

How does your service business compare to others? Really?

Accelerate your service transformation with unbiased service benchmarking.

<https://moremomentum.eu/blog/benchmarking/how-does-your-service-business-compare>

June 10, 2021

Do you, just as many other service executives, feel there is a bit too much guessing involved when assessing your service business and development?

Many service executives do have some idea of the strengths and weaknesses of their businesses and how well they are moving towards advanced data-driven services. But they also recognise that a lot is just a gut feeling without much external data to back up their assessment and make it more granular and actionable.

Lack of unbiased and evidence-based data and insights

We still have little unbiased and evidence-based data, insights, and emerging best practices about advanced services, service-led business models, and service transformation in the services industry. At the same time, services are becoming increasingly important for manufacturers to compete and thrive during digital disruption.

I hear from many of you that this is a serious challenge and holds you back to:

- Develop a well-grounded service strategy based on an adequate strategic assessment.
- Engage your teams in developing this strategy and taking ownership.
- Build active support and buy-in from senior leadership and your stakeholders.
- Secure necessary funding to develop new capabilities and service offerings which are critical to thrive during digital disruption.

“When the rate of change inside an institution becomes slower than the rate of change outside, the end is in sight. The only question is when.” – Jack Welch

It does not have to be like this.

Even though not much actionable data and information is available yet, there is a vast amount of experience, knowledge, and insights in the services industry. All manufacturers are going through a similar service transformation journey.

There are several ways to acquire and leverage this information and expertise, one of which is benchmarking. I will cover this in my upcoming article “6 ways to get better data and evidence for your service strategy”. [Subscribe for our Impulse Letter](#) to get notified when this article is published.

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The need for benchmarking

During a transformation or disruption in an industry, like today’s digital disruption, the discrepancy between the laggards and leaders is quite big. Laggards are stuck (in the mud) with their strategy, lose confidence of their stakeholders and fall behind the competition.

Successfully navigating such transformations requires an outside-in strategic approach based on up-to-date assessments on where the industry is heading and how you are progressing.

One way to acquire and leverage the required information and expertise is peer benchmarking. In the services community, we have a significant opportunity to capture and develop the collective experience, information, and insights through repetitive benchmarking of:

- **Performance levels** on financial, process, customer, and development KPI’s.
Insights in how performance levels are evolving in different industries are essential to assess whether you are on the right track and making enough progress.
Also, just plain comparisons of performance across industries can provide interesting insights and inspiration.
- **Maturity levels** of all key service business capabilities.
In the end, capabilities drive performance. Therefore, a well-grounded service strategy is based on an accurate assessment of strengths and weaknesses of current capabilities, how the best practice capabilities look like, and how the services industry is advancing its capabilities.
This assessment begs for external, unbiased insights into maturity levels of capabilities.
- Changes in **cost structures** and levels around the new service business capabilities. It is often challenging to convince senior leadership that higher / different operating costs are required for new capabilities to advance services.
Accurate data on how other businesses in various industries change their operating cost structures will enable you to improve your business case and get buy-in.
- **Investment levels** for developing new service business capabilities, embedding new technologies, and launching new service offerings.
For a long time, services have delivered an attractive financial contribution for many manufacturing companies without much investment. But, at some point, there is no low hanging fruit left. Without investing in service development, you will fall behind the competition and risk losing the profitable service business.
Benchmarking can give invaluable insights into how much and in which areas different businesses invest.

Strategic Management	Develop Services & Solutions	Generate Demand	Deliver	Manage Customer Accounts	Innovate the Business	Manage the Business
Parts & Consumables					} Service Business Models	
Product Lifecycle Services						
Operational Solutions						
Integrated Solutions						

Benchmarking key service business (sub) capabilities
© moreMomentum Service Business Capabilities Model

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Advance your data-driven services with data and insights



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**Download "Do's and Don'ts
in Service Benchmarking"**

**And get the most out of your
benchmarking**

**10 tips to make Service
Benchmarking a strategic tool
instead of a report in the drawer**

Benchmark data and insights are the missing link for any forward-looking and well-grounded service strategy to:

- Have complete strategic alignment with your stakeholders.
- Engage service teams to take ownership and execute with success.
- Secure necessary support and funding.

Two closing questions for you:

- How does your service transformation compare to that of other service businesses?
- What are your ideas about service benchmarking? Drop a comment below, or [send me an email](#).

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