

Service Liberalization Program

A Co-opetition approach, a concept whereby companies compete and cooperate at the same time, to achieve greater gains in the market (by Adam M. **Brandenburger** and Barry J. **Nalebuff**, *Co-opetition* (New York: Doubleday, 1996)).

To push forward SLP, companies need to challenge the existing assumptions that old rules made the business grows; which unknowingly burden the business moving forward. SLP encourage openness of market in service industry, inspire a change of perceptions to accept the new norm.

Introduction:

Service Liberalization Program (SLP) is an initiative to liberalise the service industry to allow better workmanship to support the plant equipment. The intention aims to increase the reliability of equipment by raising the level of industry technical knowledge through greater opportunity of experience and exposure of different engineering OEM products.

Similar to the Free Trade Agreement (FTA) between countries, SLP is at industry level between the original equipment manufacturers. As fabricated parts becoming more common, original replacement parts with proprietary design clearance must be maintained, thus the emphasis of this SLP is to promote the use of original designed parts, especially in the high engineered heavy equipment.

All supply of original spare parts must always come with letter of compliance from original equipment manufacturer. (OEM parts here means direct supplied parts, proprietary to part's manufacturer or original equipment supplier).

SLP Channel support the facilitating of such program at a flat rate as agreed between members and it ensure each member follow strictly the conditions under SLP:

Abiding conditions:

-) Members are not allow to make any modification different from OEM's design, however on condition that these modification (upgrading, re-rating, etc) of original design are consulted and approved by the original equipment manufacturer. Submission for approval includes but not limited to dimensional drawings, and supporting communications.
-) Members are not allow to reject request of supply on jobs done by other members of this program.
-) Members are allow to consider additional margin in place with their strategy of sales, however member should be aware that its competition with fabricated parts on user's acceptance.
-) Members are allow to supply any fabricated parts (reverse engineering of OEM parts, repair parts, 2nd hands parts), on circumstance whereby user rejected OEM parts because of price, technical differences and etc; however the acceptance must come with letter/email as evidence from user's request or acceptance.

Benefits:

End users perspectives:

- Expectation of higher service standard from local service workshops
- Expectation of more reliable repairs and services of equipment from wide selection of member workshops.

- Expectation to have freedom of choices and options of various one-stop services from SLP members.
- Expectation of genuine design of equipment be professionally handled by its SLP members who does the jobs as unauthorised fabrication are not allowed in SLP abiding rules.
- Expectation of proper recordings of any modifications / upgrades by SLP. OEM of SLP members will be informed for any changes.

OEM perspectives:

- Expectation in generation of more genuine spare parts through service jobs done by SLP members
- Expectation of service support renders to its' underserve end customers from the SLP members who has the skills; and have lesser worries about unauthorised modification and upgrade of design done without its knowledge.
- Expectation of such end user support adds value to project bidding for its brands of equipment.
- Expectation of more service jobs can be generated for 3rd party equipment belongs to the brands from its SLP members.
- Expectation of availability of genuine spare parts from SLP as SLP members are bound to quote for all requests.
- Expectation of service standard of its engineer raised through more experience and exposure of equipment' s from other brands.

Local workshops perspectives:

- Expectation of more service jobs can be generated for 3rd party equipment belongs to the brands from its SLP members.
- Expectation of availability of genuine spare parts from SLP as SLP members are bound to quote for all requests.
- Expectation of service standard of its engineer raised through more experience and exposure of equipment' s from other brands.

The industry perspectives:

- Allow capable engineering services to support the industry, rather than implementation of protectionism by OEM which restrict the aftersales support to the users.
- Improving the engineering capabilities and exposure of industries service engineers.
- Improving the reliability of repair equipment by local service engineers.
- Creation and open up the source of local support for oversea supplied equipment, especially those without local presence.
- Allow original equipment manufacturers to reach out to all its customers through repair/service support under this SLP, in return gaining acceptance in project supplies.
- Allow free trade be realised at Industry level, gaining the pace of higher service production with professional service standard.

This article was written by Gavin Tan. If you are OEM, workshop, End User or Industry Authority who are interested in this program and has an open mind, please contact me at t.j.tan@estmech.com