

SKOV dealer transforms the business – service expansion

PPA - SKOV dealer in South Africa.

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Two years ago (2015) there were only 2 technicians employed at PPA. Today there are 4 full time service technicians employed and one on contractual basis. Growing from 2 to 5 service technicians in only two years.

Part of the explanation for this service expansion and PPA being so successful is the many customers who wants the service agreements offered by PPA. A basic term of the service agreements is PPA charging a quoted call out service fee. Furthermore, the service agreements are on a time, travel and materials used basis.

Apart from the many service agreements PPA has to fulfill the company also look to renovate livestock houses. This business aspect is very interesting for PPA as it could lead and support following on big projects. PPA contacts the customers and advises them about the renovation and upgrading possibilities in terms of productivity improvements and energy savings.

It has been an advantage to PPA that they are able to offer both project sales and after sales services, due to the tough economic conditions for poultry production in South Africa over the last few years. Lately the project sales have even been more depressed, but the company experienced an increasing service and support business. The missing sales from new installation projects has been compensated for by the increased service and after sales.

To PPA the service and after sales business is not just a “by the way” business. It is just as important to PPA as the project sales business. Over time the installation services offered, grew to even include competitor installations. The farmers know PPA is good at what they do and reliable.

When PPA was focusing mainly on project sales, they were just seen as a supplier by the customers, who were comparing prices from different suppliers. After PPA started to focus more on service and after sales, they are now seen as a partner by their customers, not just a supplier that offers and delivers a product and then the dialogue is finished. Now PPA has an ongoing dialogue with their customers and they establish a type of “partnership”. This makes it much easier to PPA to differentiate from their competitors and the customers are more loyal.

It is important for PPA to be able to plan the regular service visits in time periods where the project sales and installations are normally low, to optimize the usage of the service technicians. It requires being proactive towards clients, but it makes good sense regarding time planning and cost optimization.