

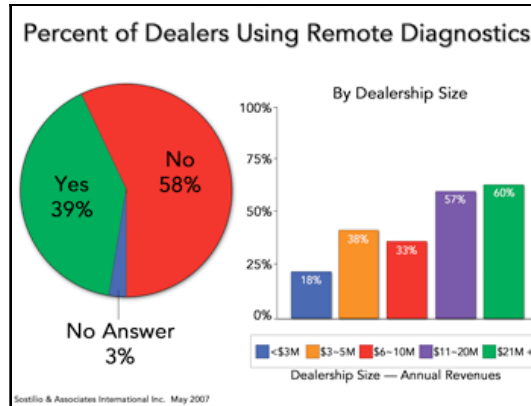


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Remote Diagnostics

The service tool for greater customer satisfaction



By Bob Sostilio, Sostilio & Associates International

According to a number of sources, service revenue contributions range from 27 percent to 32 percent of a dealership's overall revenue. The current BTA Service Report says 32 percent of total revenue comes from service while our most recent dealer survey recorded 27 percent. In either case, it demonstrates that no dealership survives without a profitable revenue stream from service. As thinner margins on hardware and "CPC" programs generate less profit, service is the last leg of the three-legged stool that props up the dealership.

Therefore, one would expect that any "tool" that can improve service revenue by increasing efficiency and productivity would be exploited within a dealership. Yet, according to our research, only 39 percent of dealers surveyed said they employ some type of remote diagnostics.

The Value of Remote Diagnostics

Remote diagnostics are service tools that proactively monitor and analyze an installed base of MFPs or printers and send a status report to an assigned entity. Customers will undoubtedly see a value in remote diagnostics with the ability to honor those quick response guarantees made at the time of the sale, and customers of high-volume devices will see the value of tracking and flagging "life" parts and providing accurate meter readings seamlessly to the machine operators.

Having remote diagnostics installed in a dealership's machine population can provide better management of service technicians by tracking time on site, call backs and parts usage. And the device can supply the dealer and his (or her) customer with an accurate machine history.

For existing accounts, it may be a challenge to go back and install remote diagnostic devices. According to our data, connectivity of black-and-white units was under 33 percent in dealerships under \$5 million in annual sales. But today, new sales data tells us that two out of every three black-and-white models — and virtually all color units — are sold connected and, therefore, should be candidates for remote monitoring devices.

Uptime — Measuring Service

If I'm going to talk about the value of remote diagnostics as a possible service tool, then I had better define how I think service is measured. The measurement of any service department is its ability to keep the greatest amount of "uptime" in its installed base. Specifically, the more customers use your product without interruption or failure, the happier they will be and the better chance you have of retaining them as your customers. Yet, a service technician spends only about two-thirds of his (or her) time dealing with customers. The rest of his time is spent traveling (19 percent), doing administrative work (12 percent) and training (5 percent).

In the 1980s, product reliability and quality control took center stage and product documentation (administrative) tasks became very important. "Japan Inc." promoted its product reliability and quality by endorsing the Deming award; the United States countered with its Baldrige award. Both are award organizations that exhibit the highest degree of commitment to quality control and who made yearly improvements in the pursuit of quality. That means tracking machine performance. Both awards provided a methodology (statistically) to measure degrees of performance and reliability and eventually lead to TQC (Total Quality Control) and development of tools to capture product performance. It was a matter of "uptime," copies between failures, response times, monthly volumes, etc., that drove customer satisfaction marks to higher levels. As service technicians were responsible for keeping the quality and performance of various models consistent over



an extended period of time, they became the linchpin in a dealership's TQC and its success or failure.

Service Revenue Lost or Poor Communications

Everyone in the office equipment industry today knows that service income is the only product that is the most prone to human error and is dependent upon a service department that has a 64 percent utilization rate of its staff.

Meter clicks and service calls are customer dependent, while internal tracking of a dealership's machine population depends upon how complete service reports are made and how accurately the data is entered into the system. Non-productive, administrative work performed by technicians is costly and time consuming. In most cases, service reporting, trip reports, meter reads and parts usage analysis can be automated. With only 39 percent of dealerships communicating with their installed base via remote diagnostics, the rest have burdened their technicians to tract yields, software levels and even firmware revisions of devices in their territories while being asked to conduct document assessments and develop system designs.

