, however, that can provide relief at a much lower cost and with more immediate results. That area is the aftermarket service support function, i.e. the part of your company that provides support services and maintenance to your existing, installed base of customers.

Manufacturers and providers of aftermarket support services for mission critical products such as semi-conductor manufacturing equipment, commercial aircraft and military weapon systems have developed comprehensive supply chains in order to provide support services to their customers. In this talk I will review how lessons learned from these supply chains can be leveraged in all industries to address the challenges facing companies today. The talk will include a discussion of the unique nature of resource management for customer support and how this management can be leveraged to generate cash, stabilize revenue, increase profit and improve customer satisfaction. We will then consider how state-of-the-art service supply chain management principles, procedures and systems can be utilized to implement such policies in a timely manner.