ON THE DEVELOPMENT OF A NEW TRAINING- AND CUSTOMER EXPERIENCE OFFERING

LOUISE VLUYMANS
JEROEN VAN DER BEKEN
VICTOR KERMANS

MIMS 2021-2022

VLERICK PROMOTER : PROF BEHZAD SAMII

PROJECT SUBMITTED IN FULFILLMENT OF THE DEGREE OF
MASTERS IN INTERNATIONAL MANAGEMENT AND STRATEGY
On the development of a new training- and customer experience offering

Vlerick Business School
In-Company Project

Promoter:
Prof. Behzad Samii

Authors:
Louise Vluymans
Jeroen Van der Beken
Victor Kermans
Yanmar is currently redefining its strategy within the market of construction equipment. Yanmar CE EMEA aspires to focus on delivering the best customer experience. Owing to this, the concept of trainings - sales and technical trainings - as well customer experiences, such as product demonstrations must be defined for the future.

The crux of the matter can be formulated as a single question. What is the most efficient, attractive, and convenient way to offer product training, technical training and a customer experience to the dealers and end-customers in a financially sustainable way?

To answer this research question, data is gathered from a wide range of sources. The data was gathered by internal- and external interviews, customer surveys, and desk research. Its aim is to understand the competitive landscape, Yanmar’s positioning within this landscape and opportunities for Yanmar’s future training- and customer’s experience. Hence, the 3C framework is adopted as a comprehensive foundation.

Four main trends could be identified among competitors. First, there is a clear trend or preference for customer centers to provide trainings and organize customer experiences of different types. The centers are situated at accessible locations. Simultaneously, they are often close to plants. The practice is most often supported by a strong online training platform that offers sales training and technical training, among other features.

The customer survey revealed that communication is the main reason why dealers are currently not joining. When their view on the important parameters for training was questioned, three parameters stood out. The physical access to machines, the opportunity to share expertise and, for product trainings, the opportunity to benchmark with competitors. For customer experience, the overall experience grew immensely in importance, yet the access to machines and demo remained the most important parameter by far.

The company interviews highlighted different hurdles and opportunities. An urgent demand for systematic product trainings came to light which could provide additional homogeneity. The technical training consists of elements which require physical training, yet digital solutions are currently developed and can be expanded in the future. The importance of customer experience was highlighted by the connection of it through the whole customer journey. From sales to after-sales, there is always a customer behind. Delivering the best customer experience constitutes an influential goal with implications for all activities.

The key recommendations are presented as five scenarios in which product training, technical training and the customer experience are envisioned with an extensive business plan. There are three categories, i.e., one online scenario is introduced, two local scenarios and two center scenarios.

The online scenario focus on the development of online capabilities by launching a digital platform. The platform aims to establish three features, namely connectivity, e-learning and
on-demand learning. The on-demand learning serve as physical back-up that support the digital content.

The first center scenario proposes to build a center near a production site. This leaves two options, either close to Saint-Dizier or close to Crailsheim. The financial analysis confirms the feasibility. The quality of trainings, the low HR implications and low operational complexity are the main benefits of this scenario. Minor changes are required compared with the current way of working. Nonetheless, synergies would be created by concentrating efforts on a single center instead of two independent locations. The new customer center could include promising customer experience options if incorporated in the building’s design.

The second center scenario considers a new accessible location. This aims to boost the overall experience with a more attractive location or more neutral location in between the existing premises. Different locations come with different advantages. Some focus on the customer experience aspect, while other prioritize the potential strain on Yanmar’s workforce due to relocation. In general, the same considerations of the former scenario are applicable here as well.

The first local scenario aspires to optimize the currently held local trainings by clustering dealers based on, among others, distance and size. This clustering ensures close relations within the cluster and with a market specific training team. Scheduled trainings would be offered, but the improved proximity could empower two-way communication on demand. Next to trainings, demo fleets and the customer experience can be localized too. The scenario would require a highly mobile training team that is willing to work remotely.

Lastly, the second local scenario is based on the cluster scenario. The concept of the Yanmar Tour as organized in 2021 is added mainly to the core markets to boost the customer experience and local product training with an additional brand injection. This could truly realize the vision of customer intimacy and delivering the best customer experience. However, this introduces a considerable added operational cost which has to be overcome to make this scenario feasible.

The scenarios are evaluated using 16 KPIs that cover the interests of Yanmar, the dealer networks and compare the solution with the competition. Weights are assigned to the KPIs using the analytic hierarchy process (AHP). Using a decision matrix, a quantitative evaluation of all scenarios is made.

The resulting decision matrix prefers the center scenario near a production site, i.e., to build a center at Rothenburg/Crailsheim or at Saint-Dizier. There is a small favour for Rothenburg/Crailsheim. Next, the online scenario ranks third due to the estimated low upfront investments and operational costs. Building center in a new accessible location would imply a relatively higher operational cost, more HR implications and more overall risk; this causes this scenario to be valued fourth. Finally, the local scenarios come in last. While they score great on dealer and competitor related KPIs, the financial strain for Yanmar significantly lowers the score of the scenarios. In short, a center scenario near a production site or a focus on online capabilities is recommended considering the evaluation of the decision matrix.
# Table of Contents

I. Introduction ............................................................................................................................................. 1  
II. Data gathering ......................................................................................................................................... 3  
   1. Methodology ......................................................................................................................................... 3  
      Investigation of the competitive landscape ...................................................................................... 3  
      Data processing ................................................................................................................................... 6  
      Scenario building ............................................................................................................................... 6  
   2. Competitor trends ............................................................................................................................... 7  
   3. Customer survey results ..................................................................................................................... 14  
   4. Company interview highlights ........................................................................................................... 27  
III. Recommendations ............................................................................................................................... 33  
   5. General introduction .......................................................................................................................... 33  
   6. Scenario analysis ............................................................................................................................... 37  
      Online scenario .................................................................................................................................. 38  
      Center scenarios ............................................................................................................................... 41  
      Local scenarios ................................................................................................................................... 44  
IV. Evaluation ............................................................................................................................................... 50  
   1. Decision matrix .................................................................................................................................... 50  
   2. Final evaluation of the scenarios ....................................................................................................... 59  
V. Sources ..................................................................................................................................................... 62  
VI. Scenario deep dive ............................................................................................................................... Error! Bookmark not defined.  
VII. Annexes ................................................................................................................................................ 165
I. Introduction

Yanmar CE EMEA is currently redefining its strategy within the market of construction equipment. Repositioning the company from a product and operational excellence focus, Yanmar aspires to now focus on the customer experience and customer intimacy as a core competency. Owing to this, the concept of trainings - sales and technical trainings - as well as customer experiences, such as product demonstrations must be redefined for the future.

Today, Yanmar has two small training centers in Bettancourt (France) and Rothenburg (Germany), which include a classroom and a technical workshop. In addition, there is a small demo area in Bettancourt. However, the Bettancourt site is not owned by Yanmar and cannot be regarded as a permanent residence. Recent surges in training demand has led to a necessity to increase training capacity. The current trainings offered target technicians of different levels.

Customer experiences at the production sites are currently limited, as a real customer center is absent. However, Yanmar pushes to connect with dealers and end-customers through other means. Events are organized and fairs, both big ones such as Bauma and local ones such as the DIG tour, are attended. Moreover, recently Yanmar launched an innovative Yanmar Tour which serves as a mobile customer center.

Furthermore, the organization continues to consolidate multiple departments after the acquisition of Schaeff in 2016. The acquisition expanded the product range of Yanmar. This agrees with their ambition to become a leader in the compact equipment (CE) industry.

With the decisive shift towards customer intimacy and their ambition to become a leader in compact equipment, the concept of the existing trainings and customer experiences may be considered suboptimal. Redefining training and customer experience would allow Yanmar to build loyalty in a price focused industry and regain an advantage. Their current efforts already realizes their strategy in some extent, but the question remains whether a more significant conceptual shift for the training- and customer experience may be required.

The crux of the matter can be formulated as a single question. What is the most efficient, attractive, and convenient way to offer product training, technical training and a customer experience to the dealers and end-customers in a financially sustainable way?

The following chapters answer this question stepwise. The report adopts a research structure. The first chapter introduces the gathering of data. The second chapter offers the summarized versions of the recommendations based on the conducted research. In annex all scenarios are elucidated in detail. The third chapter evaluates the different scenarios based on predefined KPIs and a decision matrix. The presented scenarios aim to introduce possibilities for Yanmar to define the concept of trainings and customer experiences in the future.
II. Data gathering

The following chapter aspires to gather data from a wide range of sources. The data gathering aims to understand the competitive landscape, Yanmar’s positioning within this landscape and opportunities for Yanmar’s future training- and customer’s experience. In the first section, the methodology of the data gathering is deconstructed. In the second chapter, the 3C framework is adopted as a comprehensive foundation. Here, the three C’s stand for competitors, customers, and company. Considering competitors, industry trends will be investigated. This can be used to benchmark Yanmar’s training offering and customer experience. Considering the customers, the team investigated Yanmar’s customers, i.e., the dealer network to obtain a better understanding of their contemporary preferences. Lastly, considering the company, internal interviews will elucidate the current capabilities of Yanmar. Understanding the 3C’s will allow us to understand the stakeholders at play and thus allows to consider all stakeholder interests and expectations when considering different scenarios later in this project.

1. Methodology

This section will elaborate on the applied methodology and aims to bring structural clarity in this report. In first part, segmented per C, the rationale behind each C is elaborated and the applied tools are discussed. After having established the methods of data gathering, the second part discusses the rationale and tools used for scenario design.

Investigation of the competitive landscape

Competitors – Direct and indirect competition

Rationale

To understand the competitive position of Yanmar, a thorough understanding is required of the training- and customer experience offering of Yanmar’s competitors. By investigating competitor’s best practices, it becomes possible to extract minimum industry standards which Yanmar is expected to offer and to identify differentiators to create a unique value proposition. This will on its turn assist in the evaluation of each proposed scenario later in the project.

Applied tools

For the competitor analysis, desk research was the main tool used. This means that internet sources were the primary sources for the competitor analysis. Using these sources, a compilation of all accessible data on their training and customer experience offering is made. Given however that technical- and product training to dealers are a rather internal affair, the available content on the internet is rather limited. On top of that, most of the valuable content is locked behind login pages of the competitor’s LMS.
Despite the lack of information, social media has proven to be a useful source of data on customer experience with competitors posting about their marketing events and demo days. Google maps on its turn allowed to localize training- and customer centers and measure their proportions and those of adjacent demo fields.

