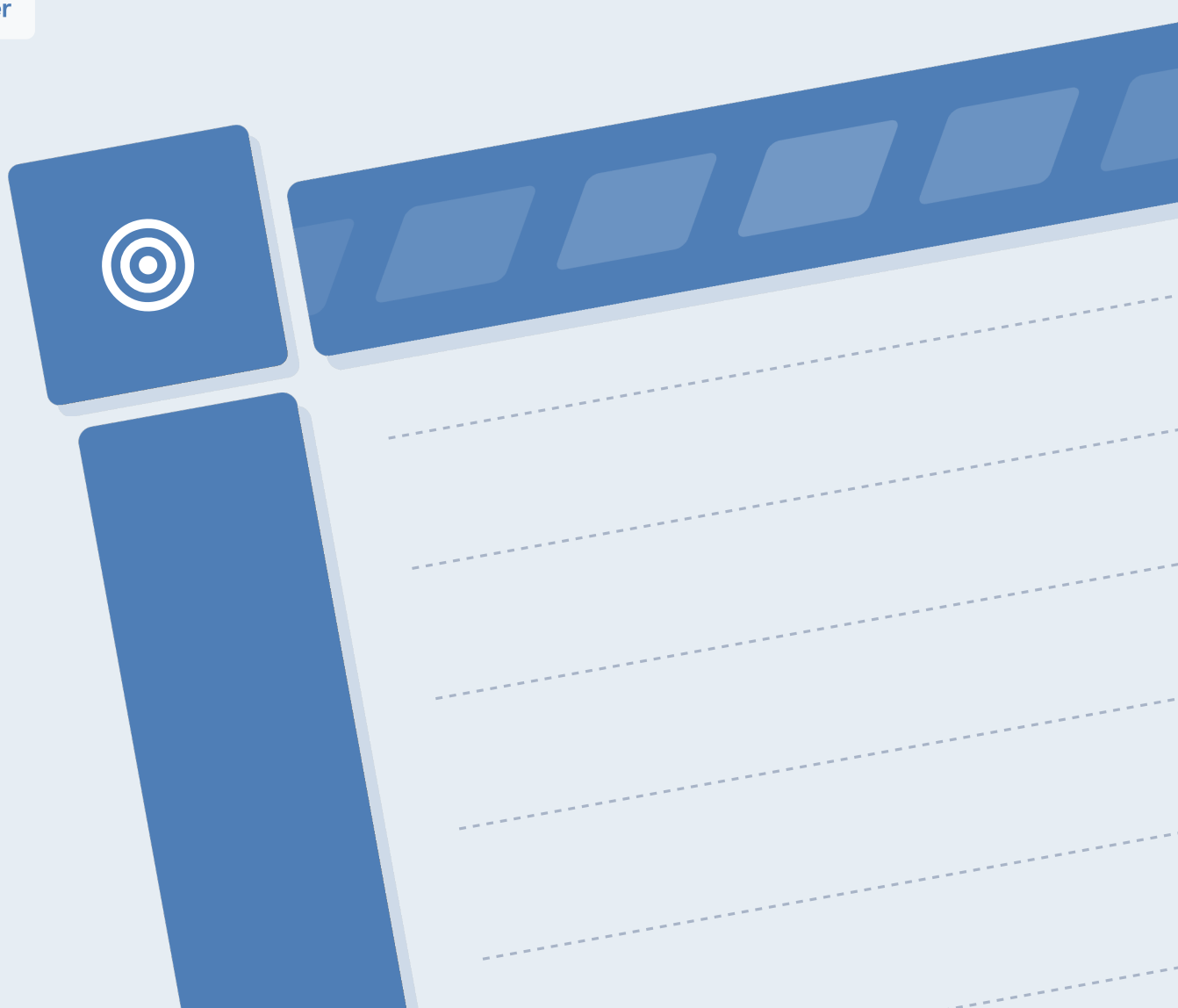
PORAZIET

From Equipment to Flow Performance

A Practical Service Blueprint for Warehousing and Parcel Logistics OEMs

Whitepaper



From Equipment to Flow Performance

A Practical Service Blueprint for Warehousing and Parcel Logistics OEMs.

