

AI & ML

**In The Aftermarket:
30 Game-Changing
Use Cases**

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**Let there be no doubt:
the future of the
aftermarket belongs to
AI-driven businesses.”**

INTRODUCTION:

THE INCREDIBLE POWER OF AI

Artificial intelligence (AI) represents *a quantum leap in business capability.*

The shift underway as AI breaks into the mainstream is comparable to the invention of the book, the telephone or the Internet.

It is a powerful enabler and radical force multiplier that transforms human capacities in astonishing ways.

Unlike traditional systems, AI can handle essentially unlimited data, providing comprehensive insights that align all business decisions with real-time information. This holistic approach ensures that every strategy, from parts planning to customer support, is informed by accurate, up-to-date data.

The sheer speed, accuracy and scale of AI means it can deploy thousands of individual calculations and optimizations across your whole business in a way that would simply be impossible for a human team.

And the overall impact of these changes is astonishing. They compound across your business, resulting in 10x, 20x or even 50x ROI gains.

In this eBook

In this eBook, we want to paint an inspiring vision of the many exciting ways AI and ML can be deployed in the aftermarket business.

We'll explore:

- **AI & ML capabilities**
- **The real benefit of AI**
- **Use cases for AI & ML across key aftermarket functions**

AI & ML CAPABILITIES

First, let's clarify what AI & ML can do.

Data aggregation and querying:

Bring together all of your disparate data and generate responses for complex queries that take into account business context and user intent

Predictive data analytics:

Process and analyze huge swathes of data much more rapidly than ever before, identifying past patterns as well as predicting future trends

Automation, optimization, and scalability:

Streamline business processes, automating routine tasks, eliminating many manual tasks and enabling faster completion of complex tasks with higher accuracy—across all touchpoints

Machine intelligence excels at certain tasks, especially extracting value from data by aggregating, searching, summarizing, analyzing, and converting it in myriad ways.

It can be used to automate simple, repetitive tasks and accelerate complex ones, but also to surface hidden connections and profound insights from your data as well as optimize processes and workflows. Here are some of its core capabilities:

Natural language processing:

Interface with AI like you're talking to another human being. AI is able to respond to queries and generate context-aware responses with incredible accuracy and speed

Real-time decision making:

Combine a transparent data-driven view of your business with deep customer insight, market knowledge, and powerful predictive analysis to inform decision-making

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THE REAL BENEFIT OF AI

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The real benefit of AI is that it helps you to unleash the **profound** value of your data at **massive** scale by infusing **data-driven intelligence** into every corner of your business.”

Your aftermarket data is an untapped goldmine.

Hidden therein are thousands of opportunities to optimize your prices, contracts, warranties, customer service, and even your business model. Without AI, taking advantage of these would be a herculean task. It would require thousands of people.

Here are some of the key ways that this creates business value:

Drive new revenues:

Generate data-driven business strategies, ideas and innovations that open new revenue streams or optimize existing ones

Business alignment and transparency:

Get a transparent view across your entire service lifecycle, eliminate contradictory decisions between siloed teams, and align information, decisions, and actions across your entire business

Agility, innovation, and experimentation:

Deliver highly-accurate services (e.g. quotes for contracts, warranty claim turnaround) nearly instantly and rapidly experiment with innovative strategies, business models etc.

Proactivity:

Get your teams out of highly-reactive, firefighting mode and give them space to start to execute proactive strategies

Reduce risk and costs:

By automating tasks and optimizing processes, AI reduces labor costs and operational expenses while minimizing errors and inefficiencies

AI/ML Use Cases

OK, let's jump into the concrete ways these AI capabilities can be actualized in your business.

We will explore 30 game-changing use cases for AI & ML across key aftermarket capabilities, including:

- **Parts planning**
- **Parts pricing**
- **Contract pricing**
- **Warranty**
- **Field service**
- **Customer support**
- **Synergies**
(i.e. use cases that leverage connections between departments, e.g. parts + pricing)
- **Cross-platform**
(i.e. use cases that wrap across your whole operation)

PARTS PLANNING

Ensure your supply chain is running smoothly and efficiently—even in the face of disruption.

Use Cases

01 Demand forecasting

Predict future demand for parts based on historical sales data, market trends, and other factors.

Improve accuracy in demand planning, ensuring optimal inventory levels and reducing stock-outs—resulting in greater efficiency and happier customers.

02 Inventory optimization

Calculate the perfect balance for your inventory between parts availability and carrying costs.

Dynamically adjust inventory levels in real-time based on current demand, pricing, supply chain conditions, and so on to ensure that you're always carrying the optimal level of stock.

Anticipating supply chain disruptions, customer demand, and logistical challenges with any degree of accuracy is a task beyond human capabilities.

There are substantial business gains to be had from digitizing the supply chain with AI and ML: *greater transparency, a massive boost to efficiency, huge reductions in waste (both in terms of materials and labor) and, ultimately, a faster and better service for customers.*

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Supplier / dealer scorecard

Analyze performance data to identify the most reliable suppliers/dealers and reduce the risk of disruption.