**Customers – Yanmar’s dealers**

**Rationale**

The second stakeholder to examine is the Yanmar dealer, the final beneficiary of the trainings and the Yanmar customer experience. Understanding the dealer’s demands and considering their training- and customer experience expectations is quintessential in the later scenario-design and evaluation. By better addressing their expectations, the individual value proposition of Yanmar’s training- and customer experience offering will increase. This consequently leads to an increased dealer satisfaction and willingness to pay.

**Applied tools**

**Customer survey**

A survey was sent to Yanmar dealers to understand their preferences regarding training and customer experience offering. In annex 1, a copy of that survey is added. In general, this survey consisted of three major parts. A first part looking into dealer preferences for sales trainings; a second part looking into their preferences for technical trainings; and a final part discussing their preferences regarding a customer center. For each part, the dealer was asked (i) Which factors were crucial in providing a qualitative training or customer experience, (ii) Their willingness to pay and (iii) Their preferred organisational scenario for trainings or customer experience. The first of those, a Likert scale was used to indicate the value of different elements ranging from ‘not important’ to ‘very important’. The second gave a range of different pricing options, the final set of questions asked the dealer to rank different solutions.

**Dealer visits**

Besides the data following from the survey, the team visited different dealerships to talk to dealers, understand their training and customer experience needs and to see how some have managed to set up their own small training operations. The additional face-to-face contact allows to get a better understanding of the profile of our dealers and to better understand their perspective on Yanmar’s training and customer experience offering.

**Technical training**

A final source to get to know the customer is through the team’s participation to a technical training. Through interaction with the other participants during the lectures, coffee breaks and the evening activities, the team could better understand the trainees’ impressions on
Yanmar’s training offering and gather their vision on growth- and improvement potential in the matter of training.

**Company – Yanmar**

**Rationale**

Understanding how to offer technical and sales trainings, as well as offering a customer experience to end-customers requires the understanding of the company itself. More specifically, two things should be investigated:

1° **Yanmar’s strengths:** Which initiatives are already present within Yanmar CE EMEA to facilitate technical or sales trainings or customer experiences. This will help to understand the current status of the training and customer experience and help to identify opportunities upon which can be built or from which synergy potential can be derived.

2° **Yanmar’s challenges:** How wide is the solution space and which constraints should be considered when crafting different scenarios. More specifically, what limitations and expectations should be considered when starting to craft new forms of training or customer experience. This will help to identify the acute points of attention to be considered in crafting scenarios and deciding on the utility and fit of each scenario to Yanmar’s situation.

**Applied tools**

*Interviews*

To gather the answers to the mentioned questions, the team relied primarily on interviews of department heads and key internal figures in the organisation involved in training or customer experience. Later in this report, each interview will be discussed more in depth.

*Plant visits*

The team made plant visits to both the production sites in Saint-Dizier and Crailsheim and the training centers in Bettancourt and Rothenburg. During these visits, the team was able to see the current production facilities and facilities available for training and assess potential for future opportunities. This included scouting opportunities for expansion of training facilities to adjacent properties, improved utilization of the training premises or scouting underutilized terrain in the vicinity of the plants for the construction of a new customer- and training center.

*Technical training*

To get a grasp on the structure of a technical training and the necessities required to perform those trainings, the team attended a technical training in person. It not only allowed a better understanding of the requirements to host technical trainings, but it also provided to be an opportune moment to gather customer data by interacting with the other training participants and trainers.
Access to available content

Finally, the team got access to existing Yanmar resources such as a basic corporate documentation folder, the Yanmar CE US’s online training platform, the European online training platform and various pieces of data sent as a follow-up on discussions during interviews.

Data processing

Rationale

Using the data acquired on Yanmar, the Yanmar dealers and the competitors, the team created a SWOT analysis benchmarking Yanmar to industry practices and dealer needs. This eventually led to the identification of a long list of potential scenarios for the development of Yanmar’s training and customer experience. This long list was eventually condensed to a short list using a first sanity and feasibility check.

Applied tools

As the compiled data is primarily of a qualitative nature, rather abstract analytical tools were applied to process the data. The team used content analysis to find common patterns in the data and to categories the data according to its substance. With the categorized data, the team created frameworks to structure the data and visually shape the different options that eventually will lead to different possible scenarios, answering to the problem statement.

Scenario building

Rationale

With the rough scenarios drafted, a full examination of each scenario is due to understand their relative merits and demerits. For that reason, a business case must be built for each scenario. These business cases include but are not limited to a financial forecast of both capex and annual operating costs; an operational plan defining each of the elements necessary to realize the scenario; an estimation of the relative impact on Human Resources practices; an estimated timeline to illustrate the speed of each scenario.

Once the business case is built for each scenario, the scenarios will be benchmarked to one another to be able to present a comparison of different scenarios to the management upon the final presentation.

Applied tools

Concerning the development of the business plan, the team uses the data gathered within Yanmar and asks clarifications over a round of e-mail and in-person interviews.
A decision matrix will consequently help to benchmark each scenario and to put their relative advantages and disadvantages into perspective with the other options. It will also allow management to freely use the decision matrix later to adjust the relative weighing of each decision criterion and to assist in further deliberations about the subject. The relative weights used by the team are based on the Analytical Hierarchy Process (AHP). This AHP is a method to weigh different elements by cross examining each decision criterion’s importance in respect to the others.

2. Competitor trends

To figure out the optimal solution to the problem statement, this chapter will make an analysis of competitor’s training- and customer experience offering. A distinction will be made between direct competitors -those offering compact equipment- and other proxies which manufacture other construction machinery. Besides that segmentation, to obtain a realistic and correct comparison, the direct competitors will be divided in the full-liners and the companies exclusively focusing on compact equipment. Heavier equipment is a bigger investment for both the dealer and the end-customer. This can lead to a different attitude towards training and customer experiences and different needs. For that reason, this differentiation is made.

In the following paragraphs, the biggest players in the construction industry will be analysed to establish a clear view on the market trends regarding customer- and training centers. As this project focusses on Yanmar EMEA, this research will mainly highlight the initiatives within that region. Note that in annex, different pictures are added to illustrate the offering of each competitor.

Compact equipment manufacturers

Kubota

The first manufacturer of compact equipment is Kubota. Its product range within this segment includes the mini- excavator, compact track loader, the skid steer loader and the wheel loader. Additionally, Kubota manufactures agricultural machinery, engines, water-related devices, measuring control systems and materials. All segments combined, the Japanese Kubota Cooperation achieved an annual revenue of US$ 162.76 billion in 2021.

Kubota is one of the few companies within the construction machinery industry that does not have a customer center to provide trainings and its brand experience to dealers or customers. Instead of a central customer- and training center, the demonstrators or trainers will travel on demand to the dealers’ premises. Sources do not reveal however if this is a consistent and structural on-site training offering or a one-off intervention.

Bobcat
Bobcat has four categories of products: loaders, compact excavators, telehandlers and compactors. Currently, Bobcat sells its compact equipment via partnerships with over 1,000 independent dealers, of which 350 are positioned within the EMEA region. Besides the broad range of new products, they offer several additional services to the dealers such as a platform to rent or sell second hand machines.

Bobcat has a training center in Dobris, Czech Republic. The Bobcat center was opened in 2007 and renovated shortly before the COVID-19 pandemic. This 6000 m² facility was built with the purpose to train employees, dealers, customers and suppliers. For dealers specifically, training is provided concerning products, machine service, machine sales and customer care. End-customers can plan a visit to the center to enjoy demo show and trade fairs. The location of the center shows several benefits. First, it is close to a production plant which enables factory visits. Secondly, it is very accessible with only a 40-minute drive from the airport in Prague to the center. Besides being close to the airport, the center is also close to the touristic center of Prague.

Annually, 2,000 people are trained in Dobris during around 200 sessions. About 20 people work full time at the center. This includes coaches, instructors, demonstrators, coordinators of training and people in charge of PR and event planning.

Three years ago, a training facility was opened. A strategic location was selected in Aurora, Denver to ensure easy access for the dealers in North-America as it is located close to the Denver International Airport. Hereby, Bobcat directly affirms their dedication to all dealers by providing a convenient location to serve them. The 4,000m² facility includes classrooms, a showroom space, equipment storage, simulations in interactive labs and more. Bobcat provides in this center specialized training such as troubleshooting and diagnostics, new technician onboarding and sales trainings.

**Wacker Neuson**

Wacker Neuson has its headquarters in Munich, Germany. It has seven plants in Austria, Germany, Serbia, the US and China. This mother corporation reported a revenue of €1.87 billion at the end of 2021. Wacker Neuson is a public company since 2007.

Wacker Neuson has a training center in Reichertshofen, Germany. A 5,000 m² facility with 2,200 m² indoor training hall next to the production site can offer practical trainings to employees or dealers. Trainings are classified in three separate sections: maintenance, diagnostics, and repairs. Besides training, this center also focusses on the customer experience by organizing demo’s, try-outs and events in this facility for both the dealers and end-customers. The center is located 50 km from the Munich airport and only a 10-minute drive from Ingolstadt, a charming city offering several entertaining activities. To illustrate the popularity of the center, in 2007 Wacker Neuson welcomed 5,000 visitors to the center, including 400 key account customers.

It appears Wacker Neuson hosted before the COVID-19 pandemic annual open days, where dealers and end-customers could see the entire product range and get a Wacker Neuson brand injection.
Trends

In summary, the majority of direct competitors have a customer center. These centers are located close to the production sites or headquarters, often at accessible premises. These physical components are complemented by advanced online platforms.

Full liners

Hyundai CE

The first full liner to be discussed is the South-Korean construction company Hyundai Construction Equipment (HCE). It has 500 partnerships in 140 countries.

“At Hyundai, it’s a belief that even the best of machines can underperform in the hands of unskilled operators.” With that mentality, training is a core priority for Hyundai. Hyundai has a 2,600 m² customer- and training center located in Tessenderlo, Belgium. It is only a 45-minute drive from the Zaventem Airport, which makes it convenient for the European dealers to travel to the center. Since this center is near the European storage facility and not located near a production facility, no production site visit is possible. Technical trainings for the dealers’ employees are organized at this premise. Additionally, the Online HCE E-Training Academy offers a permanently accessible range of training videos for all dealers and operators.

Hitachi

The Japanese multinational conglomerate Hitachi has a division active in the manufacturing of construction machinery. This segment has generated a revenue of US$ 8.7 billion at the end of 2021. Hitachi CE produces the entire range of excavator, special applications, wheel loaders and rigid dumb trucks. Worldwide, these products are manufactured in 4 plants and afterwards sold to the end-customer via 231 dealers.