Helping OEMs turn their installed base into sustainable, profitable growth through smarter lifecycle services.

Executive Summary

Warehousing and parcel logistics operations run on one simple truth: if your system stops, your business stops. High-volume hubs and e-commerce fulfilment centes depend on sorters, conveyors, and controls that perform reliably in a 24/7 environment with tight SLAs and volatile peaks.

For OEMs, this is both a vulnerability and a growth engine. Equipment margins are under pressure, cycles are unpredictable, but aftermarket services—maintenance, parts, modernization, contracts—offer structurally better margin and more stable revenue.

Research in packaging and intralogistics confirms that end users intend to maintain or even increase aftermarket spending, as long as services clearly support uptime, capacity and risk reduction[3].

In practice, many OEMs know this, but don't yet execute consistently. Data on the installed base is incomplete, connectivity on legacy systems is limited, and service is often still organized around "break-fix" rather than "performance".

This whitepaper offers a concrete, no-nonsense approach to change that.

It outlines how warehousing and parcel logistics OEMs can:

- Translate market trends into clear service requirements
- Define a sharp Ideal Customer Profile (ICP) to start where impact is highest
- Design a small set of robust, value-based service models
- Build a credible story towards the customer and test it in a controlled pilot
- Learn from the pilot and scale in a disciplined way

The focus is on practical steps and decision-ready insight—exactly where Poraziet typically helps: from concept to a pilot that works in the real world.

1. Why now: Market Pressure and Opportunity

1.1. The Reality in Warehouses and Hubs

Intralogistics systems in warehouses and parcel hubs operate in one of the most demanding industrial environments. Distribution centers and parcel hubs run multi-shift or 24/7, with delivery commitments that leave almost no room for error.

Short-term peaks (Black Friday, holiday periods, promotions) can multiply normal volumes. At the same time, accuracy must remain very high to avoid rework and claims.

Unlike many production environments, lost hours here are hard to recover. Downtime directly impacts SLA performance, costs, and brand promises. For operators, their automation is no longer "just a project"; it is the backbone of their value proposition.

1.2. The Reality in Warehouses and Hubs

For OEMs, four market trends drive a different type of service demand:

Persistent volume growth and volatility
E-commerce and omni-channel models keep growing and are structurally more volatile than traditional retail; capacity and resilience are key.

Labor scarcity and skills gaps
Operators struggle to find and retain technicians; they depend more on OEM knowledge for complex mechatronics and controls.

Digitalization of service
Remote access, dashboards, and predictive maintenance move from "nice to have" to selection criteria when choosing an OEM.

Lifecycle and ESG pressure
Customers want to extend asset life and reduce energy per handled unit instead of replacing full systems too often.

The logical conclusion: customers don't just need someone who "fixes when it breaks". They need a partner who shares responsibility for flow performance over the lifecycle.

2. What Holds OEMs Back

2.1. Ambition Is There

Most OEMs we work with already see that service should be a bigger part of their business. They want:

- More recurring revenue and higher margins
- Higher contract penetration instead of loose time-and-material work
- Better grip on their installed base and modernization opportunities

The "why" is clear. The friction is usually in the "how".

2.2. Typical Obstacles in Warehousing and Parcel Logistics

Across intralogistics OEMs, the same patterns come back:

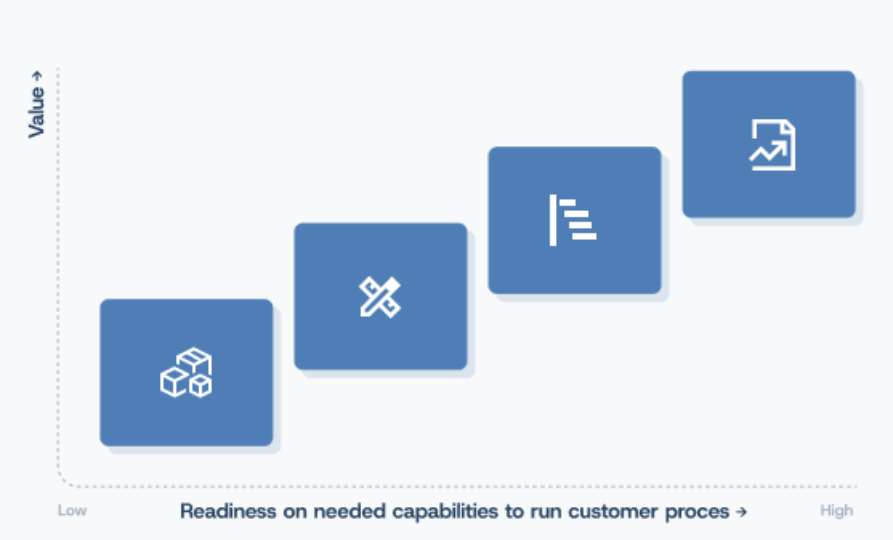
Weak installed-base overview
Systems, configurations, age, condition and service history are spread over local systems and spreadsheets[5].