Give a score to your suppliers and dealers based on key metrics (e.g. business contribution, reliability etc.) to identify the most risky and most reliable.

Predictive maintenance integration

Integrating parts planning with predictive maintenance data to anticipate parts failures and order inventory accordingly.

Connect your inventory teams to your service teams so your field technicians won't be left out in the cold when they need new replacement parts.

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PARTS PRICING

Automatically find the right price, for the right part, for the right customer—at speed and at scale.

Use Cases

Dynamic pricing

Adjust prices in real-time based on market demand, local pricing differences, inflation, competition prices, and inventory levels.

Market scarcity, unwanted stock, competitors running discounts, currency fluctuations...you can continuously analyze all these conditions and adjust prices dynamically to optimize revenues.

Volume price mix

Find the sweet spot between sales volume and price to maximize revenues and margins.

What's the ideal trade-off between tying up working capital and providing seamless service? Inform strategic pricing decisions by analyzing the different mixes of volume and price.

Traditional pricing models fall short in their ability to respond dynamically to market conditions and diverse customer needs.

Your customers (and the markets they are in) vary wildly and are changing all the time. They all have unique purchasing patterns, loyalty, geography, size, price sensitivity and so on. And in that flux there is a massive opportunity to extract value by optimizing prices accordingly.

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Customer segmentation

Segment your customers in order to find the right price for each group.

Divide your customers into groups based on their purchasing patterns, geography, size, and price sensitivity in order to enable tailored prices that better suit the customer and optimize revenues.

Price elasticity optimization

Calculate the elasticity of demand for different parts to find prices that maximize revenue without losing sales.

Certain prices are elastic: you can increase or decrease them and sales won't change much. AI can help you determine which prices are and are not elastic, to what degree and optimize prices accordingly.

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CONTRACT PRICING

Guarantee profitability and adoption in your service contracts while introducing innovative service offerings.

Use Cases



AI can help you in all the same ways with contract pricing as with parts pricing: dynamically adjusting pricing, segmenting your customers and so on. But it also adds new use cases.”

Cost prediction

Generate data-driven cost predictions, allowing for faster quote lead times, and improved accuracy of profitable contract price setting.

Use machine learning models to accurately predict material, labor, travel costs etc. are expected to evolve over the contract lifecycle to optimize pricing.

Estimating the price of a service contract, including all the cost points (labor, travel for technicians, replacement parts) and economic variables (inflation and wages) is incredibly complex. And if you get it wrong, you're stuck with a loss-making contract for the next five years.

Machine intelligence can provide much more accurate assessments of contract price and massively reduce the risk of moving into more service-based business models.

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Risk-based contract pricing

Balance the risk and price of each service contract to optimize for revenues.

Assess risk via complex variables such as predicted equipment failure rates (by geography, type of customer), economic trends (inflation, wages) etc. to optimize the contract price.

Dynamic yield management

Continuously optimize price based on forecasted expenses, target margins, customer segmentation, and price elasticity.

Ensure optimal pricing strategies for contract quotations to get the optimum level of acceptance versus margin.

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WARRANTY

Make the warranty process simpler, quicker, and more consistent for your people as well as your customers.

AI/ML Use Cases

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Claims scoring

Use ML to assess how risky a warranty claim is and suggest whether it should be approved or not.

Claims under a certain risk threshold that you define can be automatically approved in order to eliminate large swathes of manual claim adjudication and improve claim turnaround time.

Claims analyzer

Determine how a given claim is different or similar to historical claims.

Enhance the accuracy of claims processing by identifying anomalies and ensuring consistency in claim evaluations.

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Efficiently handling warranty claims and predicting future warranty costs are essential for maintaining customer satisfaction and controlling expenses.

AI is a powerful tool for streamlining these processes, putting intelligent rules in place to ensure that they are consistent across the board, saving time by automating simple claims and data analytics to spot potentially costly anomalies and attempted fraud.

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Intelligent rule catalog

Implementing rule-based systems that use historical claims data and their outcomes to guide decision-making.

Standardize and automate decision-making processes, ensuring consistency and compliance with warranty policies.

Fraud detection

Detect fraudulent warranty claims by identifying unusual patterns and discrepancies.

Reduce financial losses due to fraudulent claims and enhance the integrity of the warranty process.

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FIELD SERVICE

Ensure you send the right technician, with the right tools, at the right time.

Use Cases

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Predictive maintenance scheduling

Predict when maintenance is needed based on equipment usage and performance data.

ML-based anomaly detection and failure prediction to empower proactive maintenance, efficiently meeting service obligations.

GenAI technician support

GenAI-based chatbot assistance to assist the technician to find documents and answer queries.

Technicians can make natural language queries to rapidly source documentation and data from anywhere in the business to improve the service they provide.

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If you want to move your business in the direction of higher-margin service-based business models, then providing a connected, data-driven field service is critical.

AI can help you anticipate when customers will need support, provide it in the most effective way, and give your technicians everything they need to do their job well.

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Schedule optimizer

Calculate optimal scheduling for field service technicians, considering location, availability and severity of the issue.

Crunch a wide range of business and customer data to match the most appropriate technicians to the most appropriate projects to save time and money while delivering better service.