To provide these dealers with qualitative trainings and services, the Hitachi Technical Training & Demo Center EU was opened in Amsterdam in 2013. This center is positioned next to the production site for the medium excavator and wheel loaders. The site has a surface of 3,000m² at which technical, sales and management trainings are organized together with demonstrations of the Hitachi products.

Next to this, Hitachi has partnered up with one of its biggest dealers in Germany to create the Coreum center. This 50,000m² center is located in Stockstad. It is a conglomerate center of different construction equipment manufactures. The proximity to Frankfurt gives it great accessibility and touristic activities. At Coreum, training, customer events, dealer meetings and demo shows can be offered. Due to the resource pooling of different partners of the center, it is an impressive and state-of-the-art facility. Not only does it have the facilities to host the abovementioned events, but it also has hotel, restaurant and event hall facilities.
Which trainings are offered at which facility is unknown. Also is unknown if Hitachi intends to keep both premises or considers replacing the training academy entirely through its participation in the Coreum center.

Caterpillar

Caterpillar is a manufacturer of construction and mining equipment, off-highway diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Within the construction equipment segment, 11 different categories of products are offered to the customers. This broad product range includes mini to large excavators, dozers, loaders, telehandlers and more. Overall, the company delivered $51 billion in sales and revenues at the end of 2021.

Caterpillar opened a customer experience center in Malaga, Spain. This location allows year-round operations and demonstrations on the 260 acres area. The good climate is an extra factor that contributes to the customer experience of the visit. All kinds of trainings are given to the dealers regarding sales, the technical aspect of the machines, safety, maintenance and machine operation. This center however emphasizes on larger machines.

Concerning the CE division, Caterpillar has a customer- and training center in Leicester, UK. This facility is located next to the UK production site. Trainings, indoor demos, customer visits, launch events and other activities are organised to provide a complete CAT service and experience to dealers and customers. This facility illustrates the feasibility to open a training- and customer experience center focussing exclusively on compact equipment.

Complementary to the on-site trainings, the Caterpillar University -Caterpillar’s online platform- can be accessed at any time by its customers either on the computer or through the mobile application. Over 90 videos cover the fundamentals of the product, technical and end-user related content.

Volvo

Volvo CE is a company which has its foundations and headquarters in Sweden. The company has a product range of 55 products. These can be divided in nine different categories: electric machines, articulated haulers, compactors, excavators, rigid haulers, pipelayers, wheel loaders, asphalt pavers and demolition equipment. The overall sales of all products in 2021 accounted for €8,89 billion globally. More specifically within Europe, the yearly net sales equalized €2,85 billion. Volvo CE has 8 plants located in Sweden, France, Germany, US, Brazil, India, China and Korea. Volvo CE sells its products to dealers through partnerships. The company revealed its end-customers in the following segments: contractors (64%), rental providers (17%), producers (12%), governments (4%) and other groups (4%).

Volvo offers a broad range of services online via the platform ‘Volvo CE Learning Center’. These services are all related with what can be done with the equipment: how to use it, maintain it, pay for it and even, how to sell it. This includes trainings on fuel efficiency services, productivity services, safety services, financial services, rental services, new life services etc.
Volvo CE is active all over the world, operating in 16 different locations. Besides manufacturing, R&S, Sales and Marketing or headquarters, some locations also function as museum (3), training (2) or customer (5) center. As we are studying more specifically the CE industry within EMEA, the following locations are interesting to study:

- **Arvika, Sweden**: Manufacturing, Customer Center, Museum
- **Eskilstuna, Sweden**: Manufacturing, R&D, Sales and Marketing, Customer Center, Museum (It is specifically dedicated to sustainable power, connectivity and autonomous solutions).
- **Belley, France**: Manufacturing and R&D, Sales and Marketing, Customer Center
- **Konz, Germany**: Manufacturing and R&D, Prototype & Test Center, Training & Customer Support Center

All sites are located at proximity of the plants, which offers the extra advantage as part of the Volvo brand injection in its visitors. Interesting to note is that Volvo made the choice to separate the customer center and the training facilities.

In the US, Volvo CE announced in 2021 to invest $4,3 million in a new training center for technicians. The facility is located next to the North America headquarters of the company and will be opened at the end of 2022. It will provide space to deliver in-person and virtual trainings in addition to the demo area (40 acres). A virtual lab will allow for the use of video, augmented reality, and other technologies to support dynamic virtual training courses for dealers throughout the U.S. and Canada. This strong focus on new technologies such as AI, VR, virtual trainings etc. will become a core competency of this new facility as Volvo is adapting to post-COVID-19 dealer demands.

**JCB**

JCB is a British manufacturer of equipment for construction, agriculture, waste handling and demolition equipment and technologies. Within the construction segment, it offers a very broad range of products to its customers, going from access platforms, dumpsters and generators to excavators, forklifts, telehandlers, loaders and more. Worldwide, JCB has partnerships with over 750 dealers. In 2019, they made a revenue of £4,1 billion.

The training/customer experience center of JCB is in Rocester, UK. All trainings are being provided to the dealers, including a business simulation game to improve the entertaining level trough innovation and technology.

Packages are offered to visitors, starting with short introduction of the company in a so called ‘theatre’. The activity continues with some refreshments before the actual three hour visit of the production site. Breakfast, lunch, or cream tea are provided afterwards, prepared by the Executive Head Chef, and consumed in the VIP Hospitality Suite. These packages are priced from £30 to £40 per person, with the constraint that at least 10 participants inscribed.
An additional customer center in Staffordshire (UK) is the JCB Golf and Country Club. Even though it has little to do with the construction industry, the impression and experience of this facility contributes to the brand perception.

Komatsu

Komatsu Ltd. is a Japanese multinational corporation that manufactures equipment-, technologies- and services for construction, mining, forestry, energy, and manufacturing industries. All combined, the company achieved a revenue of €16,14 billion at the end of 2021. Komatsu is a full liner, producing different sizes and kinds of excavators, loaders, dump trucks, mobile crushers, dozers, and motor graders.

For Europe, limited information is disclosed regarding the training offering and customer experience. However, Komatsu Europe shares some information on their Facebook page regarding past trainings at the Italian production site for instance. All Italian dealers were invited to attend the sales and technical trainings for three days. Additionally, demos were organized as a side activity to improve the experience of the visit. Secondly, the technical center in Hannover, Germany offered demos and product trainings to the dealers.

Kobelco

This Japanese conglomerate founded in 1905, with its headquarters located in Hyogo, Japan. Its products can be subdivided within the following segments: steel products, titanium products, welding robots and systems, aluminium and copper products, construction and industrial machinery and cranes. As Kobelco offers 45 excavator products in all sizes, the company is classified here as a full-liner.

In 2013, Kobelco Construction Machinery Europe announced the opening of its new headquarters in Almere, The Netherlands. This convenient location offers a quick access to the city and airport of Amsterdam Airport. Even though Kobelco mentioned a training center during the press release concerning their new Almere HQ, no sigh of activity was published regarding dealer trainings, demos, or events. Internally, trainings are given on site to the product and marketing teams to attend the in-depth product briefings. Trainings to the dealers are given on site at the dealers’ premises. The Product Support Managers train the mechanics and engineers are supported locally. Additionally, Kobelco’s E-learning platform complements the face-to-face training.

Comparable proxies

Bomag

Bomag is a manufacturer of compact equipment, stabilizers, and recyclers. Bomag is located in Boppard, Germany. The 20 product groups that are manufactured by Bomag are sold via over 500 dealers in more than 120 countries. The company does not produce (mini) excavators which makes Bomag not a direct competitor to Yanmar. Instead, their product line consists of light equipment, asphalt rollers, paver & feeder, refuse compactors and more.
Since 2016, Bomag has a state-of-the-art training- and customer center adjacent to its Boppard factory. At this center, there are several training rooms and a 3000 m² semi-indoor demo area to improve the comfort of its visitors when test driving or watching demos. This covered demo area is an interesting given. Looking at the construction (See annex), it is a relatively low budget, yet very impressive solution to host trainings and customer events. From the Frankfurt Airport or the Cologne Bonn Airport, the drive to the center takes around 1,20 hours. Service- or technical trainings take two to five days. Operators can also visit the center for application training, including product training that can be tailored to the needs of the group. Events were organized at the facility, mainly before the COVID-19 pandemic. An example hereof is the Bomag Innovation Days. This event I hosted every two years for a two week period in September and attracts over 1.300 guest from 60 different countries.

**Manitou**

Manitou is a French manufacturer of forklifts and telehandlers. Besides the construction industry, Manitou has segments designing machinery and services within the mine, gas, environment, agricultural, defence and the aerospace industry. The company sells its products via over 1.000 dealers in 140 countries worldwide. As Yanmar is a big shareholder in Manitou, knowhow synergies can be used in the design of the Yanmar training and customer experience offering.

The Manitou Training Center in Ancenis was renovated in 2019. The facility is adjacent to the French production site. Three recording studios are designed specifically to improve the e-learning facilities, even before the COVID-19 pandemic. Besides these studios, there are four more training rooms, sized between the 200 and 300 m², which facilitate trainings and demos. The facilities are located at a 45 minutes’ drive from Nantes Atlantique Airport. In 2018, Manitou was able to train 3.500 technicians employed by their dealerships within EMEA. 75% of these trainings were organized remotely in clusters per region. Additionally, technicians and the sales teams are updated virtually.

Manitou US designed an online learning platform with over 220 tutorials covering the product and technical training. Equivalency tests can be taken on the platform to establish each (new) technician’s base level with the purpose to customize to lessons. Hereby, Manitou hopes to efficiently increase both the knowledge and skill level of all platform users. Technicians who have already been trained and obtained a certain level of skill will become certified referents in their dealerships.

**Atlas**

Atlas GmbH produces excavators and cranes. These products are manufactured in 4 factories and exported to over 70 countries. Atlas currently has partnerships with 120 dealers and 160 service stations available.

The Atlas production site is located close to Ganderkesee, a village in the Northern part of Germany. At that Atlas site, trainings and demonstrations are organized for the European dealers and customers. This training center is built upon a 8.000 m² training premise. This premise includes a demo area of 3.000 m². The site is very accessible by flight after landing at
the Bremen Airport (20 minutes) or at the Hannover Airport (1.5 hours). If visitors are planning to stay for multiple days, a guest house is available on-site which can accommodate 10 people. This all makes it very convenient for dealers to visit the center. Trainings are mainly given face-to-face and cover the topics of hydraulics, electronics, mechanics, machine science and more. If the dealer is not able to make the travel, trainings or demos can be given at the dealers’ premises, on demand.

