

# IFS powers service sustainability



Master the circular economy and build a sustainable service enterprise with IFS

Sustainability, the circular economy, and changing customer expectations are reshaping businesses today.

At IFS, we believe that businesses have an imperative to increase their sustainability. While individual waste and pollution certainly have a greater-than-zero effect on the health of our planet, businesses, by virtue of their scale, have an outsized effect on our ability to impact our environment.

The good news is that the move to sustainability has already begun for forward-thinking companies. Businesses have seen not just the moral, but also the economic benefit, of thinking about waste differently.

Forward-thinking businesses who have started to focus on these initiatives have adopted a variety of different disciplines to support their efforts. For many, these disciplines have coalesced, broadly, into the concept of the circular economy.

For the uninitiated, the circular economy is the process of eliminating the linearity of delivery by rethinking supply chains, workflows, and delivery cycles. [Read more on the circular economy here.](#)



## Structuring around service

Rebuilding supply chains and remanufacturing processes to support the circular economy will be a multi-year process that requires significant investment and organizational restructuring, but at its heart, it is aided by rethinking the compact that you, the supplier of goods, makes with your customer. Much of this centers around the increasing importance of service delivery and management to the success of a business.

Service has the effect of taking the seemingly transactional relationship that many businesses have with customers past the sale into their utilization of products and services. As IFS has said repeatedly, building a business around service is good for business.

By keeping your hands on your products past the sale, you can use the resources at your disposal to ensure that the products are working optimally for the customers. But furthermore, this allows you to more fully control the lifecycle of your products, identify with authority a point of obsolescence, and remit, recycle, and rebuild products, thus lowering the bottom-line and keeping hazardous materials out of landfills.

So how does a service-minded approach impact a company's view of the circular economy? To understand this, we need to think about what businesses are focusing on servitization, and what that means about the ways that they approach customers, parts, and products themselves.

When we discuss servitization, we're mostly talking about manufacturers of goods. Manufacturing has had no shortage of disruptions over the last two decades or so, and solvency means rethinking their footprints, their relationship with their staff, and their relationship with their products. Service remains a masterful way to bring these elements together in support of business interests.

Service doesn't happen in a vacuum, though. Pre-servitization, businesses don't care what happens to their products post-transaction. They use raw materials, sell to consumers, and at end of life, they don't have to worry about expenditures, because the product is in the hands of someone else.

When service enters into the picture, profitability of devices in the hands of consumers becomes more important. If, for instance, a service technician hauls away a component that costs \$18 to manufacture, do they recycle the aluminum for eight cents? Or do they rethink their manufacturing process to rework as many components as possible into new devices. This is not refurbishment, this is fundamentally rethinking the supply chains and internal processes that provide materials and components for manufacturing. This is the basis of the circular economy of manufacturing. And while this is great for the environment (fewer end-of-life machines in landfills) it's also great for the bottom-line, and will change the ways that manufacturers create products, thus changing the ways that those products are serviced.

## Repairs in the Circular Economy

In summary—Manufacturers are banking on service, and therefore seeing parts and products throughout their lifecycle, they're going to do everything in their power to reuse parts in an effort to mitigate costs, power the circular economy, and protect the bottom-line.

So if manufacturers are incentivized to invest in the circular economy, that means a couple of things:

- Manufacturers are going to want parts to be reasonably intact upon extraction from a product
- Manufacturers are going to want parts and products returned to them, rather than to third parties or to landfills
- The act of repair will, in many circumstances, be eclipsed (or at the very least enriched) by the act of remanufacturing goods into wholly new items

The first point here hinges upon a simple premise: Manufacturers are going to focus on increasing not only

quality control (to minimize repairs), but part modularity, in order to make the act of repair itself a different type of process. Making parts easier to replace also means less actual service appointments. Why? Because easier parts means easier on-site service. When things break, manufacturers can ship parts to customers, and provide the packaging to allow the broken part to be shipped back to the manufacturer, thus keeping it in the circular manufacturing loop. Add in tools like remote assistance and even moderately complex jobs can be completed without a truck roll or a local tech.

So a servitized future means a future with fewer truck rolls, more remote assistance, and the need for a much more complex system of forward and reverse logistics. But it's more than that. Service needs to be fully interconnected, yes, but service processes also need to be tied into the assets themselves, into the forward and reverse logistics supply chains around service delivery and depot repairs, but now, those same service functions needs to flow into product manufacturing and remanufacturing processes as well. Suddenly, delivering upon the promises of the circular economy means unifying systems, a single source of truth for your business, and a unified software strategy.

## IFS has you covered.

IFS has built its cross-functional systems with business outcomes in mind. In service, this means unrivaled breadth of capabilities, matched with the depth to deliver insights and optimization that scales with your business, understands your unique use cases, service-level agreement needs, workforce considerations, and repair requirements. All of this happens out of the box, no secondary implementations, no crossed wires.

And because IFS builds its software with the whole enterprise as its focus, it's engineered to apply its powerful supply chain and reverse logistics functionality (not to mention every other area of service management and scheduling optimization) both within the context of service operations, as well as across the rest of your business, unifying service management, project management, and asset management into a single source of truth, and a seamless workflow, across any needed integrations. Let IFS be the glue that enriches your enterprise, offering levels of optimization, oversight, and administration that truly makes a difference.

Championing the circular economy means mastering the businesses processes, workflows, and customer expectations that your enterprise demands. IFS gives you a leg up, and makes sure that you stay ahead of today's needs, and tomorrow's expectations.

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IFS develops and delivers enterprise software for customers around the world who manufacture and distribute goods, build and maintain assets, and manage service-focused operations. The industry expertise of our people and solutions, together with a commitment to delivering value to every one of our customers, has made IFS a recognized leader and the most recommended supplier in our sector. Our team of 4,000 employees and growing ecosystem of partners support more than 10,000 customers around the world.

Learn more about how our enterprise software solutions can help your business today at [ifs.com](https://ifs.com).

