



DO SERVICE CONTRACTS MAKE GOOD BUSINESS SENSE?

- ▶ **WHAT VALUE DOES A SERVICE CONTRACT BRING YOUR ORGANIZATION?**
- ▶ **WHAT ARE THE RIGHT QUESTIONS TO ASK POTENTIAL SERVICE PROVIDERS?**
- ▶ **HOW CAN YOU MAXIMIZE YOUR EQUIPMENT INVESTMENTS?**
- ▶ **DO SERVICE CONTRACTS SAVE YOU MONEY?**
- ▶ **HOW CAN SERVICE CONTRACT INCREASE BUSINESS PRODUCTIVITY?**



Executive Summary

Today's complex technology forms an essential part of mission-critical operations that must deliver maximum uptime. Less than optimal performance can reduce revenue, erode customer confidence, damage trading partner relationships, and lead to expensive work-arounds. During times of flat or reduced budgets, companies are caught in a vise. They need to manage spending carefully without compromising smooth flowing operations.

Service Contracts offer a way to optimize the performance of essential equipment while controlling cost. They can extend the life of equipment while helping companies manage cash flow better. Service contracts also free internal resources while making expert knowledge available through a service provider.

Getting the optimal value from a service contract depends on choosing the right partner — one that combines the right attitude, quality, experience, vendor certification, responsiveness, and experience with superior coverage and flexibility.

PEAK Technologies is one of North America's largest independent service organizations. With over 25 years of experience helping customers optimize equipment's performance while controlling cost, PEAK has a proven track record of consistent delivery and high performance.



Service Contracts offer a way to optimize the performance of essential equipment while controlling cost.

© Copyright 2009 PEAK Technologies, Inc. All rights Reserved.

This paper is created for informational purposes only. All trademarks and trade names are the property of their respective owners.

Introduction

Operating in a changing business climate, faced with declining revenues and an uncertain economy, businesses are pressed both to minimize expenses and squeeze the most value from their equipment investments.

Smooth flowing business operations requires dependable equipment. You need to keep manufacturing lines up and running. Today's highly complex technology forms an essential part of mission-critical operations that are — in our age of e-business — expected to provide 24/7 uptime.

Less than optimal performance can reduce revenue, erode customer confidence, damage trading partner relationships, and lead to expensive fire-fighting and work-arounds. At a time of flat or reduced budgets, companies are caught in a vise. They need to manage spending carefully without compromising smooth flowing operations.

Equipment that is not working at desired performance levels leads to:

- **Employees becoming less productive and less efficient**
- **Longer payback period on equipment**
- **Slower business processes**

All of which adds up to higher costs — the opposite of what companies are trying to achieve when they make technology investments.

The Problem: The Costs of Downtime

In today's business climate, the words "mission critical" take on a whole new meaning. Competitive challenges, an increasing need for flexibility, and compressed time-to-market means that processes must operate reliably at the lowest possible cost. Adding to the challenge, increasing equipment complexity makes service more difficult, requires more costly parts, and demands a higher level of specialized skill. The more technology evolves, the harder it is to keep up with advances.

Most of us would agree that downtime costs money. The question is, how much? One leading manufacturer estimates that something as simple as having a label printer down can cost as much as \$1 million in missed shipments, lost sales, wages, and delays that can ripple through the supply chain.

The fact is that we are so reliant on certain equipment such as printers, hand held scanners, data collection devices, wireless systems or forms handling equipment that most businesses can't afford downtime. For mission-critical applications, equipment uptime equates to profit, while downtime means lost productivity and revenue. Yet unplanned repairs and "rush" service charges can wreak havoc with schedules and budgets. Service Contracts offer a way to optimize the performance of essential equipment while controlling cost.

The Solution: Service Contracts Manage Cost and Maximize Uptime

Maintaining equipment in top working order is a business asset — as essential as any other investment you make in your operations.

According to a recent Gartner Group report, the cost of unplanned downtime is attributable primarily to service and support-related issues — in other words, a result of *reactive problem solving* rather than *proactive problem prevention*. Service contracts offer a proactive approach that helps prevent problems, minimize downtime, and keeps critical equipment operating.

Service Contract Benefits

- **Lowers overall cost of ownership**
- **Supplies a reliable basis for budgeting and planning**
- **Keeps mission-critical equipment operating at peak levels**
- **Minimizes business disruption caused by equipment failures**
- **Increases productivity**
- **Ability to leverage the capabilities of the service provider**

Service contracts can extend the life of capital equipment. Well-maintained equipment lasts longer, requires less downtime to repair and is more reliable — all of which leads to a longer useful life. Regular service can also help companies plan better for technology upgrades and replacements, avoid mistakes and duplication of efforts, and accelerate the adoption of new technology. With a service agreement you know your costs and can budget accordingly.

