

## Press Information

### Customer focus in services yields long-term success

Until just a few years ago, the business model for a mid-size machine manufacturing company had a simple structure: dominated by engineers, the focus was on solving technical problems. 'Made in Germany' was interpreted as 'providing optimal technology'. Today, the expectations of the market have undergone a transformation. Classic German machine manufacturers have had to learn to stop viewing a product purely as an engineering development whose business relationship ends with delivery to the customer. That is because customers today are demanding more than just a good technical solution. 'Operational availability' is the buzzword – and maximum operational availability can only be attained by quick provision of services and mature logistical concepts for replacement parts. Given this environment customers with international organizations must be handled in a special way. For these customers, machine manufacturers must always reevaluate and focus on the individual customer's needs. That is, they must offer the most relevant technology and customized services as a sort of dual package. And they must be globally active themselves.

The challenge of setting up a practical, real-world focus on infrastructure is not exactly trivial for mid-size companies due to their limited human and financial resources.

Just how this might look in practice is being demonstrated by pump specialist LEWA with headquarters in Leonberg (in 2007 approx. €125 million in sales, 650 employees worldwide, 16 subsidiaries, representatives in over 60 countries): this manufacturer is experiencing worldwide demand for its products and services, wherever fluid media need to be pumped under process- and safety-critical conditions, such as in the oil and gas industry and the chemical and petrochemical industries. The operators of many such facilities can hardly imagine alternatives to the hermetically sealed process diaphragm pumps and metering systems from LEWA. So it is not surprising that the company's export business share is over 70 percent!

The reason for the company's excellent market position is that LEWA does not just focus on pump technology. In its system solutions, the company also integrates developments from technologically related specialties such as electronics, mechatronics, IT and communication technology as well as knowledge on ease of machine operation and user training. This is done to fulfill growing customer requirements. Accordingly CEO Bernd M. Stütz commented: "Our first goal is to solve the customer's problems, that is to help the customer improve its ROI. If high-tech designs are developed as a result – all the better."

Despite all of its technical merits, even this manufacturer must see how it can retain its customers, while offering significantly more added value than the competition. For the LEWA boss, a mid-size company even has the advantage here: "Compared to large corporations, mid-size companies have organizational structures that are more flexible, and they can make decisions more quickly." That is said to enable greater speed in taking actions, and related to this, quicker reactions to new market situations or individual customer expectations. "The initial success of large corporations – especially in new markets – is often based on financial superiority and a large pool of resources. However, that can lead to a disregard for corporate culture and soft factors – and this is where the mid-size company can clearly differentiate itself with great opportunities for success."

#### The key to success clearly lies in services

In the transition from product provider to solution provider, the growing significance of services was recognized early in the company. While other machine manufacturers are only just 'discovering' services as a business area, LEWA has been earning good a strong in this area for a long time now, as Stütz assures: "The After Sales Service area – which in earlier times assumed a subordinate role as a simple spare part provider – now makes a large contribution to overall customer satisfaction and to our overall sales and profits today."

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Meanwhile, the Service team is also actively marketing its services. For example, if remote diagnostics of a machine indicates that a component has a high probability of failure within a short period of time, the team contacts the customer and sends out the replacement part even before the failure occurs. Andreas Ilka, After-Sales Division director is convinced: "This is a way in which we can prevent production downtime, and it increases the likelihood that the customer will come back to us the next time an investment decision is made."

Special services such as servicing systems and packages on oil platforms (special certifications are required to perform work on these platforms) are part of the company's service programme today, and they offer added value to the customer. Another alternative offered is to handle operation of the relevant system on the oil platform: for a fixed annual fee a pump solution is provided, and a predefined availability is guaranteed.

### **Understanding the customer better**

What contributes to a high level of customer focus: outside of the normal course of daily business, specialized groups within LEWA come together several times a year for an inter-group team-building programme – a catalyst for innovative ideas. It also promotes effective project management of global projects and better understanding of different cultures. CEO Stütz: "Although there are costs for travel and organization of such events, it is money well spent, because on the one hand it reduces friction in daily business, and on the other hand ideas are formulated that promote improved customer focus. In turn, this generates potential for new business and products." Service head Ilka adds: "At our team-building events our employees always come back with new, specific knowledge about the customer. This reinforces the feeling among our customers that we understand them and their individual needs." Another idea for the future is to set up a type of "LEWA Wikipedia", in which expert knowledge would be documented; this would be a self-learning system that would point out interrelationships.

