



**CENTER  
SMART SERVICES**



Consortium Benchmarking

## Monetizing smart products

**Generate added value for companies and customers**

# Expert network



## **Center Smart Services**

- Founded: 2015
- Objective: Supporting the manufacturing industry in the development and establishment of digital business models
- Execution of synergetic, consortial contract research

## **FIR e. V. at the RWTH Aachen**

- Founded: 1953
- 130 employees, thereof 45 scientists
- Objective: Building bridges between science and industry
- Approximately 40 publicly funded projects per year
- Approximately 60 projects with industrial customers per year
- Core competencies: Service Management, Information Management, Business Transformation, Production Management

## **RWTH Aachen**

- Founded: 1870
- 118 study programmes
- 260 research institutes
- 4,500 scientists
- 482 professors
- 37,900 students
- about 9,000 mechanical engineering students
- 1<sup>st</sup> place in the categories Mechanical Engineering, industrial engineering and management, Electrical Engineering, Computer Science and Natural Sciences.\*

\*) University Ranking 2013 of WirtschaftsWoche

# Our definition of economically successful Smart Products

In the context of benchmarking, we want to address the challenges identified on the basis of specific questions.

## Service offering

- How should a **portfolio** of smart products, services based on them, and classic industrial services be designed?
- What technical **requirements** must smart products fulfill?

## Communication

- How is it possible to **convince** customers of the offer?
- What **arguments** help to counter common misgivings?
- How can **barriers to entry** be reduced?

## Monetizing smart products



## Pricing

- Which **pricing strategy** should be chosen for smart products?
- How can an **anticipated benefit** of a smart product be priced for customers?

## Sales

- Which channels should be used to **organize** the sale of smart products?
- How can smart products be made as **easy to buy** as possible?
- How does the distribution of smart products **scale**?

# Challenges



Prof. Dr.-Ing.  
Günther Schuh  
Director of  
FIR e. V. at the RWTH Aachen

**“Smart products form the basis for truly sustainable business. In the future, new machines will not be bought all the time, but will instead be continuously updated and upgraded. Companies must be able to monetize the benefits they offer accordingly.”**

## **Manufacturer:**

- Companies want to add value-added services to their products in order to differentiate themselves from their competitors through smart products.
- This requires, for example, networking the products and creating a common platform for implementing the value-added services.
- In addition, this also requires organizational changes such as the redesign of (sales) processes in order to offer value-added services and establish customer trust in smart products.
- The design and monetization of this ecosystem of smart products and value-added services is a major technical and organizational challenge for companies.

**“The data-driven and individualized services that connect the physical and digital worlds based on smart products offer companies new revenue streams and long-term customer loyalty.”**

**Customers:**

- The actual fulfillment of customer benefits is the central benchmark for the future success of a company.
- The use of smart products can greatly increase customer benefits through individual added values.
- In addition, customers expect smart products to do more than just fulfill basic features. However, value-added services only offer customers real additional benefits as an aggregated overall solution.
- Customers are willing to pay for this additional benefit if it can be clearly communicated.