With repairs covered by a service contract, companies are less likely to postpone service on non-critical problems — a strategy that fosters continuous smooth performance. To manage costs, a service contract provides a set of known fixed costs for the year, allowing companies to budget reliably and manage cash flow better. *In fact, a service contract can often prove to be less expensive than the same services purchased at time-and-materials rates.*

Service contracts also free internal resources while supplying a wide range of expertise. Companies can leverage the capabilities of a service provider while minimizing internal costs for things like inventory and recruiting for specialized skill sets. Service contracts also guarantee a specified level of service delivery. Whether it's a four-hour response or next business day response, you know when to expect the service technician.

The benefits of service contracts are compelling. They drive down the overall cost of ownership, provide a reliable foundation for budgeting and planning, ensure that mission-critical equipment is operating at peak levels, and minimize business disruption for equipment failures. Productivity also increases with easy access to skilled resources and better training opportunities.

Service Contracts Make Good Business Sense When:

- **Your company wants a single source for service needs, one number to call**
 - **Internal resources are limited and you need to focus them on your company's core business activities**
 - **You want to manage maintenance costs**
 - **You want to ensure the maximum life for your equipment**
 - **The application is mission-critical**
-

Key Questions to Ask About a Service Provider

- ▶ **What is the service provider's approach to the relationship?**
- ▶ **Does the service provider have the right quality standards and measures in place?**
- ▶ **Does the service provider have proven experience?**
- ▶ **Is the service provider certified or authorized by the manufacturer?**
- ▶ **Is the service provider highly responsive and available?**
- ▶ **Does the service provider have broad coverage and experience?**
- ▶ **Can the service provider adapt the service offering to meet unique customer needs?**
- ▶ **Does the service provider offer a web based call management system?**
- ▶ **How does the service provider monitor the quality of the service and customer satisfaction?**

Choosing the Right Partner

So how do you choose the right service provider? Quite simply by asking the right questions about a potential partner's **attitude, quality, experience, vendor certification, responsiveness, coverage, and flexibility.**

- ▶ ***What is the service provider's approach to the relationship?*** A service provider should treat service as a central business strategy — one of its primary ways that the company does business. It goes without saying that a service provider should be trustworthy in managing client relationships.

Trust is demonstrated through an investment in client relationships and clear plans for meeting client needs today. A service provider should be a partner in achieving your business goals.

- ▶ ***Does the service provider have the right quality standards and measures in place?*** A service provider's quality standards should match your company's. This requires a clear definition of how quality will be measured as well as documentation of service methods and trouble-shooting tools. Training and certification should be updated on a regular basis. Documentation systems are needed to clearly measure performance objectively through metrics like repeat call rates, customer satisfaction surveys, and references from other current clients.
- ▶ ***Does the service provider have proven experience?*** A service provider should have experience with the equipment and with your application — and should be able to provide references. A good partner will be knowledgeable about your industry and business models as well as the equipment.

-
- ▶ ***Is the service provider authorized by the vendor?*** High quality service requires access to first quality parts, expert technical support, and engineering support if needed. For these reasons, a service provider should be endorsed by the manufacturer or have strategic relationships with key market suppliers. Service engineers should be trained by the manufacturer or a certified program and the company should be certified to prove that it has demonstrated expertise to support and repair the products. A solid investment in training and certification demonstrates reliable commitment to the products and technologies — and high quality that service customers can count on.
 - ▶ ***Does the service provider supply a high level of responsiveness and availability?*** The right service provider will have resources in place to provide extended service availability. In addition to availability, demonstrated performance in meeting commitments is shown in the time it takes a company to respond to a service request, by phone and on site. The service provider should also be accessible for frequent communications and informal calls as well as regular structured meetings.
 - ▶ ***Does the service provider have broad coverage and experience?*** Working with a service provider that can provide a wide range of services and technologies with standardize processes can help your company manage the service relationship more efficiently. A single source supplier must have a solid infrastructure for services delivery that includes call center support, contract administration, onsite repair, depot repair, and spare parts. The ability to perform all types of service, on a broad spectrum of equipment in many different user environments is essential. Multi-vendor, multi-technology service providers streamline service management and can be more cost efficient.
 - ▶ ***Can the service provider adapt the service offering to meet unique customer needs?*** In today's market, one-size-fits-all contracts are not acceptable. A service provider should be capable of providing customized solutions and adapting to changing requirements.
 - ▶ ***Does the service provider offer a web based call management system?*** Does the service provider offer a web-based, secure, automated platform that allows customers to submit requests for onsite support and depot repair electronically? This feature lets customers place a service request online, track service history by serial number and location, and check the status of work orders via the web, around the clock.
 - ▶ ***How does the service provider monitor the quality of the service and customer satisfaction?*** By comparing current performance to past performance, a service provider can evaluate past improvement initiatives and their effectiveness. Ongoing customer satisfaction surveys also provide real-time outside feedback that allows the service organization to analyze information down to the customer engineer level to identify issues and find solutions quickly. This approach enables the service provider to increase customer satisfaction through better, more consistent service delivery.

