

Business Case Scenarios

The following example is profit often left on the table when selling a new scanner. Converting the typical 2 year factory spare parts warranty to an on-site warranty is a strong value-add proposition and should be offered with each scanner sale, or better yet, bundled into the scanner purchase price.

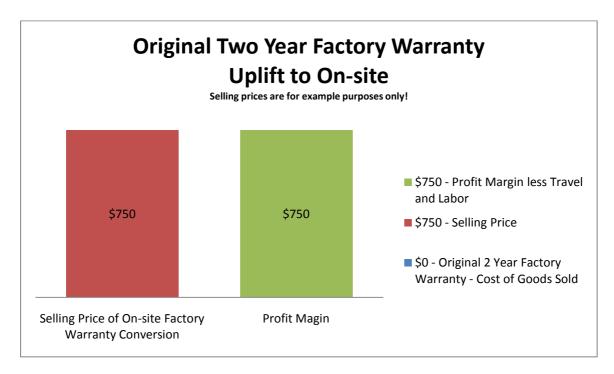


Figure 1 – Factory Warranty Conversion (uplifts the standard factory warranty to an on-site agreement).





Another important value-add is selling maintenance agreements for extended years of on-site warranty. This is specifically for the years after the original 2 year factory warranty expires. The following example breaks down the different components and identifies your profit margin while protecting your potential risk using the "Spare Parts Warranty Extension Program". The best time to sell a maintenance contract is with the original scanner sale.

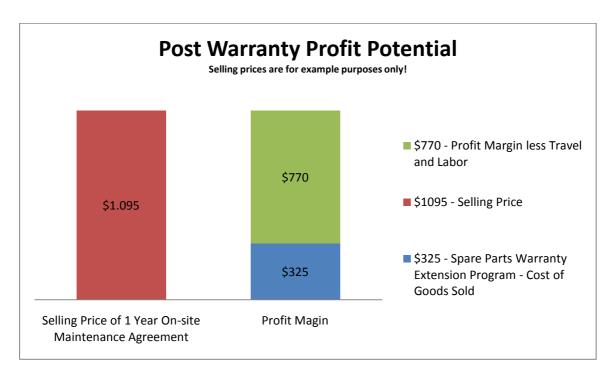


Figure 2 – Post Warranty Maintenance Contract (after two year factory warranty has expired).





The following example shows the profit potential when selling a three year on-site maintenance agreement. The "Spare Parts Warranty Extension Program" is heavily discounted when purchasing a three year contract so profits increase.

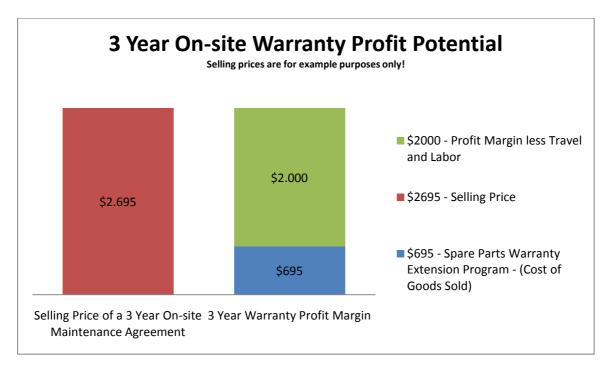


Figure 3 – 3 year Extended Warranty (after two year factory warranty expires, effectively extending the warranty to 5 years total).





This example shows how quickly revenue grows when converting the 2 year factory warranty to an on-site agreement and then adding another 3 year maintenance agreement on top of that. As you can see, taking the warranty out to 5 years can build some very nice revenue into your scanner sale. This is a win, win solution... a new and renewable profit center for you, while your customer receives the security and peace of mind that their scanner investment will be protected and properly maintained.

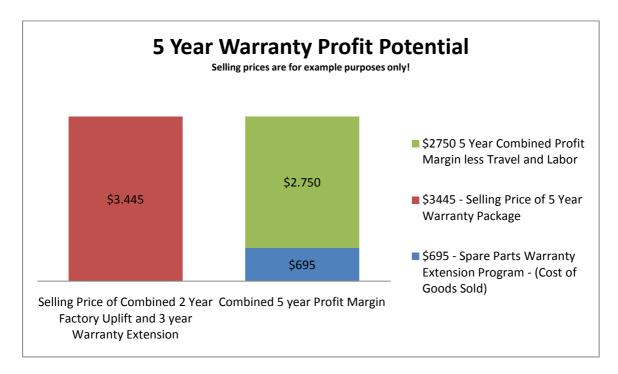
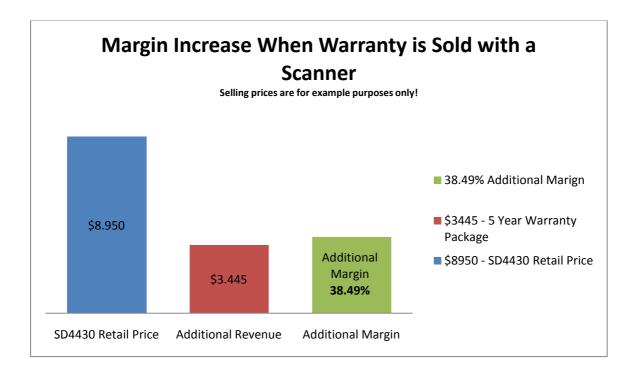


Figure 4 – 5 year Extended Warranty (combining both the factory 2 year uplift and 3 additional years of on-site warranty).





When faced with eroding profit margins due to local market conditions, selling extended maintenance agreements can regain lost profit margins.







Using even moderate annual sales numbers the potential annual earnings begin to multiply quickly! A very successful service organization can be built and done so with your risk managed and your profit margins calculated in advance.

