

Industry Report

Lab firms look to their service sections to ensure ongoing growth

Jacqueline Balian, GAMBICA, Jacqueline.balian@gambica.org.uk

For the first time in recent memory, UK lab firms are seeing a softening in the UK market for lab equipment. This has been a jolt for many, as the sector as a whole has become used to annual double-digit growth. The current uncertainty over Brexit is undoubtedly having an effect, and that's likely to continue, so Lab Tech leaders are reviewing the lessons of recent history.

For the UK as a whole, the service sector drove the economic recovery after the 2008 recession and now has a dominant position in UK revenues. Acting on this example, GAMBICA's Lab Tech committee, which is made up of the heads of fifteen of the UK's leading lab supply companies, has taken steps to help all member companies optimise the contribution of their service departments. It has initiated a new After-Sales Group to bring together the managers of service and after-sales support teams to share best practice. The first meeting was this week and some interesting wrinkles emerged...

"Hugely higher customer expectations - quicker - now - today - and an expectation that things don't fail."

"We all expect constant communication - if Domino's can tell you that your pizza is just turning into your street why can't I tell them where the engineer is?"

This is the changing world of customer expectations for service and after-sales managers. But for those trying to make a real and growing contribution to their company's bottom line, it is a challenge to balance these escalating demands with the need to keep costs down.

Some ideas on how to respond were provided by veteran lab industry trainer Chris Phillips of Marcus Bohn Associates at the GAMBICA After-Sales Group meeting held at Camlab's offices in Cambridgeshire. He identified the availability of the right professional staff, with the right technical and interpersonal skills, allied with the back-office systems, as being the key ingredients of excellent customer service.

Among B2B decision makers, lack of speed in interactions with their suppliers is mentioned twice as often as price as the number one cause of annoyance. In addition, consumers will apparently wait on hold for an average of 11 minutes before hanging up, but once they're gone, you've lost them. So for SMEs, identifying the right response and tracking systems and making sure that they are used to best effect is hugely important. But having the right system is only the first step, and it is essential that this system is accepted rather than resented by those who will have to operate it.

For engineers out on the road with limited engagement with those back at base, it is easy to perceive new systems as rather 'Big Brother'.

"Engineers are trusted by customers because they are seen as being on the customer's side, and they really are" said one attendee. "Our company's priorities and balance sheet are much more distant to them than the customer's pressing need".

Another delegate commented that misguided or poorly devised incentive schemes can make disengagement worse, recounting the example of a one-off incentive payment made to engineers who identified new business opportunities.

"The next year the sales team got commission based on the renewal of the service contract, but the service engineers did not. It not only totally turned the engineers off working to develop new orders, it drove a massive wedge between the service and sales team."

Indisputably, it all comes back to teamwork, communication, people skills and most importantly, the right people. According to a recent government study for the engineering sector, to gain enough candidates to reduce the skills shortage, approximately 186,000 skilled recruits will be needed every year until 2024. However, talent company nextgenmakers.co.uk reports that of the 1000-odd young people who spend two or three years doing engineering at FE colleges each year, a significant minority do not go into engineering jobs but into roles such as shelf

stacking. They attributed this to the poor connection between the FE colleges and companies where would-be engineers can get work experience while studying. So maybe it's worth taking the time to get to know your local FE college before your last service engineer retires...

If you would like to attend a future meeting of the GAMBICA After-Sales Group please drop me a line Jacqueline.balian@gambica.org.uk. Marcus Bohn will shortly be offering some more training for after sales teams so keep an eye out for that on the GAMBICA website.



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