**Conclusion and remarks**

In conclusion, there is a strong inclination among competitors to have a training- and customer center. The location of these centers is often determined by the presence of a production site or headquarters and the accessibility from the European dealers’ point of view. The example of the Caterpillar Customer Experience center in Leicester is a good example which proves that building a center exclusively for compact equipment in the EMEA can be a sustainable and feasible solution to Yanmar’s challenge. Interesting to note is how Kubota, a big direct competitor of Yanmar, does not own a center. This implies that local- and online trainings might also be a feasible option to fulfil the needs or expectations of the dealers regarding training and customer experience.

Nonetheless, two important remarks need to be made about this competitive analysis. All information gathered was found on different platforms online, disclosed by the company itself. This implies that no internal challenges or financial resources can be considered in the analysis of these centers. In other words, no 360° evaluation can be made with this one-sided information stream. Secondly, all centers were built before the COVID-19 pandemic. This event increased the technological abilities to work remotely and employees discovered the advantages of online communication. It is thus important to closely assess the new habits and preferences which have risen due to this pandemic. The survey send out to the Yanmar dealers will provide more information regarding this topic.

### 3. Customer survey results

The customer survey was launched in the third week of the project. The survey was distributed to obtain a better understanding of the preferences of the dealers, sales managers, and technicians within the dealer network. While the survey was sent to all three roles, the majority of responses comes from the dealer principals. The results are introduced and discussed in the same manner the survey was constructed. First, the current training situation is discussed. Secondly, the product training is discussed. Then, the technical training preferences, and lastly the customer center responses are covered. The survey remains open, but the results discussed here are written on the May 12. The current count of respondents is 88. The number of dealer principals that answered is equal to 45, hence about 25% of the dealers was reached. This assumes that there is one dealer principal per dealer and that the total number of dealers approximately equals 180. In annex 1, a complete list of the questions can be found. Internal access to the results was already granted on launch.
Current training situation

The first part of the questions aimed to get a better understanding of the current training reach and reasons for not attending yet. If they attended, they were asked to specify the location. If they did not yet attend, a non-exhaustive list of clarifying reasons was presented.

Currently, about 59% of the respondents said to have joined a training center. This is a very positive result for Yanmar. The location distribution is more or less equal with a small favour for the Saint-Dizier premises, i.e., 63% compared to 52% that visited Rothenburg (multiple sites could have been visited). Considering that the Rothenburg site was only acquired in 2016, and looking at the current training schedule, there is a possibility that Rothenburg could become the more visited premise in the near future.

Importantly, when asked why they did not yet visit the training center, we assumed the main reason to be the travel time. Note that respondents could select multiple answers, such that all percentages are calculated using the number of respondents who answered no to the question whether they already visited a center. Whereas the travel time and logistics is the second most important parameter, it is passed by the lack of communication about the training center. Indeed, 28% of respondents mentioned that it was the travel time and logistics that are holding them back. However, more than 47% indicated that it was the lack of communication or the lack of offering the trainings (and specifically the knowledge thereof) that was the problem. This number is obtained by adding the equivalent answers from the other section too. Other factors such as travel cost, missing of employees, the number of trainings offered or training cost were considered as less withholding, all have been selected 4 times out of 36 responses, i.e., this equals about 11%.

In conclusion, the survey shows that the current situation and offering is valued and appreciated. People are willing to attend, and the majority has done so in the past. However, a lot of potential can be unlocked by improving the communication on the trainings. By far this was indicated as the most important factor to withhold them from visiting a training center in the past. By extrapolation, if this is resolved the attendance rate could be increased with an additional 19% which would bring the total attendance percentage up to 78%. Note that this result assumes that this is the main issue.

Product training preferences

The second part aimed to get insight in the important parameters of a potential product training. As stated in the methodology, a Likert scale is used to evaluate every parameter. The adopted scale ranges from not important to very important. This sales training can be organized in different formats. We discerned three categories, online, local or in a center. The third option was split in three options, a Crailsheim/Rothenburg center, a center in Saint-Dizier or a center in a new and accessible location. The willingness to pay and travel was questioned as well.

If a product training would be organized certain elements will be more important than others. This was questioned directly in the customer survey. First, all parameters are enlisted to give
an overview which parameters could be valued as very important or not important by the respondents, then the significant results are discussed on both sides.

The following parameters were questioned to be valued using the Likert scale:

1. Brand Experience/ Yanmar Group/Yanmar History
2. Physical access to machines
3. Expertise sharing opportunities with other dealers
4. Possibility to visit a Yanmar production site
5. Limited travel time
6. Limited travel cost
7. Overall experience (hotel, restaurant, entertainment activities)
8. Permanent access to a training platform
9. Ability to operate machines
10. Competitive benchmarking opportunities

Most parameters would be valued as overall important for the organization of a product training. Yet, four parameters stand-out as being less important, than others. These parameters are the possibility to visit a Yanmar production site, the limited travel time, limited travel cost, and the overall experience (hotel, restaurant, entertainment activities). They stand-out as one-third or more valued them as moderately important or less important, while the other factors are valued with 15% or lower in the latter three categories. The first parameter, i.e., the Brand Experience/ Yanmar Group/Yanmar History, is the only hesitant case that is in between these two groups. These four parameters have respectively values within these lower three ranks of importance of 33%, 37.5%, 42.1% and 55.7%.

Note that these numbers are mainly driven by being valued moderately important. Hence, these four categories cannot be disregarded completely. Yet, it does give a sense of prioritization within the different drivers of organizing product trainings. Most interestingly are the parameters that ended up in these lower priority group. All were assumed to be crucial at the start of the project, which thus contradicts the initial assumptions. That is to say, the travel time and cost do have some flexibility as attendance with the respondents’ sample is valued more than the travel time or cost. The same can be said for a factory visit, although this does still have the highest rating of the four lower priority parameters. This does not say anything of the interest of end-customers in doing a product site visit. Importantly, more than 50% valued the overall experience (hotel, restaurant, entertainment activities) as less of a priority. This makes it the parameter with the lowest priority for product trainings, the same is true for technical trainings (see below). This shows that the costs of trainings could be reduced dramatically by reduction of restaurants visits during lunches. A simple lunch, hotel and a single straightforward dinner can be provided. This would improve the margins on the trainings significantly and would align with the respondents’ preferences as well. Of course, they will not reject the offer, but they clearly state that this is not a priority. It can be concluded that the travel cost and travel time are valued as less important. A potential hypothesis is the sheer necessity of installing trainings disregarding these two parameters. The factory visit is less of a priority as well, as people join in the first place to attend the training. Lastly, the experience is valued as the least important parameter which offers opportunities to save costs.
There are two parameters that are regarded as priorities among others. The first parameter is the physical access to machines, the second one is the competitive benchmarking opportunities. The former praises itself king of all parameters with a whopping 90% that states this is important (21.6%) or very important (69.3%). No one regarded this parameter as only slightly important or not important. The latter parameter is second in line, followed closely by the other not yet mentioned parameters of the priority group. More than 85% judged this parameter to be important (47.7%) or very important (38.6%). For the other parameters all exceed 80% in valuation as important or very important.

The physical access to machines is truly an outstanding result. Not only by the total number within the highest two categories, but also by the division within these two categories where almost 75% states that it is not just important for product training but very important. The presence of the products is thus highly valued among sales managers to get a better feel with the exact machines that they are selling. Note that the at the same time, the permanent access to a training platform is valued as very high as well, with a total score in the highest two categories of 81.8%. This seems contradicting at first. Yet, it could be interpreted as the demand for a hybrid solution. Available product training on an accessible platform that can be consulted by whoever whenever required. But real product training and a sales training brand injection with the launch of new products, as a refreshment or as a newcomer to Yanmar’s sales team (internally or externally). The first parameter highlights again the importance of such events or trainings where the sales managers could get systematically invited to, to get in touch with the heroes, the products of Yanmar.

After the parameters’ evaluation the preferences of localization was questioned. The five earlier introduced options had to be ranked from most preferable to least preferable. Figure 1 shows the overall ranking. The overall most preferred option was to a local solution at a conference center or dealer premise. Secondly, an online solution was preferred. Then, the three center solutions follow. Here, Bettancourt was preferred over Rothenburg, and Rothenburg was preferred over a new and accessible location.

![Figure 1: ranking of the organization preference for product- and sales training.](image)

This confirms the former judgment of the parameters of the product training that a hybrid solution seems the most interesting. There is only a slim difference between which solution has ranked first the most, respectively 29.5 % and 27.3%. However, more respondents consider the local scenario as a second-best solution, while the answers on the online solution are more radical and widespread, with 34.4% ranking the solution fourth or fifth. In addition, dealer principals seem to abstain from the idea of an online solution. This was surprising as convenience was believed to be the main driver, most of all for the dealers. As 51% of the
respondents are dealer principals, the same ratio is expected in each category if there is no distinction between different character profiles. This is not the case as only 25% of the respondents who ranked an online scenario as the best scenario were dealer principals. The high ranking is mainly driven by sales and after-sales managers. This is somewhat reassuring as the training mainly targets the sales managers. Yet, the adoption rate would have to be safeguarded which is probably the responsibility of the dealer principal. A clear communication strategy could resolve potential adoption hesitance. Consequently, it shows that dealers principals prefer local solutions (63%) or center solutions (52%).

Next, the respondent’s willingness to pay was questioned. Three categories were provided (€0-€250, €250-€500, >€500). This aligns with the distinction for Yanmar of it being a cost, aiming for breakeven or a turning profit (assuming current costs remain fixed). First, the question was asked for a local training, then for a center training. For a local product training, 90% answered to be willing to pay between €0 and €250. The other 10% chose between €250 and €500. For the center product training 82% answered within the first category, 17% within the second and one respondent stated to be willing to pay more than €500.

This is not surprising as the first category aligns with Yanmar’s current pricing, except for the French market. Yet, this pricing is organized differently due to interesting reimbursement possibilities. It is noteworthy that center training can generally be charged higher than local trainings. The question, however, stated specifically that this excludes transportation and accommodation.

Lastly, the feasible travel range was questioned for a local one-day training (in hours). This was included in the product training part but could be used as a proxy for local technical training as well. There are four categories, less than one hour, between one and three hours, between three and five hours and more than five hours. The majority indicated to be willing to travel between one and three hours (72%). This is followed by respondents willing to travel between three and five hours (17%). The final percentages are equally divided among the first and fourth category.

The results of this question show that while the local scenarios were preferred among dealers, they are still willing to travel limited distances. This offers some flexibility to the term local as respondents appear open to travel 1-3 hours to get to the training for a single day.