Week

Lifespan

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CUSTOMER SUPPORT

Provide a consistent, connected, data-driven customer experience across all touch points.

Use Cases

Customer support chatbot

Provide instant responses to customer inquiries, handling common questions and issues without human intervention.

Your AI chatbot can instantly draw on customer and business data to provide comprehensive answers to customer questions around the clock, improving customer satisfaction and reducing response times.

Support agent assistance

Empower your customer support agents with powerful GenAI-based tools.

Empower your agents to instantly search customer data, follow-up on queries, and provide consistent and personalized responses.

Customers today expect a seamless, 'Amazon-like' consumer experience wherever they go. And the traditional, siloed approach to customer support—being shuffled between departments that ask you the same question over and over—is no longer fit for purpose.

By creating a unified data view you can create a 360 view of the customer that provides the basis for consistent and seamless customer experience at every touch point.

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Customer feedback and sentiment analysis

Using ML to analyze customer feedback from various channels, including surveys, social media, support tickets etc.

Assess overall sentiment, satisfaction, and extract actionable insights on how you can improve the customer experience.

Write-up coach

GenAI based writing assistance for drafting emails, comments, logs etc.

Leverage your entire aftermarket knowledge, data, and customer base to support writing accurate documents and communications in real-time for technicians, claims adjudicators, service managers, customer support agents.

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SYNERGIES

Compound the benefits of your unified data by creating synergies between different business units.

Use Cases

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DEMAND FORECASTING +
PARTS PLANNING

Dynamic inventory based on demand forecasts

Leverage AI-driven demand forecasting to inform parts planning strategies and ensure optimal inventory levels.

Reduces stockouts and excess inventory by aligning parts availability with predicted demand patterns.

PARTS PRICING + DEMAND FORECASTING

Optimize parts pricing based on demand forecasts

Adjust parts pricing dynamically based on demand forecasts and market conditions.

Reduce stockouts and the costs of excess inventory by adjusting parts pricing on the basis of predicted demand patterns.

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There are hundreds of powerful synergistic use cases that exist within your aftermarket business, for example, by connecting your parts inventory with pricing or field service with warranty.

The sky's the limit when it comes to imagining new use cases and devising powerful new applications for AI & ML. The below examples are only a few of the countless possibilities that exist.

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FIELD SERVICE + CONTRACT PRICE

Use service history to optimize contracts

Use data from service history, 360 product data, and maintenance record to enhance the accuracy and value of service contracts.

Tailor service contracts to the needs of each piece of equipment and each client to provide better service for the customer and more accurate pricing. For example, equipment with a history of frequent breakdowns can have contracts that include more frequent preventive maintenance checks, ensuring better uptime and performance.

WARRANTY + FIELD SERVICE

Contract for preventive maintenance through extended warranty

Integrating warranty management with service execution to offer comprehensive preventive maintenance plans within warranty contracts.

Preventing equipment failures by scheduling maintenance before it breaks, reducing downtime for your customers, increasing their loyalty to your business and reducing warranty claim costs.

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CROSS-PLATFORM

Leverage AI capabilities that sit across your entire business and benefit all departments.

Use Cases

Business model experimentation

Test new EaaS and servitization models, benchmarking financial performance against traditional models.

Conduct controlled experiments, testing EaaS pricing models in specific product lines, countries, and channels to reveal weaknesses and incorrect assumptions, and fine-tune new business models to increase profitability.

Advanced data lab

Allow your own data scientists to integrate their own data and run their own custom models alongside Syncron's existing ones.

Ensure the optimum blend of Syncron's capabilities and your own data scientist's endeavors for superior results

A major benefit of AI is that it can sit across your entire aftermarket operation, serving as the connective tissue that streamlines flows of information and decision-making.

Leverage your data to track new business experiments, drive marketing campaigns, support people in their jobs, and provide strategic recommendations.

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SmartAssist AI

Provides prescriptive recommendations and automated decision-making for various aftermarket scenarios across the entire platform.

Help business users draw on business-wide data to identify opportunities, assess risks, and receive next-best action recommendations specific to their job and objectives.

Targeted marketing campaigns

Analyze customer data across your entire aftermarket operation and design targeted marketing campaigns based on the insights.

Increases campaign effectiveness by targeting the right audience, for example, identifying purchasing patterns and highlighting complementary products or services.

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CONCLUSION

AI and machine learning are not just tools.

They are game-changers that transform every aspect of your operations, from pricing and parts planning to customer support and field service.

Imagine a world where your pricing strategies dynamically adapt to market changes, your inventory is always optimized, and your customer support is proactive and personalized.

That's the power of AI.

It's about automating the mundane, predicting the future, and aligning every business decision with real-time data—all accessible through intuitive, user-friendly interfaces.

With Synchron's cutting-edge AI/ML solutions you can transcend human limitations, handle vast amounts of data effortlessly, and make smarter, faster decisions.

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Learn more
www.syncron.com



+46 8 410 802 00
insight@synchron.com

Synchron AB
Östra Järnvägsgatan 27
SE-111 20 Stockholm, Sweden