Limited connectivity
Older systems are not set up for remote monitoring or remote support; retrofits are technically feasible but not systematically offered.

Reactive service model
Organisation, KPIs and tools are built around response and repair, not around preventing issues and improving performance.

Parts risk
Global supply issues and obsolescence make it difficult to guarantee short lead times without a clear strategy for inventory and redesign.

Capacity in service teams
It is difficult to staff enough technicians with the right skill set for growing installed bases and more complex systems.



Poraziet's view: you do not solve this with one big "digital transformation programme", but by putting a clear service concept in the market and building the right capabilities around it, step by step.

3. Start Focused: Define your ICP

A new service concept doesn't have to work "for everyone" on day one. It has to work **reliably** for a well-chosen first set of customers. That starts with a sharp Ideal Customer Profile.

3.1 What Does a Good ICP Look Like Here?

For warehousing and parcel logistics, five dimensions are crucial:

1. Operational criticality
High-volume sites with clear, quantifiable downtime impact and tight delivery commitments.

2. Installed base profile
Systems that are large enough and technically suitable (modern or upgraded controls, reasonable level of standardisation).

3. Data and connectivity readiness
Existing or planned remote connectivity and a willingness to share operational and fault data under agreed conditions.

4. Management maturity
A clear owner for intralogistics performance, with uptime and throughput in their KPI dashboard and budget to act.

5. Strategic alignment
Initiatives already running around capacity, resilience, or sustainability that your concept can reinforce.

In practice, we often translate this into a simple 0–2 scoring per dimension and then rank the installed base. The pilot candidates are the customers where both **need** and **feasibility** are high.

ICP Dimension	Weight	High Score Indicators (2 points)
Operational Criticality	25%	High throughput (>10k units/hr), 24/7 ops, tight SLAs, peak dependency
Installed Base Profile	20%	Modern controls, standard config, commissioned <15 years, retrofit-ready
Data & Connectivity	20%	Remote access in place or planned, willingness to share data securely
Management Maturity	20%	Clear KPI owner, defined uptime/MTTR targets, service budget authority
Strategic Alignment	15%	Capacity/efficiency/ESG initiatives underway, modernization roadmap

Table 1: ICP scoring framework for pilot customer selection.

4. Shape a Simple, Robust Service Portfolio

You don't need ten different offerings. You need a compact portfolio that customers recognize and that your own organisation can actually deliver.