In summary, respondents indicated to prefer a local or online organization. Local can be regarded as a more flexible term as the willingness to travel is between one and three hours for a one-day training. Remember that the most important parameters are the physical access to machines and competitive benchmarking. The former is more difficult to combine with an online format, yet a hybrid solution could be investigated to solve this. Note that the willingness to pay reduces as well by not installing the product trainings in a center. This probably means that the trainings will remain a cost for Yanmar. However, the parameters showed that cost could potentially be reduced as the overall experience was valued the least important parameter.
Technical Training preferences

The third part aspired to obtain insight in the important parameters of the technical trainings. Again, the same Likert scale is used to evaluate every parameter. The technical training can be organized in different formats. The same formats were adopted as introduced for the product training. Finally, the willingness to pay was questioned as well. The willingness to travel can be extrapolated from the product training as mentioned above.

With the organization of a technical training some elements are more important than others. This was questioned directly in the customer survey. The same parameters as introduced for the product training were given to question the technical training preferences.

Next, the significant results on both sides can be discussed. The results for the parameter evaluation for technical trainings is more outspoken. Here, we can split the parameters again in two groups, i.e., a priority group and a non-priority group. The same threshold can be adopted. They stand-out as one-third or more valued them as moderately important or less important. Again, one parameter is somewhat in between both groups, yet this is a different parameter as with the product training, namely the ability to operate machines. This parameter was valued important to very important by 78% of respondents.

The non-priority group consists of the same four parameters as with the product training preferences, namely the possibility to visit a Yanmar production site, the limited travel time, limited travel cost, and the overall experience (hotel, restaurant, entertainment activities). All shifted to lower overall scores. In addition, two parameters can be added, i.e., the Brand Experience/ Yanmar Group/Yanmar History and the competitive benchmarking opportunities. The added scores in the lower three categories for the first four parameters now respectively amounts to 39.8%, 40.9%, 42% and 67.1%. The two newcomers in this non-priority category have respectively scores in the lower three categories of 45.5% and 34.1%.

The same explanation can be given as with the product training preferences. They cannot be disregarded in every way. However, if more than two-thirds of your respondents indicate that your overall experience (hotel, restaurant, entertainment activities) are moderately to not important, the question arises whether this should be a significant part of the training budget. A simple lunch and dinner would apparently suffice, as the survey suggests. The same goes for facilities and entertainment activities. It is regarded a functional trip by the respondents. Even more than with product training, it is not really about travel time or travel cost. They want to be trained, this is a necessity. They are also less interested in a product site tour than for product trainings. This too confirms the hypothesis that it could be perceived as a work, rather than a holiday. Of course, technical training is a very practical trainings, which also confirms why the Brand Experience/ Yanmar Group/Yanmar History drops significantly with respect to the product training. The marketing of the technical trainings is not perceived as a priority to have a good training. Yet, it could support the story the training brings which would make it stick. Lastly, the benchmarking is not perceived as the most important aspect of the technical trainings by the respondents. It is mainly about Yanmar machines and their workings, the Yanmar specific troubleshooting and characteristic features. But intuitively saying what Yanmar machines are specifically, mentions what competitors are not. This will always be part of the training in a limited extend. Apparently, the respondents see no need
in making it a core aspect of the trainings. In short, the program can be focused on practical aspects of the Yanmar machines, while costs can be reduced by offering more simple (yet satisfactory) meals and facilities.

The second group has again two main parameters that should be highlighted. These parameters are the physical access to machines, as well as the expertise sharing opportunities with other dealers. The former is again by far the largest most valued parameter, in comparison with the result of the product training parameter there is a 3% increase, the total valuation of this parameter as important (22.7%) or very important (70.5%) amounts to 93.2%. Sharing opportunities with other dealers was valued as important by 33% of all respondents and as very important by 56.8% of all respondents. Both are valued with high percentages that contrasts priorities from non-priorities in a definite manner.

The physical access of the machines in technical training can almost be regarded as a triviality. The survey’s responses confirm that this is regarded as a priority, as very important for technical trainings. Note however, that the importance of a permanent access to a training platform grew as well in comparison to the product training to 87.5%. The same paradox and solution can be proposed as described earlier. It is noteworthy that dealer principals would push for this solution to keep their valued employees close to home. This is confirmed as 63% of all very important responses are from dealer principals. This signifies an increase of 20% of dealer principals with respect to other valuations. Prima facie this may appear more difficult for technical trainings. More on this later. The second most important parameter is not surprising either. The experiences these technicians have on Yanmar machines, or other mechanical or electrical applications can be valuable for others as well. The opportunity to share this is a direct enrichment of the trainings. Practical tips and quick fixes may be shared to check or solve real-life encountered problems. The fact that the opportunity exists in one way or another is part of what makes a technical training.

After the parameters’ evaluation the preferences of localization was questioned. The five earlier introduced options had to be ranked from most preferable to least preferable. Figure 2 shows the overall ranking. The overall most preferred option was to a local solution at a conference center or dealer premise. Secondly, an online solution was preferred. Then, the three center solutions follow. Here, Bettancourt was preferred over Rothenburg, and Rothenburg was preferred over a new and accessible location.

![Figure 2: ranking of the organization preference for technical training.](image)

An important difference between the ranking of the product training preferences and the technical training preferences is the fact that the online training is ranked most often as rank
Yet, the same scattering remains and this way it loses its primary rank to the local solution as 63.6% of respondents believe this is the best or second-best solution. Here, the distribution among different profiles does not change noteworthy with respect to their weights in terms of the overall response number. Here, the polarization is not necessarily carrier by certain profiles but a general phenomenon. While more than any other category, respondents valued the online solution as the most interesting, there is a larger spread that must be overcome to safeguard a sufficient adoption rate.

Next, the respondent’s willingness to pay was questioned. Three categories were provided (€0-€250, €250-€500, >€500). This aligns with the distinction for Yanmar of it being a cost, aiming for breakeven or a turning profit (assuming current costs remain fixed). First, the question was asked for a local technical training, then for a center technical training. For a local technical training, 83% answered to be willing to pay between €0 and €250. Next, 16% chose between €250 and €500, and a single respondent answered more than €500. For the center technical training, 76% answered within the first category, 22% within the second and two respondents mentioned to be willing to pay more than €500.

These results are not surprising as the first category aligns with Yanmar’s current pricing, except for the French market. Yet, this pricing is organized differently due to interesting reimbursement possibilities. It is noteworthy that center training can generally be charged higher than local trainings. If compared with product trainings, it can be concluded that there is also a slightly higher willingness to pay considering the percentage-based answers of the respondents. Neither of the two respondents who went for the last category are French.

In summary, many results are overlapping with the product training. Yet, a clear distinction could be made in what are the essential parameters for a technical training. Physical access to the machines, as well as the sharing of expertise with other dealers stood out against the other results that shifted towards a less important evaluation. The gap widened, which supports the hypothesis that these trainings are perceived as functional entities. This implies that the margins of these trainings could be improved as well, which would make them financially more sustainable. Certainly, in combination with the slightly higher willingness to pay for the necessary technical trainings. Finally, a hybrid solution is still supported by the results. This was derived from the ranking of the online solution, as well as the importance of the permanent access of a technical training platform.

**Customer Center preferences**

The fourth part aimed to understand in the important parameters for a customer center. A Likert scale is used to evaluate every parameter. The adopted scale ranges from not important to very important. Three options were presented as possible locations, a Crailsheim/Rothenburg center, a center in Saint-Dizier or a center in a new and accessible location. In addition, the customers were asked to offer suggestion of their preferred location. Finally, the number of end-customers those dealers would bring to the training center was questioned, together with their willingness to pay per customer for a two-day visit.

The importance of every parameter is different for depending on the type of customer experience Yanmar wants to host. Which parameters establish the ideal customer center was
questioned in the customer survey. First, all parameters are enlisted to give an overview which parameters could be valued as very important or not important by the respondents, then the significant results are discussed on both sides.

The following very similar set of parameters were questioned to be valued using the same Likert scale:

1. Brand Experience/ Yanmar Group/Yanmar History
2. Possibility to visit a Yanmar production site
3. Limited travel time
4. Limited travel cost
5. Overall experience (hotel, restaurant, entertainment activities)
6. Permanent access to a training platform
7. Ability to operate machines
8. Competitive benchmarking opportunities
9. Possibility to get machine demonstrations

The overall scores of all parameters are higher, and gaps that are present with the technical training have vanished. Still two trends can be discerned as two parameters remain less important than others. They can be considered as the non-priority parameters. Then, two parameters stand out as the priorities in establishes the desired customer center experience. Lastly, three parameters that vary significantly with respect to the training aspects are highlighted and discussed.

The two parameters that stay behind are part of the same non-priority group that was introduced earlier. That is to say, one is the limited travel time and the second parameter is the limited travel cost. Both are considered less important that others as a large part of their valuations lays in the lower three out of five categories (i.e., not important, slightly important or moderately important). The added valuations for the limited travel time parameter for the mentioned three categories is 40.9%. For the limited travel cost, this amounts to 45.4%.

These two parameters may be intuitively regarded as one of the most important deciders for the dealers. Yet, it appears that respondents value these as the least important of all parameters. The spread is larger now with also 20% stating that it is very important (this was absent with technical training). This does not mean it has to be disregarded completely, but it gives a sense of prioritization in the decision making between different scenarios.

Two parameters are valued as the most important parameters for a customer center. These two are closely related, but there is a difference in perspective among the two. The most important parameter is the possibility to get machine demonstrations. This parameter is closely followed by the ability to operate machines. Adding the highest two categories, the former parameter’s score amounts to 92%. Here, 65.9% stated it was very important to have the possibility to get machine demonstrations, the rest valued it as important (26.1%). For the latter, the total score of the highest two categories is close to the first one, yet its division is different. The total score amounts to 89.8%. Of all respondents 53.4% valued to ability to operate machines as very important, and 36.4% as important.
The hypothesis is that the customer center is in the first place a connect with the products as well. Both for dealers, as well as for end-customers having the possibility to get machine demonstrations is a key part of this. They are the main reason they are there. Yes, they want to connect with the brand and the network, but in the end, it is about the machines. The perspective changes when asked about the ability to operate machines. This is not seen as very important by as many respondents as the former parameter. This shows that while it could still be a priority, it is more a nice to have. As long as safety can be guaranteed, the availability of a demo yard would satisfy both parameters. The survey shows, if a customer center established your dealer network want a demo yard to be present.

