

Maximize Your Service Investment:

**A Proactive Relationship Built on
Transparency and Trust**

KONE Care™



About the Author: Danilo Elez is the Senior Vice President of Service for KONE Americas. He is a thought-leader for KONE's service and maintenance business in the United States, Canada and Mexico. Danilo leads our KONE Care culture and has more than twenty years of industry experience in developing service and sales strategy for global companies.

If you are like most facility managers, you're keenly aware of two things: 1.) What you are paying for your elevator service; and 2.) You know when you have a shutdown. But, do you know what you are getting for your service dollar? Can you measure the value delivered? Are your asset's reliability and your passenger's safety thoughtfully considered moving forward? Most important, do you feel cared for and supported as a customer?

Unfortunately, many elevator service contracts don't engage with the necessary frequency and structure and don't have the tools to demonstrate value. Satisfaction stumbles with typical elevator service programs and according to twenty-seven year elevator consulting veteran Kelly Houlihan, of Edgett Williams Consulting Group, overall service satisfaction is low. When asked about the satisfaction with elevator service programs industry wide on a scale of one to ten Houlihan said, "It would be a pretty low number, probably a three to four out of ten."

One of the main reasons for this lack of satisfaction with elevator service programs today is the lack of data-driven discussions and proper account management. The tools to facilitate robust conversations, alongside the management structure and schedule necessary to provide exceptional service, simply isn't in place. In the elevator industry it's common for an account manager to handle between 200-400 accounts, including as many as 800-1,000 units or more. In addition, account managers often lack engaged executives to provide the necessary resources in an expedited fashion. In these traditional scenarios, management simply cannot give each account the attention and service it deserves.

Making Time...

Service management teams typically don't engage accounts with the correct frequency or focus. Meetings with customers to manage accounts are simply not frequent enough to be effective and when they do occur the focus is reactive. Typically the focus is on callout report numbers and invoices instead of addressing critical issues as a team. Rather than fostering alignment these meetings often result in mistrust, defensive posturing and a "these guys aren't doing their job" feeling on the part of you the customer.

The most critical element missing from elevator service programs today is a tool to provide visual, data-driven analysis to demonstrate value. Are the teams delivering all your contracted visits? Which units have the most call-

ASKING THE RIGHT QUESTIONS?

- ? All contracted visits being delivered?
- ? Which units are having the most callouts?
- ? Are your technicians responding in a timely fashion?
- ? Which units are reaching the end of their service lives?
- ? Where can investment dollars be most effectively spent to keep fleet reliable and safe into the future?

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- Joe Harmeyer
District Manager, KONE Americas

effectively spent to keep your fleet reliable and safe into the future? With no systematic, analytical, data-driven tools to verify service the focus of typical meetings turns to callouts and breakdowns—the emphasis solely placed on what is going wrong. Ignored are the two-hundred and forty nine units that

ran without issue while an older unit that had a problem becomes the hot button. The traditional service program’s focus becomes putting out fires instead of proactively identifying, correcting and preventing problems—thus leaving your passenger’s safety and the reliability of your assets in doubt.

If left alone, this traditional scenario can result in higher callout rates, premature decline of your investment, and a lack of overall satisfaction with your service contract. But, it doesn’t have to be this way. Protecting your investment and your passenger’s safety shouldn’t be left to guesswork.

It Starts With Full Ownership and Accountability...

This unique concept in service starts at the top with fully engaged executive sponsorship. The top company executives take ownership and oversee your account to ensure expectations are not only met but exceeded. Top levels of management hold biannual and quarterly “executive briefings” to review performance and progress of your entire portfolio. Besides the executive level commitment there is a strong, transparent working relationship district wide complete with quarterly meetings. Monthly and weekly meetings are held locally to review performance of equipment, ensure contractual obligations and plan for upkeep of your portfolio into the future. These executive summary meetings break from the traditional reactionary format. Each level of management conducts comprehensive performance reviews of all equipment based on key metrics. Identification of problems occurs before they happen. This management structure fosters an alignment of teams, openness, and a foundation of trust that is palpable.

Once the correct foundational components of tools and conversation are in place, establishing ownership is the critical next step. The Sales and Operations Account Manager position was created as a “one-to-one” overseer of every aspect of your account. Empowered to make decisions, this position gets results in real time. Backed by fully engaged management, teams of technicians, supervisors and service coordinators, this position is the perfect link to foster communication and teamwork.

