Toyota Material Handling
Service business transformation

Spring Servitization Conference the 13th - 15th May 2019
Joakim Plate and Patrik Carlsson
Since 2011 Joakim Plate is responsible for the European Service Market business within Toyota Material Handling Europe. A vital part of this involves developing and executing the Service strategy, in which connectivity plays an important role. Joakim will in his presentation, together with Mr Patrik Carlsson, describe how TMHE is working with the transformation from reactive to proactive service and towards the ultimate target of “zero breakdowns”. Prior to his current responsibilities Joakim has held various positions within TMHE with focus on Service Market Business Development. Before joining TMHE in 2003 Joakim worked as Business Manager within the Ericsson group 2000 - 2003 and Purchasing Manager within AstraZeneca 1998 – 2000.

Patrik Carlsson has a vast knowledge in the area of mobility and connectivity and how that can bring business value to the industrial sector. This after having spent over two decades working in these areas in different positions within Toyota Material Handling Europe, with a main focus within the area of field service. Patrik will in his presentation, together with Mr Joakim Plate, describe how TMHE is working with the transformation from reactive to proactive service and towards the ultimate target of “zero breakdowns”.

Joakim Plate
Director Service Market
Toyota Material Handling Europe

Patrik Carlsson
Sr Manager Business Development
Service Market
Toyota Material Handling Europe
1. Introduction to Toyota Industries and TMHE
   - Material handling in TICO
   - Service market in TMHE
2. Evolution of service in the material handling industry
   - Market & Customers
   - Product & Services
3. TMHE strategy and Service Market focus
4. Questions
Toyota
Group

17 Corporations
Toyota Industries Corporation

- Total turnover €15.4 Billion
- Total employees 61,200
- 4 business sectors

- Automotive 30%
- Materials Handling 64%
- Textile machinery 3%
- Others 3%

* Figures for FY2018 and 1 Eur = 130 JPY
Toyota Material Handling

Group

Toyota Material Handling North America

Toyota Material Handling Europe

Toyota Material Handling China

Toyota Material Handling International

Toyota Material Handling Japan
Our presence

In Europe

102,000
factory shipment in FY18

€ 2.3 billion
total net sales in FY18

10,800
employees across Europe

Active in over 30 countries in Europe
Overview

TMHE Service Market (by Feb FY19)

615M€
Invoiced Sales MSCOs

5000
Service technicians (3000 in MSCOs)

4million
Customer visits

400kU
Trucks on Service agreement

77%
Contract coverage

52
NPS – Customer satisfaction

96%
First fix
AGENDA

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Evolution of Service in the Material handling industry

Market & Customers

Products & Services

TMHE focus areas

The business transformation

1950

2000

2020
Evolution of Service in the Material handling industry

**Market & Customers**

- **1950**: Small single customers
- **2000**: Central warehouse
- **2020**: Parcels

**Product & Services**

- **1950**: EU pallet
- **2000**: Connectivity, Fleet information, Online techs
- **2020**: Automation, Warehouse solutions, New types of vehicles

**Increasing asset value for customer**

- Globalization
- Infrastructure
- Key accounts

**Increasing insight about object to be serviced**

- IoT
- eCommerce
- Fleet
- Information
- Online techs

**Warehouse solutions**

- Automation
- New types of vehicles
The Service Evolution Model

IoT as Core Enabler of Manufacturers’ Advanced Services

Figure 2: The Service Evolution Model covering all development stages from a Reactive to a Proactive Service Business

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The business transformation

Quality in everything we do

TMHE strategy

Premium forklift and tow trucks

Rental

Connectivity & Productivity services

Automation

QUALITY of the experience

QUALITY of services

QUALITY of products

Customer first

Transform the offer

Lean thinking

Competence advantage

ZERO MUDA
Our focus

Zero muda for:

Customers
- Zero breakdowns – no unplanned stops
- Full real time information on fleet and utilization
- Customer adapted business models

Technicians
- Predictive service and higher degree of remote work
- All information and parts available when needed
- Full real time information on fleet status, and planning

Sustainability
- Remote diagnostics and repair
- 50% less travelling and fuel consumption
- Less stress and fatigue
TMHE strategy

The business transformation

TMHE Service Market strategy

- Automation
- Connectivity & Productivity services
- Service
- Rental
- Premium forklift and tow trucks
- QUALITY of the experience
- QUALITY of services
- QUALITY of products

Customer first
- Transform the offer
- Lean thinking
- Competence advantage

ZERO MUDA

QUALITY of the experience

QUALITY of services

QUALITY of products
The business transformation

Challenges

- From products to solutions
  - Service integrated
  - Risk mitigation plans
  - 24*7 support
- New business models
  - Uptime, pay per use, co-creation
- Technician role will change
- Manage technology development
  - In big data solutions
  - In prediction models
  - The cross-functional dimension
The business transformation

TMHE Service Market strategic focus areas
Thank you!

Questions?