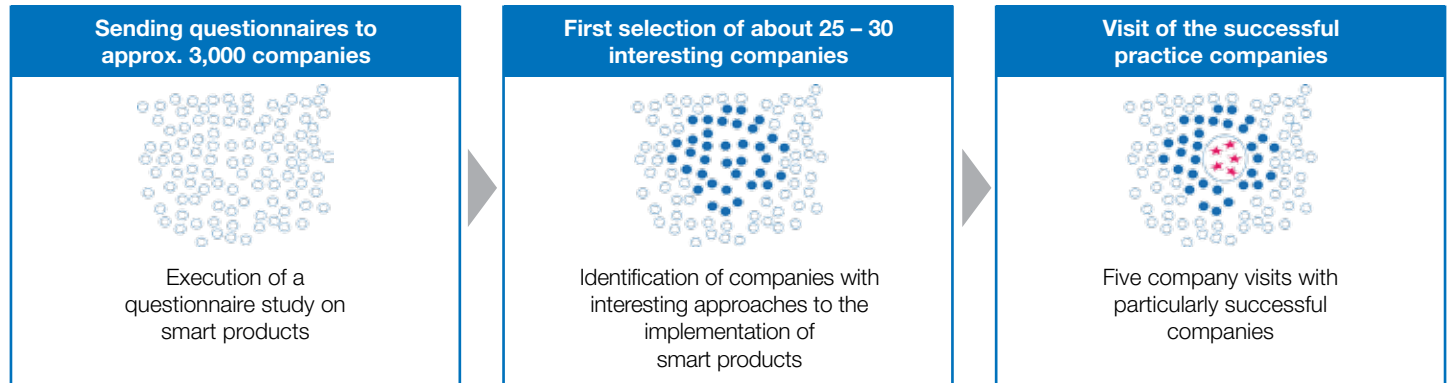
Prof. Dr.-Ing.  
Volker Stich  
Managing Director of the  
FIR e.V. at the RWTH Aachen

**Customers and suppliers alike benefit from the realization of smart products that consistently focus on customer benefits.**

## Learn from the best!

### How does a consortium benchmarking process work?

- The consortium benchmarking consists of consortium partners and benchmarking partners.
- The consortium partners determine together with FIR the main topics of the benchmarking.
- The benchmarking is realized by FIR and the benchmarking partners.
- With the evaluation of the benchmarking results, five successful practice companies from the group of benchmarking partners are identified.
- The successful practice companies will be visited by the consortium partners and the FIR.



# Course of action and timing of consortium benchmarking

## Kick-off meeting (September 2021)

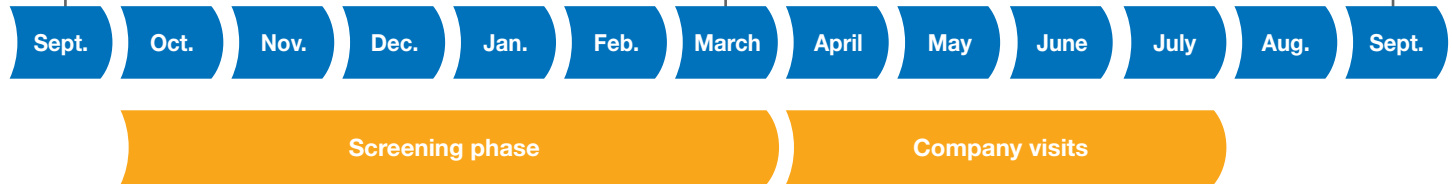
- First meeting of the consortium partners
- Joint definition of the benchmarking analysis
  - Main topics
  - Target sectors

## Review meeting (March 2022)

- Presentation of the benchmarking analysis
- Selection of five companies from the case studies for company visits

## Final meeting (September 2022)

- Summary of the results
  - Benchmarking analysis
  - Company visits
- Award for “Successful Practices”



## Screening-Phase (FIR, CSS)

- Europe-wide benchmarking study
- Telephone interviews and pre-selection of potential successful practice companies
- Production of about ten anonymised case studies

## Company Visits

- On-site visits to the five Successful Practice companies.
- Exclusive first-hand insights into the companies' solutions
- Direct exchange with decision-makers from leading industrial companies

# Your benefits and costs

## Your benefit

- Through direct contact with successful practice companies, you will have the opportunity to exchange valuable knowledge and experiences and take along practical suggestions for your company.
- You will have the opportunity for intensive exchange with the other consortium partners.
- You establish valuable contacts with other companies in the consortium, which can also continue beyond the consortium benchmarking.
- You benefit from the competencies of the departments of service and information management and the experience in the execution of benchmarking studies of the FIR.

## Your effort

- The contribution per consortium partner is €25,000 (plus VAT).
- For two persons in your company, all expenses (excluding travel expenses) for the project implementation as well as the documentation are included.

