

“Analytics-Based Managed Services Improve Product Companies’ Post-Sales Supply Chain”



Michael L. Wooden
CEO
OnProcess Technology, Inc.
www.onprocess.com

CEOCFO: *Mr. Wooden, what is the focus for OnProcess Technology today?*

Mr. Wooden: OnProcess provides end-to-end managed services that optimize the flow of people, parts and services after the sale of a product. Once a product is sold, we help our clients optimize what happens afterwards, such as service issues, returns and break/ fixes. This is critical because, for product companies, success depends as much on what happens after the sale as it does on the sale itself. How efficiently and intelligently companies handle everything from shipments and customer support, through dispatch and asset recovery can make a huge difference to their customers’ satisfaction and the business’ top and bottom lines.

CEOCFO: *Do most companies realize this is something they should be managing?*

Mr. Wooden: Yes, this has always been an issue, but it is gaining even greater attention now as businesses look for ways to optimize their overall infrastructure. In addition, because of growing market complexities and fierce competition, it’s both harder and more important for companies to optimize the entire post-sales supply chain process. Let’s take the wireless industry, for example. It used to be that you would sell a handset and that handset would last the consumer several years. However, now these products are returned more frequently because something new, bright and shiny comes to market that consumers want to buy, or the wireless companies are offering advanced replacements. When consumers return phones to their existing carriers, it invokes the entire reverse logistics supply chain. This includes obtaining the handset from a consumer for repair or inventory, which is very complicated to do and do well. Companies such as wireless, broadband, medical device and manufacturing invest millions of dollars in inventory and inventory storage in countries throughout the world to handle this. They want to optimize this process so that they can reduce their inventory, which can save millions and millions of dollars annually, and reduce the amount of transportation required to move returned products and inventory, which also can save tens of millions of dollars.

CEOCFO: *How do you engage with a company? When might a company turn to you?*

Mr. Wooden: There are a number of factors that drive companies to OnProcess. One is customer satisfaction. If they continually hear from customers that returning a product is a painful process, they will start to look for someone that can help solve that problem. Another is, when a company tries to optimize their post-sales supply chain themselves, it can have a negative impact if customers don’t end up getting the level of service they require. When that company truly understands the financial impact of optimizing the supply chain, and they see the tens of millions of dollars that we can save them without impacting customer satisfaction negatively, they turn to OnProcess. We begin client engagements by doing a current state assessment, where we examine their entire post-sales supply chain and help them understand the many ways to optimize it. This includes leveraging our own technology and a significant amount of advanced analytics. Then we provide them with a plan that shows how much we can save them each year just in, for instance, inventory planning and logistics alone.

CEOCFO: *When you are doing that type of assessment, what might you look at that others may miss?*

Mr. Wooden: For a concrete example of what we might look at, let’s take big network service gear companies. When customers return non-working products, vendors assess them to determine the problem. In about 20% to 30% of the cases, nothing is actually wrong with them. However, because vendor Service Level Agreements (SLAs) typically require providing the customer with a replacement product right away, the company has to carry a higher inventory to be able to cover these cases. This costs a great deal of money. It also costs money to ship the product back to the end customer.

There is a substantial sum of money there to be saved. Other managed services companies do not examine the nuances involved in supply chain reverse logistics, as they are supply chain generalists. They don't have the decades of experience that OnProcess has in this aspect of the market, and they don't apply analytics and technology the way we do to gain insights that fuel major process improvements. As a result, they may not uncover all the savings and efficiencies, and opportunities to enhance customer relations that OnProcess does.

CEOCFO: *How do you help companies when the product is in need of repair and not functioning right?*

Mr. Wooden: We rely heavily on our use of advanced analytics. We can determine through propensity modeling of different products that, when a particular incident happens, there is a greater chance that it is a no-fault. In those cases, when customers call to report a product is broken, we'll do more advanced triage, asking more directed questions. It might be that we only need to send them a firmware update online, and the product will work well. That is one of the services we provide, from triage to service fulfillment to reverse logistics. When a part has to be repaired, we identify the best stocking location and coordinate the fastest possible dispatch of the part and/or engineer to minimize equipment downtime.

CEOCFO: *OnProcess has many household name companies as clients. What is your plan for growth?*

Mr. Wooden: OnProcess does many things very, very well and we have a great client roster. However, there are some things that I have found we can do better to grow our business. For instance, the value proposition of our end-to-end approach is significant to clients, yet some of our clients are only utilizing one or two aspects of our solution. Therefore, one of the easy ways to grow is to make sure clients truly understand how combining our various managed services can drive lower costs in their overall services supply chain. That is very low-hanging fruit. Secondly, we have a foothold in Europe, with operations in Sofia, Bulgaria. We service several US multi-national clients and a European account out of that facility. There is significant ability to grow within Europe. The third area of growth is the further development of our technology and the addition of newer technologies that help automate a great deal more of the post-sales supply chain process.

"We focus on one area, with extreme domain expertise—the post-sales supply chain—and we leverage OnProcess' technology and advanced analytics to consistently deliver very strong results. By working with OnProcess, clients save many millions of dollars annually, increase revenue and improve their end-customer experience to such an extent that they can differentiate on operational and service excellence, rather than price." - Michael L. Wooden

CEOCFO: *What have you noticed about the company since coming onboard that you might have missed in your due diligence prior to becoming CEO?*

Mr. Wooden: My belief in the management team and the employees strengthened. They have done a great job getting the company where it is so far—a leading provider of post-sales supply chain managed services. A big surprise was how deep OnProcess is in different verticals, including technology, mobile, medical devices, broadband, logistics and manufacturing. We have strong relationships with many global-brand clients. Perhaps the biggest positive surprise was the depth of our advanced analytics capabilities and what they enable us to deliver. We can provide clients with a level of business insights, and therefore results, that they cannot get from anyone else.

CEOCFO: *When a company realizes that they have a problem, do they know to look to OnProcess Technology? Are most companies aware of you or that even a solution exists?*

Mr. Wooden: Our existing customers are aware of what we can do and they often bring us from one part of their company to another, doing our marketing for us. However, if you do not work with OnProcess, you probably do not know who we are, but that is going to change. I am a big fan of thought leadership and providing clients and prospects with information that they cannot get elsewhere. We are going to have a big push in my first six months with OnProcess to make sure that, if you are not working with us and you have the type of problems that we can help solve, you know who we are.

CEOCFO: *Put it all together for our readers. Why choose OnProcess Technology?*

Mr. Wooden: We focus on one area, with extreme domain expertise—the post-sales supply chain—and we leverage OnProcess' technology and advanced analytics to consistently deliver very strong results. That's why OnProcess is the provider of choice for many of the world's leading companies. It is also why most of our clients have been with OnProcess for eight years or more, which is a rarity in this industry. By working with OnProcess, clients save many millions of dollars annually, increase revenue and improve their end-customer experience to such an extent that they can differentiate on operational and service excellence, rather than price.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

Contact: Candyce Plante 508-532-7406 cplante@onprocess.com