5 DO's: BUILDING A GREAT CUSTOMER RELATIONSHIP

- 1** KONE creates a **Structured Agenda** — agreed to and published ahead of time
- 2** KONE presents an **Executive Summary** upfront and first
- 3** KONE walks through an equipment performance **Heat Map** immediately following an executive summary discussion
- 4** KONE helps establish a **Service Roadmap and Work Plans**
- 5** KONE institutes a **Meeting Cadence and Calendar** to sustain productive discussion

OUR GOAL:

“A management structure that fosters an alignment of teams, openness, and a foundation of trust that is palpable.”

Angela Bates, KONE Account Manager, fills this role for the Mid-Pacific region at KONE Americas and sees herself as the single point of contact for all KONE customer solutions—on boarded by both you the customer and KONE. Her position provides an on-site presence five days a week at a large, west coast university. Angela meets weekly and monthly with the operations teams of this large campus customer. She discusses every aspect of the account from open items, work needed, planned service and repairs to five-to ten-year budgets for each department. Her position is instrumental in cementing the daily and weekly communication necessary to make sure all your account needs are not only met but exceeded.

Angela stresses the importance of regular communication in providing industry leading service. “A transparent relationship makes all the difference. If you can’t ask what’s wrong and the customer can’t tell you what’s wrong, you have a problem.” She goes on to say “My job is to make KONE stick out in a good way. I want the customer to know they can count on me and my company.” KONE’s management not only provides communication and stresses openness but builds a level of trust that is uncommon in the industry. This trust is grounded in KONE’s dedication in working with you the customer to design a modernization plan based solely on your timeframe and resources.

In Angela’s words “KONE collaborates with the customer to drive the best investment, and only necessary ones. We sell what is essential.”

It is obvious from the executive level down the **structure, frequency, openness, trust and people commitment** of this multi-level management system is unique in the elevator service industry. In the words of a KONE District Manager from the West Coast, Joe Harmeyer, “No one dedicates someone to a customer like KONE.”

Then Add the Service Tools to Do the Job...

The most important tool is the KONE Care™ Executive Summary and Heat Map. It’s the centerpiece of all Executive Summary meetings. (Figure 1: KONE Care™ Executive Summary and Heat Map, Page 6) Following a robust audit of all equipment based on aesthetics, reliability and safety to establish a measure of comparison, the KONE Care™ Executive Summary and Heat Map provides the factual basis to display value. In the words of KONE Executive Vice President Larry Wash, it allows KONE to provide “management by fact of how all new assets are performing.”

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-Angela Bates
KONE Account Manager

Single Customer Contact for All KONE Solutions

Delivers KONE Solutions Throughout Our Customer’s Organization

Senior Management	Director of Facilities
Property Managers	Facilities Engineers
Project Managers	Consultants
Purchasing	Contractors



Empowered Sales and Operations Manager

Full Business Line Responsibility

Supported by team of KONE business line professionals

Service	Technicians & Service Coordinators
Repair	Technicians & Supervisors
Modernization	Technicians, Supervisors & Project Managers
Installation	Technicians, Supervisors & Project Managers
Management & Support	Branch & District Management Team

Executive Summary Paints a Picture

Executive Summary meetings begin with an overview of general notes about the current state of your fleet. KONE will:

- Review the performance of equipment, based on monthly data
- Compare equipment to annual audits
- Demonstrate performance on contract to customer goal
- Discuss callout trends and response times
- Highlight service visit performance

Heat Map Identifies Hot Spots

The KONE Care™ crown jewel is the heat map. This tool provides a comprehensive reliability analysis on callout rates over one, three and twelve month periods. For example, a current large campus university client with over two hundred and fifty working units currently receives a visual breakdown of the performance of each unit. Problem units are identified and joint action plans are quickly designed to remedy the issues. In addition, this information helps clarify your customer upkeep responsibilities thus significantly reducing callout rates over the long-term. It is here that a collaborative, transparent working relationship is born. One cannot overemphasize the value of visually displaying this key data. As a customer you can see where the problems exist and what is being done by KONE to correct them. In the words of Eric Menze, District Service Manager KONE Americas,

“The KONE Care™ Executive Summary and Heat Map allows us to paint the whole picture and show the true value the customer gets out of their service program. The decision makers at a large campus university hospital saw an example of our heat map and how we were utilizing it at monthly meetings for their clinics. They told me that their current service providers didn’t do anything remotely like this. They also said the way we were practically managing and tackling reliability issues to reduce equipment call out rates is what a preventive service program should be.”