“Through the company visits, we enable the consortium partners to gain insights into the working methods of leading companies who have already successfully placed smart products on the market and can thus increase their profits and customer loyalty. This gives our consortium partners the opportunity to derive successful concepts for their own company.”

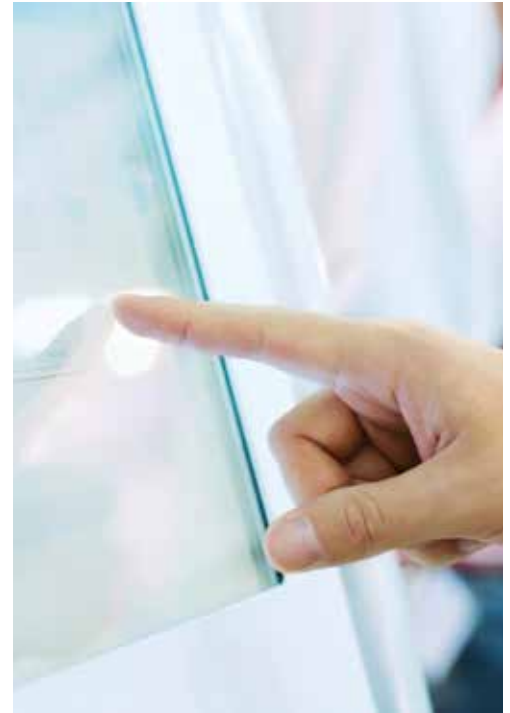
Prof. Dr.-Ing. Volker Stich  
Managing Director  
FIR e. V. at the RWTH



## Potential questions

**The central questions are developed together with the consortium during the kick-off meeting and are adapted to the needs and individual questions of the companies.**

- How is the **service offering** set up of smart products and supplementary data-driven services designed?
- Which technical trends and **innovations** must definitely be taken into account with regard to smart products?
- What are the best additional services around smart products from the customer's point of view (keyword: maximum customer centricity) and how can these be remunerated?
- How can an **anticipated benefit** of a smart product be priced for customers?
- How can I most effectively **convince** my customers in sales of the increased benefits of smart products?
- How can **barriers** to entry be reduced?
- Which channels should be used to **organize** the sale of smart products?
- How can smart products be made as **easy to buy** as possible?
- How can the sale of smart products be **scaled**?



Our benchmarking studies offer experts and decision-makers unique insights into the latest trends in services and digital products

**6**

**years**

unique insights for  
experts and  
decision-makers

**>500**

**companies** examined  
in our valuations

**>120**

identified

**TOP performers**

**30**

visited

**successful practices**

## Contact



### FIR at the RWTH Aachen

#### **Lennard Holst**

Head of Service Management  
Phone +49 241 47705-206  
Mobile +49 177 5790481  
E-mail [Lennard.Holst@fir.rwth-aachen.de](mailto:Lennard.Holst@fir.rwth-aachen.de)



### FIR an der RWTH Aachen

#### **Christian Holper**

Service Management  
Phone +49 241 47705-226  
Mobile +49 162 2436076  
E-mail [Christian.Holper@fir.rwth-aachen.de](mailto:Christian.Holper@fir.rwth-aachen.de)



### FIR an der RWTH Aachen

#### **Jan Hicking**

Head of Information Management  
Phone +49 241 47705-502  
Mobile +49 177 5790218  
E-mail [Jan.Hicking@fir.rwth-aachen.de](mailto:Jan.Hicking@fir.rwth-aachen.de)



### FIR an der RWTH Aachen

#### **Max-Ferdinand Stroh**

Information Management  
Phone +49 241 47705-510  
Mobile +49 177 5790278  
E-mail [Max-Ferdinand.Stroh@fir.rwth-aachen.de](mailto:Max-Ferdinand.Stroh@fir.rwth-aachen.de)

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### Center Smart Services

ElCe Aachen GmbH

Campus-Boulevard 55

52074 Aachen

Phone +49 241 47705-202

E-mail [info@center-smart-services.com](mailto:info@center-smart-services.com)

[www.center-smart-services.com](http://www.center-smart-services.com)