



**CENTER
SMART SERVICES**



Case Competition 2019/20

Your idea for Schaeffler

Be creative and solve real industrial problems

Kick-off: 25th October 2019 | 8:30 – 11:00 a.m. | Room 1 + 2

Cluster Smart Logistik auf dem RWTH Aachen Campus

Develop innovative market entry strategies for Schaeffler

Background

Schaeffler was founded in 1946 by the two brothers Dr. Wilhelm and Dr.-Ing. E. h. Georg Schaeffler. As of today, Schaeffler with its brands like INA, FAG or LuK had sales of approximately 14.2 billion euros in 2018. With around 92.000 employees spread over 50 countries and 170 locations, Schaeffler is one of the biggest suppliers for the automotive and machine building industry. It is split into three divisions: automotive division OEM, automotive aftermarket division and industrial division.

The industry division is an established partner for example for the production industry or aerospace.

Going into the future, Schaeffler offers a variety of solutions for the digitalization. In Schaefflers smart ecosystem the company offers a complete vertical integration. Starting with mechatronic systems to gather data a virtual twin is created on which Schaeffler can run its big data and physical analysis. The results are presented to the customers via different applications in the fields of maintenance, product or production.

Industrie 4.0 describes the connection of different machines to design smart and autonomous systems. One goal is to achieve a high overall equipment efficiency. Such an availability of production machines can be achieved by a continuous monitoring of the condition of machines. Defects are detected early and fixed during maintenance activities rather than long and expensive repairs after an error put the machine into standstill.

Condition monitoring is currently receiving a boost from new technologies like self-configuring networks of sensors, which enables the fast creation of a system of sensors, or machine learning, which enables the automated analysis of a massive amount of data.

In the given case, you just founded a company that developed a disruptive condition monitoring technology that aims to cut costs for the industry by a huge margin. You want to revolutionize the business! The solution will leverage newest developments in sensor and network technology as well as newest analytics methods. By speeding up the setup process condition monitoring results will be achieved fast at just a fraction of the costs of existing solutions.

With this revolutionary technology comes also a change in the business model. Rather than buying the products and services, customers could just subscribe to the solution. This enables companies to leverage the benefits of the solution with no risk as there is no significant invest at the beginning.

The solution aims to support maintenance activities in companies. By a steady flow of information about the state of machines necessary repairs can be planned according of the real status of a machine rather than just the time that has passed.

Maintenance is a rather traditional field in many companies. Often it is seen as a pure cost center without realizing the value a high availability of machines is bringing. The industry is behind in terms of digitalization compared for example to the field of production. This brings unique challenges in implementing and selling new digital solutions in this area.



Your task

You just founded your own company based on an already existing technology. Now your job is to develop innovative approaches to sell this disruptive technology in the field of condition monitoring. Given this information, your work will focus on the development of a market entry strategy and fitting sales activities. By successfully designing the different service aspects, a best solution for the addressed customers shall be reached.

Overall Objective

“Develop a market entry strategy for a disruptive condition monitoring solution”

Point out your unique value proposition and business model to potential customers and describe the solution architecture for your digital service. Remember that a good idea only becomes an innovation, if viable business models are successful and accepted on the designated markets. Be creative!

While developing new services, please focus on:

- Fresh and innovative ideas, responding to real user needs in B2B service markets – investigate what already exists on the market
- Real service opportunities – as compared to system or application feature innovations
- Unique selling point (USP) – explain why your idea has a ‘right to play’ in the field of digital services
- Complexity in business implementation – address stakeholder map, necessary partnerships and potential dependencies
- Fast and global scalability using digital sales channels and disruptive business models

In order to develop an idea, you and your team can access different channels of information: Internet research, surveys, interviews/workshops with potential customers and the documents provided by Schaeffler. Furthermore, FIR will organize a meeting with maintainers to interview real potential customers. Use the given information wisely and integrate it into your project for better results.



Expected results

The expected results are divided into two parts:

- Market entry strategy
- Visualization of your idea

Market entry strategy

The most important part of your solution is the development of a solid, comprehensive and elaborate market entry strategy for the innovative concept. In order to ensure comparability to solutions of other teams, please utilize the Business Model Canvas and Smart Service Sales to systematically develop your idea.

The most important aspects of your concept are:

- Customer insights & value proposition
- Sales resources & activities
- Go-to-market approach & sales channels
- Buyer personas & purchasing process
- Revenue model & solution bundles

Visualization

In order to demonstrate and easily convey your ideas, please visualize it in any form. This could include a paper build prototype, a programmed application, a click dummy or a short movie – it is important that you are creative in order to sell your idea to the jury!

Additional hints

- Take a managerial perspective for your market entry strategy
- Put emphasis on customer value – do market research and talk to real customers. Use these insights to build your market entry strategy
- State the USP and develop a SWOT analysis that makes your concept unique
- Keep in mind that this is about a service business case – do not solely focus on enabling product or system elements
- Develop the outline of an implementation model, including requirements for service delivery and sales (FTEs, resources, timeline)
- Give a recommendation for further actions based on your results
- **Be innovative and creative!**



Requirements

All participants

Concept presentation, containing:

- Case solution – max. 20 minutes presentation (e. g. MS PowerPoint)
- Visualization of the idea (e. g. Click Dummy)
- All documents are to be submitted in English

Participants of the lecture Service Design & Engineering additionally have to hand in:

Written concept description, containing:

- Executive summary – one page (MS Word)
- Case solution – 12 pages (MS Word)
- All documents are to be submitted in English in the provided template (see Moodle)



Timeline

Kick-Off of the case competition will be on 25th October 2019 at the premises of the FIR, followed by feedback sessions on 15.+22.11.2019 for every team, where first drafts of your idea are expected to start discussions. The final concept has to be submitted until 17.01.2020.



Contact Information

For all questions regarding the case please don't hesitate to contact:

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Picture Credits

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