Asset Plans Drive Future Investments

The final piece of the KONE Care™ Executive Summary and Heat Map tool is a breakdown on a customer's future investment in equipment. Known as the asset management plan, it is a capital management tool that engages your commitment based on a yearly analysis of every unit. Each plan is designed on a five-year future window. All units are reviewed on code, safety, performance and reliability, accessibility, aesthetics, eco-efficiency and modernization. KONE outlines a set of recommended upgrades for equipment within an Asset Management Plan, and presents this information in an easily digestible format.

PROTECTING YOUR INVESTMENT INTO THE FUTURE

- ✓ A yearly performance analysis for every piece of equipment
- ✓ All units reviewed for Code, Safety, Performance/Reliability, Accessibility, Aesthetics, Eco-efficiency, Modernization
- ✓ Monthly Heat Map data used to identify problem units and corrective action
- ✓ A five-year capital asset plan for all units
- ✓ Prioritized upgrades presented in an easy-to-digest format

KONE Care™ Executive Summary and Heat Map

Figure 1: KONE Care Executive Summary and Heat Map



Example Customer
June 2015

Overview

Reliability/Callouts: 4 Units had more than 2 Call-Outs in the Month of June. **Other Repairs/Upgrades In Progress:** **Completed:**
State Inspections: State Inspection work continued this month.

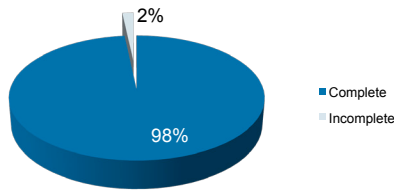
Response Time Average

	Jan	Feb	Mar	Q1 Avg	Apr	May	Jun	Q2 Avg	Jul	Aug	Sep	Q3 Avg	Oct	Nov	Dec	Q4 Avg	YTD Avg
Regular Service Calls	0:42	1:18	1:01	1:00	0:38	0:32	1:21	0:50									0:55
Entrapments	0:27	0:03	0:02	0:10	0:13	0:40	0:59	0:37									0:24

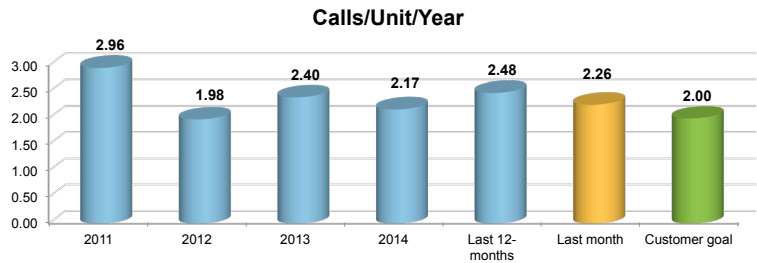
Service History

	Jan	Feb	Mar	Q1 Avg	Apr	May	Jun	Q2 Avg	Jul	Aug	Sep	Q3 Avg	Oct	Nov	Dec	Q4 Avg	YTD Avg
Units	183	180	180	181.0	180	180	184	181.3									181.2
Service Requests	34	29	41	34.7	30	28	35	31.0									32.8
Entrapments	1	2	1	1.3	2	2	2	2.0									1.7
Avg Service Requests per Unit	0.19	0.16	0.23	0.19	0.17	0.16	0.19	0.17									0.18
Mean Time Between Service Request	166.9	173.8	136.1	158.9	180.0	199.3	157.7	179.0									169.0

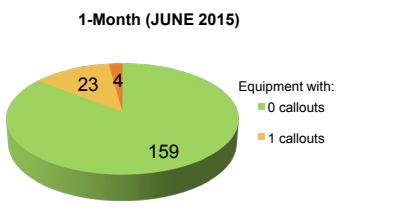
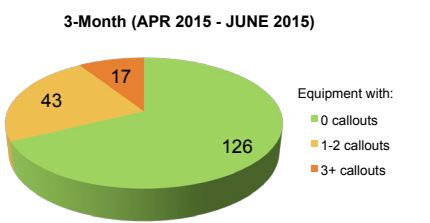
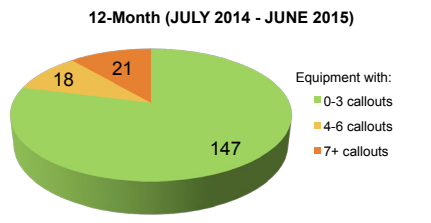
Maintenance Visit Completion: June 2015