The three parameter that shifted the most with respect to the trainings are the Brand Experience/ Yanmar Group/Yanmar History, the possibility to visit a Yanmar production site and the overall experience (hotel, restaurant, entertainment activities). In comparison with the technical trainings, there is a growth in each of the highest two categories that respectively equals 162%, 143% and 213%.

The interpretation of these numbers is straightforward. The trainings are perceived as work, the customer center and visiting it not or less. Of course, if a dealer would bring end-customers the three growing parameters are supporting his reputation as well and he wants to give them a good experience, improving their relation, hoping that they will be eager to buy more Yanmar machines in the future. This is most apparent in the last growth percentage as the valuation as important or very important more than doubles. Also supports the required separate investments in some entrance hall, show room or open space where the brand can be experienced, some history is shown and maybe the dealers and end-customers could get in touch with the other players who are part of the Yanmar Group. Here, the possibility to visit the production site increases significantly. This would reduce the location possibilities for such a center to two locations (i.e., Saint-Dizier and Crailsheim or Rothenburg) if accessibility has to be guaranteed and longer journey ruled out.

After the parameters’ evaluation the preferences of localization was questioned. The three options introduced earlier were enlisted. Figure 3 shows the overall ranking. The most preferred option was a center on a new and accessible location, then Saint-Dizier was preferred before Crailsheim.

![Figure 3: ranking of the location preference for the customer center.](image)

When a new and accessible location was selected, suggestion could be inserted. There is a clear trend in the location of the dealer and the preferred location of the customer center.
Dealers of Northern Italy suggest the center to be there, and UK dealers preferred a location in the UK. Less dealers of France and Germany put in suggestions as they agreed with the trend as well and respectively preferred Saint-Dizier or Crailsheim. However, some interesting suggestions followed that can be considered if a new accessible location had to be chosen (e.g., close to an airport, easily accessible by car, or near a high-speed train network). The complete list is internally available. The conclusion drawn from their answers shows that accessibility and convenience are preferred wherever possible. If this can be provided in any extent, the satisfaction would increase.

The final two questions tackled the number of customers those dealers would consider bringing yearly and the price they would be willing to pay for a two-day visit to a customer center.

The results of the first question show that, if added and extrapolated this points to 8 end-customers per dealer. The questions states specifically that this is yearly. Counting with approximately 180 dealers, 1500 end-customers would be brought to the customer center every year.

This result shows that there is great interest in bringing the end-customers to a possible center. However, the resulting number due to extrapolation must be perceived very critically. The questions states specifically that you should estimate the number of customers to bring every year, yet due to the high-end number it could be that the question was answered in a more general sense. This would mean that the dealers would bring 1500 in total, which seems a more feasible number, although it remains high. The second factor which influences this number is the type establishments that answered the questions. We have no information on size of any of these dealers, yet it could be that more larger dealers with the intention to bring more customers than average answered this question. Both factors described here would reduce the number of end-customers brought. Other factors can be considered which could influence this number further, e.g., the distance of dealers with respect to the center. Nonetheless, whereas the exact number may be hard to determine, it does a significant interest in bringing end-customers to a Yanmar customer center.

When asked what the respondents would be willing to pay for a two-day visit to such a center, the answers were very one-sided. In total, 93% answered within the lowest category of €200-€400. A lower category was not installed as this was internally deemed unreasonable. Then, 6% answered within the second category of €400-€600. Lastly, one respondent answered to be willing to pay more than €800.

While the demand is high to bring customers, the willingness to pay appears to be rather low. Due to the large segment that chooses the lowest category, it could be even lower than the highlighted number. This appears to be the case when one of the suggestions dictates that it must be offered without any cost for the dealer (excluding travel cost and accommodation).

In summary, there is a major difference in the importance of parameters between trainings and the customer center. Initially this was assumed to be the case and later confirmed by the data. The overall experience grows enormously in importance, but the possibility to get machine demos and the ability to operate a machine remain the highest priority parameters.
A big question remains if his center is built, where it should be. As the possibility to get machine demos was one of the significantly growing factors with respect to trainings, the choices are more limited. Yet, if this is disregarded, accessibility aiming for convenience appears to be the main driver.

**Notable suggestions**

Two questions were asked to get additional input and suggestions from the dealer network. The first question was: “Do you have any further suggestions how Yanmar CE can improve your training experience”. Three interesting answers are enlisted as noteworthy suggestions that could be considered to incorporate. This does not devaluate the other suggestions, which are still accessible internally.

> “la réunion annuelle des concessionnaires est importante sur beaucoup d'échanges d'information en un temps court et efficace. Les cessions de formation en région ou par zone peuvent avoir aussi un effet très positif.”

This first suggestion confirms that tremendous valued can be created by the exchange of information among dealers, sales managers, and technicians. This can be part of any solution. The suggestion mentions an annual event such that this exchange is also in a short period in an efficient way. This too can be a goal to achieve. Another method to achieve this, as stated by the respondent, is the local trainings. Online, locally, or center-based, the exchange of information is key.

> “PROPORREI DI METTERE UN NUMERO DI MACCHINE DIMOSTRATIVE DA FAR GIRARE A ROTAZIONE DI 1-2 SETTIMANE ALL 'ANNO IN TUTTI I CONCESSIONARI, ORGANIZZANDO 2-3 GIORNATE NELLA SEDE DI OGNI CONCESSIONARIO DOVE FARE LA FORMAZIONE SUL CAMPO.”

The second suggestion states to organize a local demo fleet rotation system. This rotational demo fleet can be used as event, or as mentioned by the respondent, for local trainings. These trainings can be of any type, product or local, or potentially even operational trainings.

> “Service- keep it local and short, most engineers are parents and these days childcare is shared and difficult. We struggle to get our engineers to carry out overtime. […] Have local training, happy to host or travel to neighbouring dealer. Sales- Check your sales guys are communicating with dealers, making frequent visits, offering support and ideas how Yanmar can help.”

The third suggestion highlights the personal aspects which cannot be disregarded. Certainly, in the post-COVID era, accessibility and convenience are crucial. They are apparently to collaborate more to instantiate such solutions. For instance, by travelling to other dealers. This suggestion is specifically stated for service aspects but can be extrapolated to all aspects of Yanmar. For sales, communication and connection appears to be key. Frequent visits could help, and maybe (limited) product trainings can be linked to such visits.
The second question asked stated: “Do you have any further suggestions how Yanmar CE can organise its customer center experience?” Again, three answers are enlisted.

“La stessa sede dove fare formazione e accoglienza clienti potrebbe essere la stessa dove tenere a stock i mezzi prima della consegna a tutti i concessionari. Stiamo concludendo un allargamento del piazzale della nostra sede, propongo Piacenza come sede ideale.”

The first suggestion is interesting in two ways. First, the idea to combine training and customer reception seems intuitive as all facilities are present anyway and the customer can be introduced to different aspects of Yanmar and its products. Secondly, the suggestion indirectly suggests to potential collaboration with dealers. Bringing the customer center closer to your customers, the customers can be part of different parts of the process. Perhaps they can be involved in the organization and synergies are possible. This would make them more eager to bring customer to the center as well, such that the responsibility is shared. Further investigation is required to determine whether this would imply an interest of sharing minimal costs for the collaborators as well.

“Never been too either of your facilities so can’t really comment on what you have. Most of my customers are like me they are small, with handful of employees. To get away is very difficult and ends up being stressful, it ends up being a days travelling each side of the event. Take the customer center to the customer, more support for shows, open days, demo days.”

The second suggestion clarifies that depending on the dealers’ size, a segmentation may be required. While larger dealers with more customers may be eager to send some employees and end-customers, the respondent suggests that for smaller dealers this can be a stressful experience. A potential solution proposed by the respondent is to bring the customer experience to the customers. Yanmar already tries to realize this, and the focus can shift to smaller dealers for the local events as this suggestion could imply that they will be more reluctant to travel to a customer center.

“I have been to St Dizier on several occasions as well as Crailsham and they are both good trips for customers but in my opinion could be structured differently to optimise the customer experience. I think arriving on a Monday Afternoon, meet and greet everyone and a quiet meal would be good for the first night. Second, day, I think early start at 8.00am for factory tour followed by lunch. After this, I think a presentation and then out in the evening. Last day, I think customer training at a fully pledged training center would be brilliant for 2-3 hours where they can try all machines followed by a Q and A Session and lunch. After lunch, a tour around a champagne factory such as Lanson or some sort of nice event. After this, depart home or out for another meal and home the following morning”

The third suggestion needs no further explanation.
4. Company interview highlights

Internal interviews were conducted to get a better understanding of the current projects and capabilities within Yanmar. More specifically, the interviews were projected on the research question introduced earlier. Three main branches could be discerned. The first branch is that of the product training. The second branch covers the information gained on technical trainings. The third branch describes Yanmar capabilities and aspirations regarding providing an outstanding customer experience. The interview results are presented anonymously.

Product training highlights

Today, there is no systematic product training within Yanmar. Only technical training is now offered. The development of these trainings can be considered as two independent challenges. This means that both, internally and externally no sales training is offered. Yet, internally this is regarded as a requirement to develop your dealer network and maintain their capabilities. There is a considerable demand for product training, or at least systematic updates and accessibility of sales information. A possible solution that was mentioned was a homogeneous product training for internal and external sales managers. Maybe additional features/information can be added for Yanmar employees, yet the core could be the same.

Currently, there are some calls at a product launch and the communication is improving. Multiple platforms are already in place where this information can be shared. Recently, a new platform was launched to communicate Yanmar’s transformation journey. Next to this, there is an extranet that is accessible for the dealers and technicians, and a digital Yanmar academy is being build that should launch by September. The overload of platforms could be disturbing for the dealers, bringing the risk of limited adoption and restricted communication. This is already a complication for the current communication of technical training as was highlighted in the customer survey.

For external sales managers there is a quick mnemonic in the form of a sales argue card. This shows the key features and benefits to assist the sales. The distribution and adoption of such cards was not covered.

The product training is thought of as easy to arrange locally or virtually. The virtual trainings would certainly be beneficial for rapidly spreading the information for the launches of new machines, but also to update the knowledge of your existing sales network at the launch of such trainings. The US Evo Center switched to online trainings due to COVID. They mentioned to have product training in place. They consisted of live guided sessions. This can serve as an inspiration for Yanmar CE EMEA, however they have more synergies between the different departments. The local trainings could require exquisite preparation. At least, this is the case for local technical trainings that are already organized occasionally. The material should be present and in good shape, this is maybe difficult if it concerns new machines, otherwise the dealers are expected to have the inventory available. This could be communicated in advance, should this be a problem.
The product trainings could be accompanied with training on the wide range of attachments and solutions that Yanmar offers with their products. This was also planned at the second edition of the Yanmar Tour in France. One day of product training was offered. The organization thought it was sufficient to cover the critical aspects and obtain a brand injection. The duration of the product trainings can thus be short for essentials. Nonetheless, in-depth knowledge can mean the difference between closing a sale or not, this is something that the systematic product training should cover as well.

