AtlasCopco Press Release from the Compressor Service Division

For further information please contact : Ian Ainsworth - Business Line Manager, Compressor Technique Services (CTS) Tel: +27 (0) 11 821 9000 <u>ian.ainsworth@za.atlascopco.com</u>

Issued by: Laverick Media Communications Tel:+27 (0) 11 0400 818 sonia@laverickmedia.co.za / www.laverickmedia.co.za

For Immediate Publication 30 January 2018

Atlas Copco Compressor Technique ups the service anti

"Atlas Copco must be first in the customer's mind and first in the customer's choice when it comes to choosing air compression technology," states Business Line Manager for Atlas Copco Compressor Technique Services (CTS), Ian Ainsworth. "So we always strive to put our customers first by making it easy for them to do business with us – from the initial purchase of the compressor right through to after-market services. To this end we are introducing a number of strategic initiatives to our service portfolio in order to streamline our offering and meet our customers' service requirements."

Ainsworth points out that in the past, OEM service had very little competition as customers for the most part only dealt with OEMs for their aftermarket service requirements. The uncertain and volatile economy and retrenchments is forcing qualified engineers and technicians to start their own businesses giving rise to the emergence of one-man businesses. Armed with a service vehicle and tools and often familiar with the customers and their applications and products, these technicians or engineers are good to go to any site to do repairs. The fact that they can be on site within a matter of hours is seen as valuable by customers.

"An OEM like Atlas Copco understandably has certain procedures that have to be followed before a technician can be dispatched to site. The increasing trend of customers turning to the smaller concern if the big company cannot assist fast enough is presenting a big challenge to most industries." Ainsworth warns that repairs not done by the OEM can and in most cases do lead to critical failure due to the use of incorrect tooling and inferior non-OEM replacement parts. "Customers only realise this when it's too late and often the OEM is blamed for equipment failure when in fact it is as a result of a poor repair."

"As one of the most efficient compressor systems available, driven by advanced VSDs and permanent magnet motor technology, the purchase of our air systems is an investment for the customer. Understanding how critical plant up time is for the customer, we don't simply sell compressors; the eestablishment of long-term customer relationships through our after-market service is part and parcel of the initial sale.

Atlas Copco South Africa

Postal address: P O Box 14110 Witfield 1467 Gauteng South Africa Visitors address: Innes Road Jet Park 1459 Gauteng South Africa www.atlascopc.co.za

Reg No.: 1911/003838/07

Phone: + 27 (0)11 821-9000 Fax: + 27 (0)11 821-9202 + 27 (0)11 821-9246

Atlas Copco

We go beyond installation, commissioning, regular (preventative) maintenance, repair and parts supply looking to find ways to support the customer. We take care of the machine throughout its life to ensure enhanced performance, maximum efficiency and extended life cycle."

These three factors are vital for customer sustainability and productivity but can only be optimised if the compressor is serviced routinely by skilled specialists who attend regular training courses and use correct tooling, in other words professional OEM service. When it comes to service Atlas Copco has always set the bar high and the objective to never stop looking for ways to improve.

"Hence the streamlining of our after-market service offering," says Ainsworth, adding that this is not without challenges. "It is imperative that we do our homework properly. First we look closely at our customers and their situation. For the most part they have also had to cut back and that includes staff. So simply introducing online portals for example is not a quick fix or a one-size- fits-all solution because if there have been retrenchments there is no one to monitor or attend to our online offering on the customer's side. Of course technology and IT play a vital role but in order for it to be effective we must use it wisely. There has to be a balance between portals and people."

With flexible solutions forming the focus of its strategic plan, Atlas Copco CTS is introducing a number of new initiatives and we believe will make a difference to the customer's service experience. CTS spares and service planning division team is extremely efficient when it comes to administration, planning and using the CRM (customer relationship management) systems. But Ainsworth explains that these administration specialists are not technically trained with few ever having seen a compressor on site. When a customer phones, it is important that the person talking to them can 'picture' their environment and fully understand the issues involved in order to ask all the relevant questions. By briefing the technician about simple things like the ceiling height of the compressor room and the availability of lifting equipment before he gets on site can save a lot of time, enabling him to be fully prepared to efficiently meet the customer's service requirement. "It therefore goes beyond good planning systems to avoid delays and customer downtime," notes Ainworth. Going forward, CTS has added technically experienced people to the planning division who, by having a better understanding of the service requirement, can offer better customer support.