Year-over-year Callout Rate



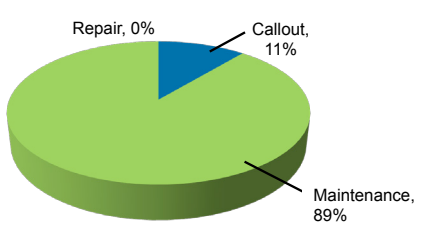
Reliability Heat Map Summary



Heat Map

Equipment Description	Callout Count		
	Last 12-months (July'14 - June'15)	Last 3-months (Apr'15 - Jun'15)	Last month (Jun'15)
Building 1 - #2 Service Pass Elev	2	0	0
Building 1 - #3 Service Pass Elev	1	0	0
Building 1 - #2 Service Pass Elev	5	1	1
Building 1 - #1 Up Escalator	2	0	0
Building 1 - #2 Down Escalator	0	0	0
Building 1 - #1 New Elevator	0	0	0
Building 1 - #1 North Up Escalator	0	0	0
Building 1 - #2 Passenger Elev	0	0	0
Building 1 - #2 South Down Esc	2	0	0
Building 2 - Freight Elevator	2	1	1
Building 2 - Down Escalator	9	6	2
Building 2 - Up Escalator	2	1	0

Expenditure Distribution: JUNE 2015



Asset Management Plan (AMP) Summary

Benefit	Proposals
Safety	39
Performance	55
Obsolete	36
Reliability	89
Energy Savings	44
ADA	6
Security	20
Modernize	36
Aesthetics	64
Urgency	45

Tom Kautz, KONE Americas Service Director, sums it up best when he says: “The purpose of the asset management plan is to give the customer the necessary information to best upkeep their equipment. We want to make customers aware of the opportunity to proactively plan for incremental improvements and distinguish their property.”

The Results You Can Expect and What it Means to You...

Total transparency– You will have performance data from every one of your units in an easy-to-digest format every month. All the information you will need to identify problem equipment, plan and budget for systematic repairs on your schedule, and ensure the reliability of your portfolio will be at your disposal. This equals fewer shutdowns, lower callout rates, longer performance life and more people transported safely.

Exceptional customer support– A fully committed, accountable, multi-layered management team will actively work with you to help you reach your goals. Systematic executive briefings on all levels of management will keep your team informed and prepared. The result is knowing your needs are priority, never having to wait and feeling fully supported as a customer.

Trusted teamwork– The executive to ground level management commitment and data-driven analysis results in an “operating cadence” that fosters collaboration, teamwork, alignment and trust. This model of service is every bit a collaboration. It will require your commitment, participation and investment as a customer but will deliver support and service unparalleled in the industry. The result is knowing you are never alone, your passengers are being transported safely and your investment’s life is extended into the future.

Key Elements of a Successful Elevator Service Program:

- 1 Executive level commitment by KONE to give you great service.
- 2 Accountable management engaged with right frequency to deliver consistent communications and empowered to make decisions.
- 3 Collaboration to proactively manage assets and solve issues.
- 4 Yearly audits supporting a chronological data history of all equipment to keep equipment performing well.
- 5 The tools to support data-driven analysis and help improve performance of equipment.
- 6 An operating cadence that aligns teams and strengthens a trusted working relationship.

We understand that our customers have high standards. At KONE, we aim to deliver tools and analyzed data that helps proactively manage your elevator equipment. And, at KONE, we believe this unique, open, collaborative team concept in elevator service is simply the best way to deliver the value and customer service you deserve. ■

KONE's Promise:

- ✓ Total Transparency
- ✓ Exceptional Customer Support
- ✓ Trusted Teamwork

“Easier said than done. KONE practices great service everyday. Everybody can say they do it. We actually do it. It is part of our culture.”

–Tom Kautz
KONE Americas Service Director

Want to find out how you can maximize elevator uptime and improve the passenger experience? Contact KONE and let us show you how we can help.

Please go to kone.us/contact or call us at 800-956-5663 for more information.

About KONE

KONE is one of the global leaders in the elevator and escalator industry. KONE's objective is to offer the best People Flow® experience by developing and delivering solutions that enable people to move smoothly, safely, comfortably and without waiting in buildings in an increasingly urbanizing environment. KONE provides industry-leading elevators, escalators, automatic building doors and integrated solutions to enhance the People Flow® in and between buildings. KONE's services cover the entire lifetime of a building, from the design phase to maintenance, repairs and modernization solutions. In 2015, KONE had annual net sales of EUR 8.6 billion, and at the end of the year close to 50,000 employees. KONE class B shares are listed on the Nasdaq Helsinki Ltd. in Finland.