Potential demos could accompany the product trainings if done in a local or center format. In Germany two demonstrators were hired to satisfy any complex demonstration needs. Yet, the technical training staff was praised for their operating abilities on Yanmar’s products. Hence, the question remains whether demonstrators should be hired as separate profiles and to which department they can be associated. Hesitation remains whether their ideal place is at the sales or after-sales department.

Lastly, there is a significant demand for the wheeled excavator training. These machines were added to the product range of the acquisition of Schaeff, owned by Terex. A fast solution is desirable as the sales of these machines are believed to be suboptimal because of this lack of knowledge.

**Technical training highlights**

Today, the trainings within Yanmar CE EMEA consists solely out of technical trainings. The importance of them grew recently and continues to grow presently due to the strategical shifts towards the best customer experience. This means that technical trainings are a key part. Better trained technicians for Yanmar machines results in a reduced downtime of the machines, which means that more customers could be convinced to buy a Yanmar machine. In contrast, if the technician is not able to repair the machine, the downtime increases which is not the best customer experience. A saying was mentioned that stated that the first machine is sold by sales, but all other are sold by after-sales. Whether true or not, the after-sales training is an important element in the implementation of Yanmar’s new strategy.

The organization of trainings is done a journey of three steps. The basic step, which is more theoretical. The step 1 training, which aims to educate technicians on the Yanmar specific aspects of the machine, as well as the internal logic of its function. The step 2 training is not yet implemented but is a special expert training for step 1 graduates that aspires to develop their skills, as celebrate their competence and relationship with Yanmar.

The ideal scenario is often described as a large fully equipped center with all sorts of teaching materials such as hydraulic pumps or engines that can be disassembled. However, missing the technicians remains a big cost for the dealers and the survey showed that they are reluctant to send their valued staff to such trainings. Internal interviews stated firmly that this would be the best way to organize training for the technicians. As they must get away from work, they are not disturbed and less distracted. Hence, the participants can dedicate themselves to properly learning the topics in a short time, and then return home and put them into practice. Technicians attending the training mentioned that they were obliged to attend the training, but they were happy to come to center. Although inconvenient and far away, they
agreed with what the internal interview revealed as well about disturbance and participation risks.

Importantly, the demands from the trainers are not rakish. They do not indulge themselves in the floccinaucinihilipilification of the many marketing features that can be added to such centers. Yet, their desires are very practically oriented, as are the expectations of their targeted group. A practical room in combination with a lab area in the same room would be their ideal situation. An additional workshop or technical yard would complete the optimal training outlook for their sake. Here, all training can be organized. Machines are available and defects can be generated. This is troublesome while using the dealers’ machines, as the problem as to be fixed probably and no lasting damage can remain. In the short term, the problems could be fixed with one additional trainer and a total of three training rooms. This would mean one training room would have to be added.

There is interest to mobilize or digitalize these trainings. The mobilization is already realized today in some extent by field service managers who give limited trainings. In addition, trainers can go to remote locations or large dealers to give local trainings out of convenience. The mobilization of the basic training is possible, as well is their digitalization. Currently, Yanmar is planning on launching a basic technical training on the new LMS that should launch in September. The digitalization and mobilization of the step 1 and step 2 trainings was considered more difficult up to straightforward impossible. While local trainings would still be possible, they are thought of as more expensive for Yanmar. The aforementioned Yanmar Tour could offer a mobile alternative, yet this was not embraced as logistically too complex and expansive. Further investigation regarding this is required.

An important constraint for technical trainings, but actually for all trainings, is the language. It is not the case that all participants master the English language such that the lectures can be organized in a single language. The four main market (i.e., Italy, Germany, UK and France) require trainings in four different languages. Translators are possible, but this should extend the duration of the training with one day and runs the risk of having a reduced the quality. Local trainers, or trainers that master many languages are thus highly valued.

People need to be trained once every two years. The certificate that they obtain on completion of the training is valid for two years. Then, in theory, they should rejoin the training. Another more interesting solution is adding more levels or refreshment courses. Both are currently designed by after-sales training development.

There is a significant difference between different markets. This both in terms of training drive, as well as the relationships between dealers. The former difference shows itself explicitly between Germany and France. In the French market people are more hesitant to join and must be incentivized or surveyed more than in the German market. Here, participants are easier to reach and to convince. The demand was mentioned to be higher than their current capabilities. Importantly, trainings dictate benefits for the dealer. Based on –among others- the training level of the staff, a dealer can be a ‘partner’ ‘advanced dealer’ or ‘premium dealer’. One of the benefits of this certification system is the extend of paid warranty hours. A partner gets 50% of its hourly retail rate paid under warranty cases. An
advanced dealer 75% and a premium dealer 100%. This schematic incentivizes dealers to train their staff.

Currently, the job of trainers consists of three main parts. Of course, they give trainings, but next to that they must develop the training they give. Lastly, they are also contact persons for the helpdesk of Yanmar. This is used if the field service managers cannot fix the problem, or more commonly cannot be reached. Having trainers also do product support allows for a feedback opportunity to see common issues and incorporate them into the trainings. Besides, it allows to keep feeling with the terrain and be able to be on the same level with the trainees. It allows for a more ‘authentic’ experience.

A final remark is that currently there is no operator training or end-customer trainings. This is not the core of the current project. If demand is significant, it may be considered that expansion possibilities for such trainings and relationships events are valuable.

**Customer center highlights**

The current customer experiences are a mainly a combination of fairs and events. Most often there is no fixed structure to start from and interviews highlighted that most customer experiences are built from scratch. The customer experiences are organized in line with the global branding strategy. This strategy contains four pillars: customer experience, proximity, brand visibility and prospection. Ideally, all of Yanmar would align with every activity with this branding strategy. The advice was given to the team as well to align their solutions with the four pillars of the global branding strategy.

Organizing customer experiences can add value to the dealers, but if they want to include their customers in this story it could be beneficial for them too. It can be a good investment for the dealers to empower their relationship with their customers. This raises the question whether a fee can be asked to join such events. The survey suggestions showed however that some dealers clearly stated that it should be free.

Customer experience is related to all activities. From sales to after-sales, there is always a customer behind. Hence, whatever is organized as training was recommended to be in line and branded as the customer experience. The all should breathe the same intimacy that Yanmar desires to establish. One of the examples is the incorporation of the Yanmar operator club. The members should truly serve as ambassadors of Yanmar, which serves the brand visibility, while gaining in proximity.

The dream for optimizing the customer experiences is a great center that is similar to the Evo Center on an idealistic location, yet with a link to the factory. In addition, the participants are expected to still have a good time after the itinerary as well. The combination of these elements was admitted being hard to obtain. Certainly, internal interviews highlighted major budget restrictions, but great ambitions to attract customers to organize demos and previews, while there should be an opportunity for anyone to try the machines themselves.

One of the most interesting events that was organized recently is the Yanmar Tour. This event is a literal mobilization of a customer center. Yanmar branded boxes were acquired from a
former partner Triangle which could be transported to different locations. Two tours were set up in Germany and Italy. While different targets for different departments were set, the Yanmar Tour was overall welcomed as a success. This innovative solution to reach the customers inspires to think differently and to realise true customer intimacy.

Lastly, questions were raised on the possibility to brand and mobilize trainings in combination with future editions of the Yanmar Tour. This was in part already discussed at the product training branch. Yet, during the interview the questions was broadly raised, however complex, as this would come with all benefits of the Yanmar Tour and could boost the training level in very personnel and fun way. Ideas were introduced such as Yanmar games during the Tour, or between different locations. Many opportunities are there if the hurdles of mobilizing such trainings, together with a significant cost can be overcome.
III. Recommendations

The recommendations are founded in the introduced data and aim to answer the key question that was initially introduced.

*What is the most efficient, attractive, and convenient way to offer product training, technical training and a customer experience to the dealers and end-customers in a financially sustainable way?*

First, a general introduction is given that elaborates on the overarching themes that are included in every scenario. For instance, the general organization of technical trainings within the recommended scenarios is described. Next, a non-exhaustive list of possibilities is introduced. The visions included in the main text represent the core vision of each scenario. In annex a deep dive for every scenario is added.

5. General introduction

Training and customer experience organization

The organization of trainings should be straightforward for all participants. Currently, systematic product training is absent, hence, a structure is as well. The technical training is already labelled as a journey, the internal structure seems sufficient, yet the emotional external structure could be made more attractive. If the structure flows naturally, it will attract more participants and reduce resistance due to confusion. Lastly, the customer experience must be determined for each scenario specifically, however, there are some common elements that can be considered and are introduced here as overarching theme.

Right now, dealerships are split in three levels, ranging from the base ‘partner’ to ‘advanced dealer’ and the top level ‘premium dealer’. One of the parameters in the promotion of the dealer is the training level from the technicians of the respective dealer. While it is the ambition from Yanmar to move each dealer up the ranks, there is no active obligation to attend trainings to be a Yanmar dealer. The minimum standards, which are currently under construction, could push this system one step further and make training a continuous obligation for each dealership, regardless of its level. This brings the staff or each dealership to an Olympic minimum quality level and ensure a more streamlined service level to the final customer.

Concerning the salesforce, the minimum standards can include the obligation for the dealership to educate each new joining salesperson on the basic product range through the basic Yanmar product training. To maintain product knowledge, the dealer’s salesforce can be obligated to attend either periodic product training or incidental product training whenever new Yanmar machines or solutions are launched.

Concerning the technicians, the minimum standards can contain obligations to maintain a highly trained staff by compelling the dealer to have their technicians trained on a periodical basis (e.g., once every two years).
Product training

The question whether to organize product training must be answered first. This is answered affirmative based on the 3C framework. Product training is an established type of training among competitors. In addition, there is a considerable demand from customers to install this. This became apparent from the customer survey, as well as from internal interviews with the sales department. This brings us to the third C for company. Within Yanmar a lack of systematic product training was mentioned. With the launch of new machines, a briefing is offered, yet no standard solution or additional training is available. Moreover, an urgent request for homogeneity was mentioned and product training named as the preferred systematic solution.

