

## EXECUTIVE SUMMARY

Businesses, particularly those involved in complex equipment maintenance, face increased pressure to adapt, innovate, and differentiate themselves in the competitive business environment due to an increasing number of players entering the market, increasing information availability, and broadening customer knowledge. UTE being one of the oldest, sole authorized dealers of the Caterpillar machine and generators in Sri Lanka currently experiencing less on time renewal rate of service contracts which hinders the profitability of service department and customer loyalty. The company had several strengths and opportunities to offset its weaknesses to gain a competitive advantage, even though the SWOT analysis classified this as one of UTE's weaknesses. After analyzing the importance of this operational problem, the study suggested a methodology for addressing and reducing the less on-time renewal rate of service contracts issue while also outlining potential project-specific limitations.

According to the analysis of the quantitative data the less on time renewal rate of service contracts has created a significant revenue loss in the UTE service department over the last twelve-month period. Based on the problems analysis it was identified three problem areas that which cause the main problem. Those are Technical Skill Management, Internal Process Management and Service Quality Management. The fundamental cause for those elements includes, inadequate training need evaluation of technical staff, absence of KPIs, unavailability of performance based rewards system, unavailability of technical database, unavailability of documented service contract pricing guideline, absence of standard operating procedure for tool usage, unavailability of computerized job planning mechanism, job role expansion of KAE with more non value added activities, inadequate demand discussions of critical spare parts, inadequate guidelines for estimation and absence of service recovery process.

Then focused on the theoretical background of the problem, associated problems of the root cause in similar contexts and their recommendations for the identified problems. This made it easier to identify more practical solutions which tested and verified in similar contexts. Further, techniques for the identified solutions are also discussed in the literature review. The techniques included training need analysis, training design, reward management, database development, KPI integration, business process mapping, standard

operating procedures, check lists, guidelines, job descriptions and service recovery process.

The key objective of the project was to increase the on-time renewal rate of B2B service contracts from 43% to 80% within 12 months period. The objectives related to each project components were developed to individual components sub objectives. Furthermore, the current state of each project component was investigated in order to comprehend the actual scenario. Accordingly, the solutions such as development of methodology to identify the correct skill gap, assign accurate training modules, develop and integrate for KPIs of technicians, proposal to develop a technical database, proposal to develop a computerized job planning system, SOP for tool usage, document service contract pricing guideline, develop a guideline for quotation preparation, develop a mechanism for proper inventory management, revisit EMS team job roles and more productively redefine them, and develop a service recovery process. To implement project solutions, the project team was defined along with their responsibilities. The cost of the project was estimated at LKR 783,800.

Each project component's outputs and outcomes were identified, and they consisted of both quantitative and qualitative details. The anticipated savings from implementing proposed solutions have been assessed using both tangible and intangible benefits. The ability to identify skill gap accurately and ability arrange focus trainings, technical data base for future references, resource optimization through computerized job allocation system and proper tool usage and increase lifespan of tools are some of the identified intangible benefits. Estimated tangible benefits are LKR 8,653,930 and project benefit cost ratio was estimated 10 and which indicates the feasibility of implementation of this project.

Finally, it has been analyzed how the literature findings have been effectively used for the solution generation and provide recommendations. Also, recommended the vital solutions and their timeline that required to implement to achieve project objectives. The most vital solutions under the technical skill management included the conduct TNA, allocate personalized trainings, and develop technical database, it is under the internal process management includes development of computerized job planning system and documentation of service contract pricing guideline, it's under the service quality management includes development of service recovery process and revisit job roles.