4.1 What Your Customers Really Buy

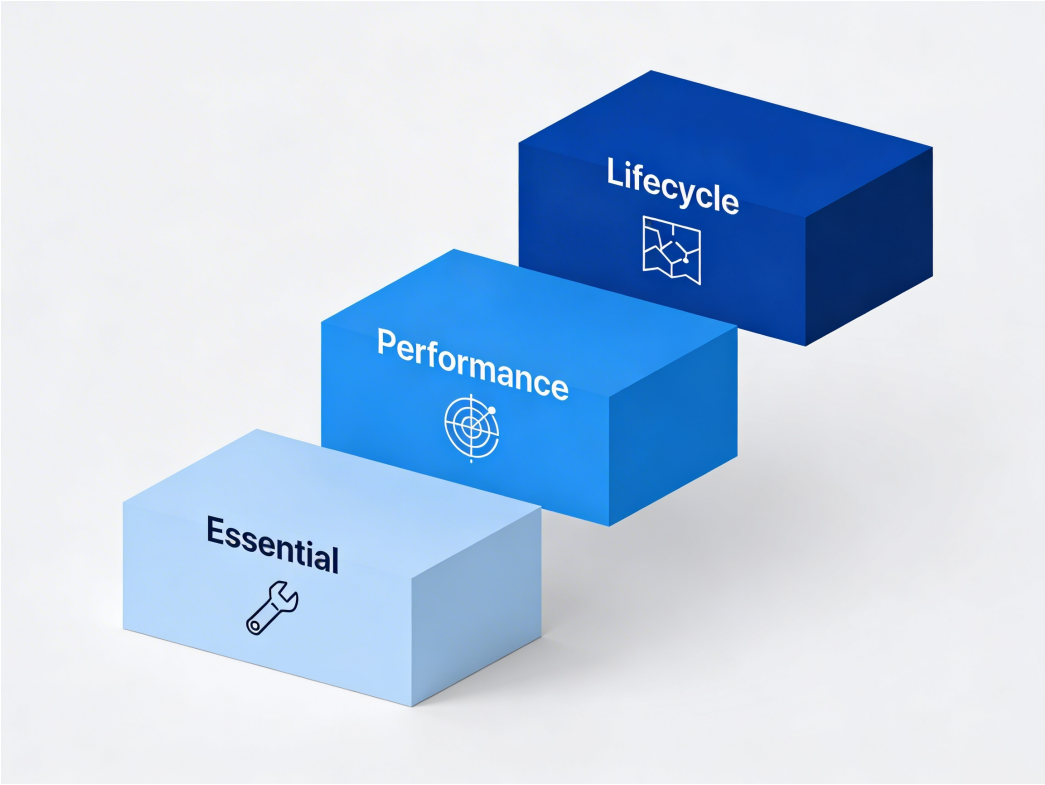
If you strip away the jargon, operations managers in this segment buy:

- **Flow and capacity** – More parcels or cases per hour at stable quality
- **Availability** – Less unplanned downtime and fewer nasty surprises
- **Faster recovery** – If something does go wrong, shorter time to recover (lower MTTR)
- **Predictable spend** – Fewer unpredictable invoices and better budget control over multiple years
- **Lifetime and ESG** – Longer economic lifetime of systems, lower energy use per handled unit, controlled obsolescence

This is the language for your value proposition—your offerings are simply the vehicles to deliver this.

4.2 Three Models That Fit the Segment

Poraziet often works with a triad like this, which you can adapt to your context:



1. Tiered lifecycle contracts

- **Essential**: Planned maintenance, agreed response times, parts discount, basic health check
- **Performance**: Essential + remote monitoring, 24/7 support, KPI reviews, concrete performance actions
- **Lifecycle**: Performance + multi-year lifecycle plan, modernization roadmap, and energy/ESG improvement initiatives

2. Availability-linked add-on

For selected, mature customers: defined availability KPIs, with a bonus/malus or service credit construction on top of the base contract.

3. Digital monitoring subscription

Remote monitoring, dashboards, predictive alerts and remote support as a subscription per site or system—stand-alone or as part of the Performance/Lifecycle tiers.

The art is to keep the **logic** simple, while your internal "engine room" (processes, tools, data) can be as smart as you like.

Model	Customer Value	OEM Value
Tiered Packages	Choice, clear value ladder, budget predictability	Scalable delivery, recurring revenue, upsell path
Availability-Linked	Direct performance alignment, shared accountability	Premium pricing, strategic account depth
Digital Subscription	Low entry barrier, immediate value, transparency	Data capture, low cost-to-serve, land-and-expand

Table 2: Business model comparison for lifecycle services

5. From Slide to Reality: Your Pilot

This is typically where Poraziet steps in alongside OEM teams: turning a good concept into a pilot that delivers real numbers and an internal success story.

5.1 A Narrative That Fits Your Customer

The external story can be straightforward and factual:

- "Your automation is carrying your promise to the market; every hour of downtime costs real money and reputation."
- "Today, you carry most of that risk yourself. Break-fix and loose parts orders do not protect your SLAs."
- "We propose a lifecycle contract in which we take structured responsibility for availability and performance, with clear KPIs and transparency."
- "Let's not debate hypotheticals. Let's prove it together in a 6–12 month pilot on a high-impact site, with a clear baseline and clear success criteria."

