



Trane Customers Get Better Air and More Value with Intelligent Services

Trane, as their website asserts, is “all about air – cool air, warm air, clean air.” And it’s no unfounded claim. Industry-leading products that Trane offers for heating, ventilation, and air conditioning help ensure air comfort in homes and buildings worldwide.

Yet the main area of concern for Trane commercial customers is really not the quality of their HVAC systems – nor even the quality of their air. The need is more fundamental.

What [Trane](#) customers care most about is how working with the organization helps them achieve their objectives – how it helps them succeed. This realization, more than anything, is driving the Trane transformation to a more service-centric approach.

Dane Taival, Vice President of Building Services and Customer Care for Trane, explained the organization's heightened attention to services at [PTC Live Service Exchange 2014](#) in Boston this past June. "Dane from Trane," as he smilingly billed himself, said the shift has come from Trane concerted efforts to better understand their customers' needs:

"When we ask customers, they keep telling us, 'I don't want to just buy your products – I want you to help me operate more effectively and efficiently.' We hear this in all markets – healthcare, hospitality, education, retail, government ... everywhere, across the board."

The customer-first culture at Trane traces to their beginnings in heating and cooling over a century ago. Trane founders James and Reuben Trane (father and son) were "relentless inventors," said Taival, "and just as relentlessly driven to take the very best care of their customers." As Taival put it, "It's from the Trane tradition in product innovation that our recent advances in intelligent services have grown. Our historical focus on the customer – a core company value – has permitted this transformation."

Service challenges and opportunities

Need for transformation has largely arisen from the scale and scope of Trane building services. Trane, a brand of Ingersoll Rand (NYSE: IR), a world leader in creating comfortable, sustainable and efficient environments, operates in nearly 100 countries. Over 2,000 technicians serve Trane commercial customers worldwide.

Another transformation driver is opportunity. Per Taival, "For every dollar in equipment sales, we have the potential for eight dollars in sales of services. In North America right now, our revenue is nearly evenly split – 50 percent for products, 50 percent for services. Profitwise, the percentage tips well in service's favor." Trane, like many manufacturers, expects services to provide steadily higher shares of their future sales and profits.

Marketplace realities have also pushed Trane to transform. "Our customers feel constant pressure to do more with less, especially since the global recession," said Taival. "The need to cut costs, improve productivity, and optimize investments is the new normal for our customers. And the need to help them do this is the new normal for us."

Trane customers, accustomed to having 24/7 mobile access to information in their personal lives (think smart phone, email, Facebook, texting), now expect the same from their suppliers for business. “Our transformation challenge,” said Taival, “is to provide real-time access to service data – right away, in the palm of the hand, whenever and wherever it’s needed. The technology is there, and we’re working to apply it.”

Throughout the transformation process, the overriding goal at Trane has remained constant: “Ultimately, it’s about delighting the customer,” said Taival. “First time, every time.”

Creating and showing value

For transformation-enabling technology, Trane relies on [Service Lifecycle Management](#) solutions from PTC. The company’s service vision points to [smart, connected products](#) through the [Internet of Things](#) – but not just “connectivity for the sake of connectivity.”

Per Taival, “We create value by turning raw data into actionable information. Then we can work proactively and preemptively – even predictively – before service needs arise.”

Taival used this typical scenario to define intelligent services: “It’s when you can move from a purely reactive approach, where ‘something is broke, get here quick, make me operational again,’ to where the data tells you a motor is trending toward failure, you can expect the failure to occur within 500 hours of operation, and you can dispatch a technician just one time, with the right replacement parts – and not paying overtime on a premium. That’s how you intelligently take care of customers before failures occur.”

Is there added value in this? “Absolutely,” said Taival. But proving it can be challenging. He explained: “Service is an intangible. If it helps prevent equipment outages, it can be difficult to assign a dollar amount to the savings. The customer may think, ‘Hey, I didn’t have any problems. And, oh, by the way, your service agreement is expensive.’”

“Still,” said Taival, “we can’t be the hidden hero.” He cited industry research to show that customers spend significantly more with suppliers they know to provide superior service.

Trane is already seeing up-selling success. By anticipating and preventing problems with keeping skyboxes cool at a minor-league ballpark, they have won a higher-tier service contract from the customer. Similarly, Trane active monitoring has enabled a movie theater chain to ensure patrons’ comfort while reducing energy costs by nearly 10 percent.

"This," noted Taival, "is the power of smart, connected products. We don't just get the predictive data we need to improve product uptime and performance. We also get data to demonstrate the increase in bottom-line value our intelligent services provide."

Building and business performance

The Trane service transformation has led the organization to rethink their very purpose.

Per Taival, "Now we describe our mission, not in internally focused terms of product quality, profit goals, or market share, but as 'helping our customers make their buildings better for life.' That's the life of the building as well as the lives within the building."

To this end, Trane product design teams make more use of the product performance insights gained through service. "Design for service" is the goal. "Service data," said Taival, "feeds product development for continuous product and service improvement."

Taival added, "With [smart, connected products](#), we can do a better and better job of directly linking the building's performance to our customer's business performance."

To learn more, please visit:

<http://www.ptc.com/service-lifecycle-management>.

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