To build up such a base of expert knowledge and continue to maintain its relevancy, LEWA traditionally works closely with universities. For example, at the expert symposium 'Green Technologies Day' held at the end of the year. Presentations at this expert knowledge forum are given by representatives from research as well as practitioners and end customers. Topics of discussion include 'Bio-fuel production utilizing algae' – here LEWA would like to be involved in the development process right from the beginning, so that it can recognize and call attention to potential critical issues early on.

Summary: To model specific customer needs, close coordination between customer and manufacturer is essential. Although contemporary modes of communication enable contact at any time of day, and remote access to systems is an everyday occurrence, even on the high seas, nothing can replace personal contact. Face-to-face dialogue with the customer is the only way to discover what is really needed. Just as important is early collaboration between product management, development, material management and service. In the future, standard or basic services will no longer be sufficient to satisfy market expectations. Extended and added-value services are solutions with a future and genuine customer value. Furthermore, it is important to become familiar with the customer's business model and to understand it. Only those who are insiders and have a keen sense of the business can figure out how to create utility and added value for the customer.

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**Gr3Pump\_LEWA.JPG**

Methanol Injection with LEWA pump Type G3RK with M8 pump head at the Oil rig of BP Bruce.



**Platform\_ConocoMurdoch.JPG**

Condensate recovery and waste water treatment with LEWA triplex pumps.

LEWA is experiencing worldwide demand for its products and services wherever fluid media need to be transported under process- and safety-critical conditions, such as in the oil and gas industry or the chemical and petrochemical industries.



**Hr\_Stuetz\_inProduktion.jpg**

“Our first goal is to solve the customer’s problems. If high-tech designs are developed as a result – all the better”

(Bernd M. Stütz, CEO, LEWA GmbH, Leonberg).

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<p><b>Produkte &amp; Leistungen:</b></p> <ul style="list-style-type: none"> <li>• Dosierpumpen</li> <li>• Prozessmembranpumpen</li> <li>• Dosier- u. Mischanlagen</li> <li>• On- &amp; Offshore Anlagen &amp; Systeme</li> <li>• Condition Monitoring Systeme</li> <li>• Odorieranlagen</li> <li>• Weltweite After Sales Services</li> </ul>	<p><b>Products &amp; Services:</b></p> <ul style="list-style-type: none"> <li>• <i>Metering pumps</i></li> <li>• <i>Process diaphragm pumps</i></li> <li>• <i>Metering and mixing systems</i></li> <li>• <i>On- &amp; offshore skids, systems &amp; packages</i></li> <li>• <i>Condition monitoring systems</i></li> <li>• <i>Odorizing systems</i></li> <li>• <i>Worldwide after sales service</i></li> </ul>
<p><b>Branchen:</b></p> <ul style="list-style-type: none"> <li>• Öl &amp; Gas (upstream &amp; downstream)</li> <li>• Chemie &amp; Petrochemie</li> <li>• Pharma &amp; Kosmetik</li> <li>• Lebensmittel &amp; Getränke</li> <li>• Kunststoffe</li> <li>• Wasch- &amp; Reinigungsmittel</li> <li>• Specials (wie z.B. Umwelt, Energie, Odorierung)</li> </ul>	<p><b>Key industries:</b></p> <ul style="list-style-type: none"> <li>• <i>Oil &amp; gas (upstream &amp; downstream)</i></li> <li>• <i>Chemicals &amp; petrochemicals</i></li> <li>• <i>Pharmaceuticals &amp; personal care</i></li> <li>• <i>Food &amp; beverages</i></li> <li>• <i>Plastic processes</i></li> <li>• <i>Cleaning &amp; detergents</i></li> <li>• <i>Specials (such as environmental, gas odorizing, energy)</i></li> </ul>

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