This narrative is stronger when it is backed by a concrete pilot design.

5.2 What a Solid Pilot Looks Like

Key Elements:

Scope
A clearly defined system (for example: main sorter plus critical in- and outfeeds) and a chosen service tier (often Performance or Lifecycle).

Baseline
At least 6–12 months of historic data on availability, MTTR, incidents and parts spend.

Targets
Realistic, but meaningful: e.g. +2–3 percentage points availability and 20–30% lower MTTR.

Duration
Typically 6–12 months to include at least one peak period.

Governance
Monthly operational reviews and a joint steering committee that can unblock issues.

On top of that, clarity about data (what you measure, how) and about responsibilities (what is inside and outside the contract) prevents friction later.

Pilot Element	Specification
Objective	Demonstrate 94% → 97% availability improvement, 30% MTTR reduction
Scope	Main sortation system including infeeds/outfeeds, Performance tier service
Duration	6–12 months including one peak season
Baseline	12 months historic: availability, MTTR, incident frequency, parts spend
Governance	Monthly operational reviews, quarterly steering committee
Success Criteria	Hit 2 of 3 KPI targets + positive customer feedback

6. Learn Fast, Then Scale

6.1 Three Lenses for Evaluation

At the end of the pilot, you look through three lenses:

1. Customer result

Did availability, MTTR, incident frequency and cost per handled unit move in the right direction? How do operations and maintenance teams experience the new way of working?

2. OEM economics

What is the real cost-to-serve versus the contract price? How did parts pull-through and margin develop?

3. Scalability

Which parts of the concept are truly repeatable? Where do tools, processes, skills or data still need work before you roll out to dozens of sites?

Figure 4: Real-time KPI dashboard tracking system availability and performance

6.2 Tighten the Concept

After the pilot, we often see a number of smart adjustments:

- Fine-tuning what is and isn't included in each tier
- Sharpening KPI definitions and availability calculations
- Defining minimum connectivity requirements more clearly for future customers
- Updating pricing bands or risk-sharing elements once actual costs and benefits are visible

This is the moment to capture everything in **clear sales collateral**: one-pagers per tier, example KPI dashboards, and a simple ROI calculator that your sales team can actually use.

6.3 Roll-Out Step by Step

A realistic scale-up sequence:

Phase 1 – Existing high-fit customers
Approach the top 10–20 ICP customers in your current installed base with the proven concept and the pilot story.

Phase 2 – Broader installed base
Add a retrofit connectivity offer for legacy systems. Position the digital subscription as a low-threshold entry point.

Phase 3 – Integrate with new equipment sales
Standardize service packages as part of new project proposals ("service by design"). Train sales and bid teams to position lifecycle services early in the buying process.

Throughout this roll-out, one thing matters most: internal alignment. Sales, service and finance must share one picture of what "good" looks like for the service business.

How Poraziet Can Support

Poraziet exists to help manufacturing companies build **sustainable growth from service excellence**. For warehousing and parcel logistics OEMs, that typically means:

- Translating your strategy into a concrete service concept and portfolio
- Sharpening your ICP and building a realistic pipeline for pilots
- Designing and guiding pilots, from business case to governance
- Capturing learnings and making your go-to-market repeatable

Next steps:

If you recognize these challenges and opportunities in your own organization, we invite you to:

1. Conduct an ICP assessment workshop to score and prioritize your installed base
2. Develop a pilot charter with a high-fit customer, defining scope, KPIs, and governance
3. Launch a structured pilot with clear success criteria and joint accountability
4. Scale based on proven results and refined delivery capabilities

The warehousing and parcel logistics aftermarket is large, growing, and margin-rich. With a structured approach, OEMs can unlock this opportunity and build lasting competitive advantage—one performance partnership at a time.

About the author

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With over 20 years of experience in Operations, Supply Chain, and Aftersales, Perry specializes in Aftermarket Service transformations, spare parts logistics, and pricing strategy. As founder of PORAZIET and senior partner at Avrogan, he tackles servitization challenges across the Benelux and beyond.