

OEM Telematics

the time is now

Introduction

In today's fast-paced digital landscape, staying ahead of the competition requires constant innovation and adaptation. For mobile equipment OEMs, the key to success for telematics has been in unlocking the potential of data and analytics. That remains important, but the focus has shifted and OEMs are now realizing that adoption of these new technologies is not enough - the delivery of a superior customer experience is also required - that's where telematics can play a starring role. Today, OEMs can use the power of telematics to design and build solutions to focus on:

- Shifting experiences based on the application.
- The experience and preference of the operator.
- The ability to interface and trouble shoot in real time.
- Secure & reliable control systems that can improve over time.

Leveraging Telematics

The value of telematics goes beyond equipment tracking. OEMs today are already leveraging data from their equipment to impact decision making for future design and product development. **Let's explore some of the ways OEMs can benefit from using telematics on their equipment and improve their customer experience.**

1 Reducing the cost of service

On average, based on OEM interviews the actual cost of a warranty call on equipment is greater than \$1,300 per incident with an annual cost increase of 10-14%. In addition, time troubleshooting and diagnosing can often take multiple calls or visits to properly diagnose and then require parts to be shipped after the diagnosis is complete. By remotely monitoring equipment, OEMs can proactively identify and address potential issues before they become major problems. This not only increases customer satisfaction but also reduces downtime and improves overall equipment reliability. With the ability to remotely diagnose and troubleshoot problems, OEMs can minimize service visits and provide faster, more efficient support to customers.

2 Optimizing maintenance

Time bound maintenance checks and completion is very inefficient and costly to OEMs and operators. Time does not deal with the condition or use of equipment and leads to either premature or overdue maintenance of vehicles. Either the fleet is paying for more maintenance cost than required or OEMs are paying for warranty repairs given maintenance was not completed at the time of the need vs. intervals.

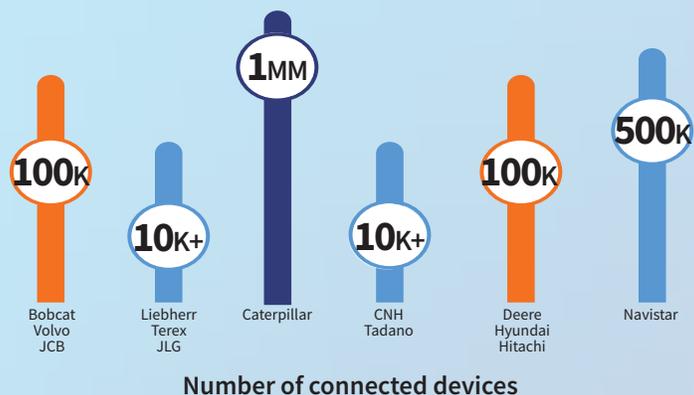
3 Maintaining vehicle security

Security and equipment safety are becoming bigger topics. OEMs are being asked to guarantee the operation of the vehicle and held legally responsible for the mis-operation of equipment. The amount of malware today is growing quickly and the need for OEMs to ensure they are using the latest technology in security is critical to maintain the safety of the equipment. OEMs must be able to identify and fix security vulnerabilities that enable outsider intrusion to the vehicle network systems and interfere with the operation of the vehicle. OEMs can only do this if they can remotely connect with the vehicle. Additionally, leaving these connections unprotected for the use of connecting 3rd party aftermarket telematics systems creates security vulnerabilities increasing your liability as an OEM of being attacked and held liable.

Telematics Adoption



OEMs are finding value points that the aftermarket solutions cannot offer. Below are a spattering of the OEMs already playing in the market today - using the data to improve their products, improve customer experience, and to accelerate the adoption of other technologies and extending their product differentiation.



4 Improving equipment operation

Understanding and evaluating how equipment is used or identifying how use cases can be improved offer OEMs huge opportunities to differentiate how equipment should work while at the same improving it on the go. This can enable OEMs to create customer preference and loyalty to your brand as well as fix deficiencies that could lead to dissatisfaction from the customer using the equipment.

5 Market research

Imagine having all your customers complete a survey for you on how they use your equipment, how often and where. Telematics opens a wealth of information for OEMs and often answers questions that marketing organizations can only dream of learning. OEMs can quickly learn data about customers' use pattern, fuel consumption, and operational efficiency to name a few. With this information at their fingertips, OEMs can optimize their equipment's design, make informed decisions about maintenance schedules, and even identify opportunities for product improvements which can add additional value to customers.

6 Increase customer touch points

By increasing the number of interactions enables you to increase your understanding of the customer, create a more personalized experience, increase your brand visibility, answer their questions, meet their needs, develops an opportunity to engage them in the buying and selling process, and create a competitive advantage. Why is Tesla so successful and why are their customers so loyal? They have used connectivity to create touch points and services that others do not complete in the market, building their customer loyalty.

Do You Need Telematics?

As an OEM it is crucial to think through the implications of not offering telematics. This goes far beyond the question of do you want to sell data - that answer might be no. But, do you need telematics to enable your customers? That answer might be yes. A few key questions to ask:

- *Do you want 3rd party providers directing your customers on how to repair equipment you manufacture?*
- *How do you respond to customers that call to troubleshoot and fix machines based on a 3rd party analysis?*
- *Are you willing to sacrifice security on your machine to enable 3rd party providers the ability to access data?*
- *Will 3rd parties be able to access and understand the data on your machine without you supporting them? If not, will you do this for free?*
- *Would your customers and company benefit from knowing more about how your product is used?*

Today's platforms allow OEMs to enable customers with data even if they choose not to sell or profit from the data. OEMs are understanding the importance of controlling vehicle security, ensuring control of how and when the customer makes repairs, and the value of working with partners in off-vehicle vs. on-vehicle data sharing methods that enable easier translations and connections.

Choosing a Telematics Solution

OEMs have a number of options - from building your own to leveraging an enablement platform. Below are key factors to consider when choosing a telematics solution to best align with business objectives and maximize the value of equipment data:

- **Data Collection Capabilities:** Evaluate the ability to collect the data points that are relevant to your equipment and business objectives. Consider factors such as GPS tracking, fuel consumption monitoring, equipment diagnostics, and remote-control capabilities.
- **Scalability and Flexibility:** Consider the scalability, especially if you plan to expand your equipment fleet in the future. The solution should be able to handle a growing volume of data and support the addition of new equipment without major disruptions.
- **Cost-Effectiveness:** Evaluate the total cost of ownership, including upfront investment, ongoing maintenance costs, and additional fees associated with data storage, analysis, or support. Consider the long-term benefits and return on investment to make an informed decision..
- **Integration and Compatibility:** Ensure seamlessly integration with 3rd parties and your existing systems, including equipment control systems, maintenance management software, and customer support platforms. Compatibility with other software and hardware is essential for smooth implementation and data exchange.
- **Security and Data Privacy:** Ensure there are robust security measures in place to protect sensitive data from unauthorized access or breaches. Look for certifications and industry standard compliance to validate the solution's security credentials.
- **Support and Service:** Evaluate the level of support and service offered. Consider factors such as training, educational resources, technical support, and responsiveness to customer inquiries or issues.

The Game-Changing Power of Telematics

Telematics technology has the potential to revolutionize the mobile equipment industry and propel OEMs to new success. By harnessing the power of real-time data collection, analysis, and remote monitoring, OEMs can optimize their equipment's performance, improve operational efficiency, and provide unparalleled customer service. **If you're a mobile equipment OEM looking to stay ahead of the competition and unlock the growth potential, it's time to embrace telematics.**



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