PEAK Technologies – A Proven Partner

PEAK Technologies, is focused on delivering service contract solutions that reduce administrative effort, downtime risks, and overall service costs for our clients. PEAK is one of North America's largest independent maintenance organizations specializing in Auto ID technologies and Forms Handling Equipment. With more than 29 years of technical expertise, PEAK fields the largest independent service organization in North America, providing field service repair on most major brands of laser, matrix and thermal printers, forms handling and pressure seal equipment plus depot repair of barcode, Auto ID products, and POS printers.

Our ongoing measurement of customer satisfaction tells the story:

Customers consistently award the company a score of 97% for overall quality of service.

PEAK provides service to over 20,000 customers and our factory trained and certified Customer Service Engineers (CSE) average 16 years of industry experience and provide service coverage in the US, including Alaska, Hawaii, Canada, and Mexico.

With a fully staffed Customer Care Center available 24 hours a day and 7 days a week, PEAK's highly trained and experienced support personnel are available to meet all your support needs.

This extensive coverage enables PEAK to support medium and large nationwide customers with multiple sites while providing consistent service and allowing customers to maximize equipment investments and reduce equipment downtime.

With trained and certified customer service engineers and extensive in-house technical expertise, our operations have the resources necessary to meet performance commitments. Our customers gain peace of mind from the confidence of dealing with a proven, reliable, and responsive organization.

PEAK's narrow product support focus is by design and allows us to build in-depth product expertise, which includes: certified in-house technical experts, access to manufacturers' engineering and technical experts, and an extensive knowledgebase. We carry genuine manufacturer parts and have access to manufacturers' technical manuals, bug fixes and technical updates — facilitating problem resolution.

PEAK is certified to service most major brands of printers, barcode/Auto ID products, Radio Frequency (RF) products, forms handling equipment, pressure seal systems, roll feed systems and POS printers. We are the only authorized service provider to service and support all of Moore Wallace's forms handling products including Roll-Feed Systems, Pressure Seal Systems, Bursters, Decollators, Cutters, Imprinters, and Shredders.

State of the art service delivery systems and processes round out the picture to ensure high quality service delivery that meets customers' mission critical business demands. Our automated service delivery systems includes automated dispatch, centralized call center and contracts administration, Web, email and phone service call placement.

Support response is available 24 hours a day, 365 days a year to meet customer business requirements and every aspect of service delivery is tracked and measured. This service management accountability ensures superior delivery.

To supply consistently superior performance, PEAK's service model includes:

- A highly-efficient logistics support chain

- An automated dispatch and communications system

- A tightly integrated system that allows incident management, trouble ticketing and reporting to be provided to customers seamlessly, regardless of location.

Ongoing customer communications include:

- Status updates by the customer service engineers and service managers
- Web-enabled service call status and call history monitoring
- Customer meetings

Customers can access PEAK service and support whenever they need it and be assured of a timely response and ongoing communications.

Manufacturers Supported

- | | | |
|---------------------------|--|-----------------------------|
| ▪ Printronix | ▪ Printek | ▪ Zebra |
| ▪ Kyocera Mita | ▪ AMT DataSouth | ▪ Dataproducts |
| ▪ Intermec | ▪ Motorola/ Symbol | ▪ PSI |
| ▪ IBM | ▪ Epson | ▪ Lexmark |
| ▪ Fargo/ Datamax | ▪ Tally Genicom | ▪ Hewlett Packard |
| ▪ Label-Aire | ▪ CMT Integration | ▪ Moore Wallace |
| ▪ HHP/ Welch Allyn | ▪ Norand | ▪ Microscan |
| ▪ LXE | ▪ UBI | ▪ Telxon |
| ▪ Duplo | ▪ PSC | ▪ Xerox |
| ▪ Kern Inserters | ▪ Carter Control Conveyor Systems | ▪ Hunkeler Roll Feed |
| ▪ Sato | | ▪ Okidata |
| ▪ CTM Applicators | | |

Conclusion

As companies strive in an uncertain business climate to realize the most value from equipment investments, service is an essential ingredient in the mix. Maintenance contracts help companies maximize uptime and performance for mission-critical equipment, reduce risk, and vulnerability to costly disruptions.

In choosing a service provider, companies need a partner — one that is committed to the technology for the long haul and has a full portfolio of resources — manpower, parts, technical knowledge — when and where you need them. PEAK Technologies is a proven partner that companies can rely on to protect their equipment investment.



PEAK Technologies

10330 Old Columbia Road
Columbia, Maryland 21046

800-950-6372

Fax: 866-504-0844

info@peaktech.com

www.peaktech.com

To place a service call:
800-PEAK-FIX or 800- 732-5349
service@peaktech.com

© Copyright 2009 PEAK Technologies, Inc. All rights Reserved.

This paper is created for informational purposes only. All trademarks and trade names are the property of their respective owners.