Those dealerships that introduced remote meter reading capability have cut down on human error in tracking some of their product yields and removed an administrative burden from service. Granted, remote metering is crucial to fleet management and capturing supply yields, but to improve technician efficiency and productivity, more communication is required.

Imagine a service department capable of monitoring a technician's car stock as he leaves the company parking lot by using a system that employs RFID (Radio Frequency Identification) for tracking parts in and out of its parts department. Imagine never having to ask where a technician is and, instead, using a GPS (Global Positioning System) that tracks a technician's whereabouts and pinpoints his location. These systems exist today and are employed in other industries to improve efficiencies and the profitability of fleet servicing. It is only a matter of time before the office equipment industry embraces it.

Presently, remote diagnostics in the copier/MFP industry consists of a service department polling a device for periodic maintenance checks, page counts, image scans, toner levels, drum usage and fuser usage. Some systems can notify a technician or service coordinator of the jam frequency of a particular model or provide a notification if the device is "down" for an extended period of time. Some can provide a problem alert when there is a unit or component failure.

Any methodology that reduces or eliminates administrative time, automates simplistic tasks or manages travel time can only improve a technician's productivity and efficiency, while at the same time reducing his frustration and increasing the dealership's profitability. In the past, when the dealership principal wanted to know what was happening in his business, it was generally learned anecdotally — after the fact and after the technician visited the account. With remote diagnostics, the dealership principal gets the real-time status of the machine base and does not necessarily have to wait for the service report to be entered into the system.

The Costs are Justifiable

The cost of a good dispatch system and monitoring software that a service manager can use to access real-time status of the MIF (machines-in-field) is justifiable. Take a hypothetical dealership where the average service call per unit is five per year, and a technician can cover 2.8 calls per day on those units. With remote diagnostic software installed in the base, he is able to reduce on-site time because the exact failure is known beforehand and the right part is taken to the account on the first visit. In addition, the technician does not have to conduct on-site troubleshooting. By being better prepared, the technician adds half of a service call to his average daily responses or increases his territory by 18 percent, roughly 25 machines in this example.

Now let's run the same exercise and reduce non-scheduled service calls. This can be accomplished by setting the remote diagnostics system to flag those accounts that are due for preventative maintenance well in advance of a failure. Hypothetically, the technician cuts the annual call rate per machine from five to 4.5 visits per year, thereby increasing his overall territory by 10 percent or roughly 15 machines. Combining the impact of remote diagnostics in this example has improved efficiencies and allowed the technician to cover almost 30 percent more units than without having it. Think of that the next time you have to hire and train a new service technician.

What is Being Offered?

Every manufacturer is now offering some type of meter capturing and/or remote diagnostics software either embedded, over the Web or through third-party vendors. Canon and Sharp use Web-based systems. Canon calls its system "imageWare Remote," while Sharp's is referred to as "Remote e-mail Diagnostics (RED)." Toshiba has a Global Service Portal in conjunction with software from MWA Intelligence, while Konica Minolta just announced its bizhub vCare. Ricoh will launch its second generation @Remote this summer. Each supplier realizes that loyalty and perceived reliability is important to its channel partners. Others, like Kyocera Mita and Océ, utilize third-party suppliers to help dealers track and capture meter clicks and parts usage. Even GreatAmerica Leasing utilizes "Fleetview" to monitor its base of installed units. Some third-party companies, such as MWA Intelligence, work with Océ, Sharp and Toshiba in providing dealers with levels of confidentiality to ensure that user information is protected. If a supplier needs machine performance history, only the raw data without the clients' names is provided. Almost all vendors offer a menu of software and technology either organically or by partnering with companies like PrintFleet, FMAudit and OMD to help capture meter clicks or usage and maintain levels of security and confidentiality.

The "Uptime" Tool

Remote diagnostics software and implementation frees up a technician's administration time for more repair time at customer locations as well as lowers a dealership's costs in recording and transferring meter reads. It can improve a technician's efficiency and increase coverage, which equates to improved profitability. Also, remote diagnostics provide real-time status, reduce errors when dispatching a technician, provide accurate meter reads on time and, overall, are excellent management tools to measure efficiency. Higher efficiencies from revenue-generating positions improve cash flow and profitability.

Remote diagnostics reduce customer intervention and help to accurately forecast and manage car stock and parts inventories. They can be customized for individual accounts and they help reduce on-site repair time by assuring that the tech arrives with the correct knowledge and the right part at the right location. They increase "uptime," which means greater customer loyalty. Above all, remote diagnostics help to measure what you have to manage.



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