"We are also beefing up our internal planning systems," continues Ainsworth. MAM² is being rolled out globally to replace our existing centrally located online system. With the core goal of better supporting all our South African customers on Atlas Copco Service Plans, the latest system will enable us to populate our calendars months in advance. In addition to being able to better prioritise our loyal Service Plan customers, by being able to tell at a glance the location of each technician, where there are overlaps are and what excess capacity we have we will be able to up our response time to unexpected breakdowns."

Also included in the new service initiatives is the improved utilisation of data available from Atlas Copco machines out in the field. Several experienced technical specialists are being trained to drill down, interpret and summarise the machine data received from connected machines so that Atlas Copco can proactively pre-empt onsite problems. "Our aim is two weeks, three weeks absolute maximum, on turnaround time to a service enquiry," says Ainsworth.

Air compression should simply be available on demand without customers having to worry about the source of their compressed air supply. This is the objective of Atlas Copco's service plans which take control of the scheduled service side of compressor operations. Benefits include avoidance of unscheduled breakdowns and freeing up of customers to take better care of their core production processes without distractions and uncertainties. Operators need only look after the basics such as replacing clogged filters or checking oil levels while Atlas Copco keeps track of the routine maintenance requirements. That way, the best life and performance can be extracted from the investment for lowest overall cost of compressor ownership. Through its service plans Atlas Copco establishes long-term relationships with the users of its compressor technology.

The advanced monitoring and communication systems such as SmartLink and SmartLink Energy built in to Atlas Copco compressors go hand in hand with after-market service. SmartLink for example enables the monitoring and self-diagnoses of Atlas Copco machines and the automatic upload of data via GPS to Atlas Copco servers in the cloud, offering further protection of customers' assets through advanced predictive maintenance. With the SmartLink Uptime service, sensor and alarm data from the compressor is uploaded every 40 seconds. "Should any fall outside of normal operation, users and Atlas Copco technicians will be immediately alerted," explains Ainsworth adding that "if coupled with our Total Responsibility premium offering service plan, an Atlas Copco technician will be dispatched to attend to a fault before the operator is even aware of an issue!"

Customers are constantly looking for ways to reduce energy bills and with compressors responsible for up to 70% of a plant's energy consumption Atlas Copco assists customers with optimising their energy use. Through customised reports on the energy efficiency of the compressor room, in compliance with ISO 50001, the Atlas Copco SmartLink Energy monitoring tool makes it possible to identify energy saving opportunities across the plant to minimise operational costs with massive savings as a consequence.

"Remaining on the topic of energy saving, we also provide air optimizers on a purchase or lease basis. As the name suggests, the intelligent system optimises air delivery across all machines it is linked to. With the ability to regulate up to 60 compressors (ES360), the air optimizers deliver tremendous energy savings. "We do an air audit to determine savings up front and the lease fee is then charged as a percentage of the customer's plant savings," notes Ainsworth." Wrapping up, Ainsworth says that the implementation of all these strategic changes within the Atlas Copco service offering will take time if it is to be done properly to ensure a fully comprehensive, streamlined and sustainable solution. "These service initiatives are testament that we continue to put our customers first."

-ends-

Atlas Copco is a world-leading provider of sustainable productivity solutions. The Group serves customers with innovative compressors, vacuum solutions and air treatment systems, construction and mining equipment, power tools and assembly systems. Atlas Copco develops products and services focused on productivity, energy efficiency, safety and ergonomics. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 180 countries. In 2016, Atlas Copco had revenues of BSEK 101 (BEUR 11) and about 45 000 employees. Learn more at www.atlascopco.co.za.

Industrial Air is a division within Atlas Copco's Compressor Technique business area. It develops, manufactures and markets oil-injected and oil-free air compressors, on-site nitrogen and oxygen generators, air treatment solutions and compressor controls and monitoring under several brands. In addition to serving a wide variety of industries, dedicated solutions are also available for marine, railway and oil and gas customers. The division's focus and main drive is to further improve its customers' productivity. The divisional headquarters and main production center are located in Antwerp, Belgium.