Next, consider the organization of product trainings. A possible organization of the product training learning journey is to segment the trainings in the different vehicle categories and attachments. Each categoric lecture would cover the common elements, as well as specific selling points for that category. The product training remains in the first place a sales training. Then, within each category a training journey per vehicle should be available that explains everything from its basic elements to its most fascinating details that could mean the differences between closing a deal or not. However, trainings are a delicate object to design, and this is beyond the scope of the current project. The learning journey design and content creation can be performed internally, but other options are available too, such as outsourcing or partnering with a professional team experienced in such projects.

The product training would target three main groups. These can be both internally within the company, as well as externally at the dealers’ site. This guarantees the desired homogeneity as highlighted during the internal interviews. The first group is the sales managers that are newcomers and must get up to speed with Yanmar’s products. The second target are experienced/trained sales managers that could use a systematic refreshment or brand injection (if external) to boost their sales. The third target group are all sales managers that must be updated with the launch of new machines.

Technical training

Currently, the organization is modelled as a journey that consists of three steps: a basic step, step 1, and step 2. Since the content of these trainings have been recently remodelled and since no complaints are made regarding the content, no change is due.

The basic step consists of three trainings, i.e., the hydraulics, the engine, and the electronic basic training. The step 1 technical trainings are more focused on specific machine models and what discerns them being a Yanmar product. Considering the current technical training catalogue, three main categories can be determined for the step 1 training. There are various elements referring to diagrams and circuits. Next, there are diagnostic tools that are discussed. Lastly, there are more practical elements that depend on the specific machines. These are broad categories which cover the various practices during the technical step 1 training. The step 2 training is focused on expert troubleshooting and a specific trajectory
consisting of six steps is presented. First, there is an explanation of the issue, then, a theoretical problem analysis follows. Next, the characteristics of the components involved with the issue are verified, together with the system’s diagram that is studied. This way the component that could be the issue can be localized. Ultimately, the machines are tested and repaired. The three steps of the technical training start from scratch but aim to make a Yanmar expert out of its participants.

To associate a higher emotional value to every participant’s path in the training journey, you could associate a ranking with the different training steps. This could be done in two ways. First, through renaming the training steps. Different options are possible, all related to gamification. For instance, one could the steps to different rare materials such as bronze training, silver training, and gold training. If bronze has a negative connotation, this can be shifted to silver, gold, and platinum or diamond. The second possibility is to invest in certification, both, through physical rewards as obtaining titles. Physical rewards can be online and printout versions of an official Yanmar certificate, badges, a jacket, a cap etc. The titles can refer to the completed training level, i.e., a basic step graduate can be called an apprentice, if step 1 or 2 is completed you can respectively gain the title of superior and expert (or master).

In summary, the content of technical trainings does not need to change. By reforming the exterior of the technical trainings, the individual trainee’s feeling of importance can be increased. Details of each training, technical or product, is optimized for each scenario specifically.

Customer experience

The customer experience recommendations are based on the expectations discovered from, both, the competitor analysis as the results of the customer survey. There are three overarching themes that can be detected as requirements for customer experience. The first theme is the desire to strengthen a connection. This can the connection between the Yanmar brand and the dealer. The second theme is the desire for a fun, and convenient activity. The third theme is that dealer and end-customers want to have options. How this looks in detail depends on fixing other variables in each scenario.

First, building or improving the connection is often the most prominent reason to consider the participation in a Yanmar customer experience. Three types of relationships can be discerned. Most importantly is the first bond between the dealer and the Yanmar brand. The second and third relationship are more indirect yet influence the scope of the organization. The second is the relationship between the end-customer and the dealer. The third relationship is, of course, the relationship between the end-customer and the Yanmar brand. Often the three relationships are targeted with such participation, and all three could be supported by the offering of Yanmar. This will be valued by dealers, as well as the end-customers. Hence, in the first place whatever is offered is an exercise to balance that it supports the relationship between the dealer and the end-customer, while at the same time the experience can still be related to the Yanmar brand. The crux of the matter is that the customer experiences principally target the dealers.
The second theme that influences deciding which activities are worth pursuing is the fun-factor. The emotional association with a brand cannot be underestimated and could be invested in to boost sales. When Yanmar decides to organize marketing related events, the same goal is already pursued. Of course, this starts with a sense of convenience. This relates back to getting to know the end-customers and what the dealers’ preferences are related to the activities they would like to offer them. Travel time and cost are less of a concern for customer experience, than as it was for trainings. Moreover, the customer survey revealed that machine demos and the ability to operate machines are ranked as most prominent features. These machine related activities could improve the connection, but more importantly can be very entertaining as well, certainly, if organized in a gamified format such as the Yanmar Games. For some scenarios such games would make sense, for others this is less feasible.

Lastly, as the connection build and fun experienced depends on individual dealer or end-customer preferences a considerable variability can be expected. For one dealer or end-customer only events directly related to Yanmar, and its products are interesting. For others the overall experience is more important (i.e., hotel, restaurant, entertainment activities). Hence, whatever the scenario is, always a range of options is considered to approach the preferences of individual end-customers and dealers on a more individual level.

**Synergies**

Some notable synergies can be considered to optimally realize the shift towards customer intimacy and to define the concept of trainings and customer experience for the future. These synergies can be within Yanmar. Other synergies are possible yet are currently not considered. There are two types of internal synergies are possible. There is synergy potential between different locations for Yanmar CE. In addition, synergies are possible between different product categories.

First, the synergy potential between the different locations can be elucidated. The different locations refer to different locations within the EMEA market, or different markets such as the US and EMEA. There are currently two locations within the EMEA market, the Saint-Dizier premises and the Crailsheim/Rothenburg premises. After the acquisition of Terex in 2016, multiple consolidations were already installed to make the organization more efficient and optimize the synergies between the two sites. This can be pursued further for trainings and customer experiences in the future should the two sites remain functional regarding this. The same is true for different markets. The synergies between separate markets can be exploited further. The US market already has a magnificent training center, called the Evo center. This could become a memorable customer experience for dealers and end-customers from EMEA as well. Of course, this could come at a cost, but the synergy or collaboration potential on such a basic level is already there. More in-depth synergies such as cost sharing for optimizing e-learning solutions can be investigated too.

Another possibility is to consider the synergy potential within the different product categories. The Evo center is not solely for CE, but also other production categories such as agriculture (and initially Marine) were involved, as all were looking to expand their training
and customer experience capabilities. The same may be true for EMEA, which would unlock a wide range of synergy opportunities. Hence, hurdles can be overcome as one Yanmar family among different products. For instance, during internal interviews synergy potential with EMEA - Agriculture was mentioned. It was mentioned that this potential candidate be open to discuss synergies regarding overcoming the same hurdle of training and experience capabilities. Further investigation is advised to get better insights on the synergy potential within Yanmar and potential internal collaborations.

Organizational design

The organizational design of Yanmar was not up for discussion. Yet, it is noteworthy that the first golden rule of organizational structuring states:

Structure follows strategy

This does not mean that it automatically organizes this way. Another saying namely states that ‘Culture eats strategy for breakfast’. In short, change is difficult. The culture that comes with a focus on operational excellency is focused on no nonsense and efficiency. This culture does not intuitively align when the strategy shifts towards delivering the best customer experience. To support this transition and to make trainings (which are a key part of the customer experience) more of a priority, a separate department dedicated to optimizing this practice could be considered.

Conclusion

In conclusion, there is an opportunity to design a clear training structure. This is critical for, both, product training, and technical training. A single structure for both was proposed based on the research discussed earlier. It is worth emphasizing that a wide range of valid and feasible organizations are possible, if it motivates the participants and reduces the resistance to participate as much as possible. Furthermore, three themes were discerned that form the foundation for each customer experience, namely, the desire to improve a connection, the yearning for a fun experience - whatever this means for every individual end-customer or dealer- and hence, having a range of options available to answer the former two wishes.

6. Scenario analysis

The following section introduces the recommended investigated scenarios based on the data gathering during the project. Three categories of scenarios are discerned, namely, online scenarios, local scenarios, and center scenarios. There are five recommended scenarios in total. One online scenario is introduced; two local scenarios and two center scenarios are considered.

The visions included in the main text represent the core vision of each scenario. In annex a deep dive for every scenario is added. This deep dive includes for each scenario a business plan that has been developed. For the in-depth business plans, first, the vision is described,
then, the operational details are elucidated. Next, a financial analysis and a timeline are presented. Finally, the strengths and weaknesses of each scenario are enlisted for three stakeholders. Note that this is a non-exhaustive list with sufficient flexibility remaining, however, the presented scenarios are founded from extensive data research. Below, the restricted summary of each business plan can be found.

**Online scenario**

**Scenario 1 - The Yanmar platform with training on demand**

**Vision**

The training on demand scenario focuses on the creation of a multifunctional digital Yanmar platform that empowers your employees, as well as your dealers and end-customers. The platform should offer free online product- and technical training as in-depth as feasible. It should strive to foster digital connectivity and proximity towards all customers. Aligning with the strategy towards customer intimacy, the platform should guarantee a tailored journey for each customer by offering a wide range of online, as well as physical products on demand. The e-learning capabilities can be a model for the online capabilities in other scenarios as well, however, the priorities of those scenarios will be different. In annex, a detailed description of all elements can be found.

Yanmar could become a digital leader that embraces post-COVID customer preferences of accessibility and convenience. The multifunctional platform would have three main functionalities. It aims to establish strong relationships between Yanmar and its customers. A priori this targets the dealers, yet the relationship with the end-customers could be empowered as well. The second goal of the platform is to provide a strong online training program. Different types of e-learning can be incorporated for an optimal learning journey. Thirdly, the platform can function as a store. Not just an ordinary store, rather a digital domain where dealers’ personal demands can be met. Three functionalities, one platform; that is what the Yanmar platform can be in future.

To begin with strengthening the relationship between Yanmar and its customers. This goal is a literal realization of the strategy that aims to foster the best customer experience. Focusing on all stakeholders, the purchase and ownership experience of a Yanmar product can be an engaging experience; one that supports true loyalty. The platform realises the first goal with three tools. First, dealers (and potentially end-customers) should be able to connect to Yanmar and to each other. This can be done by including forums, comment sections and sessions to share experience. Topics and real-life troubleshooting scenarios can be covered and discussed among dealers. Hence, helping each other out, with the support of Yanmar troubleshooting experts, a functional, yet amicable connection can be built. Secondly, the helpdesk can be included as well. This is currently a separate tool and part of the job of the trainers. The trainers could be available for real time consulting, together with (some) field service managers, to tackle urgent difficulties and requests. The third tool aspiring to boost the relationship is to keep everyone up to date with Yanmar’s latest events, trends, and general news. A news feed can be shown when the platform is opened, immediately updating
your network. Examples are the release of new machines, dealer interviews, or technician troubleshooting highlights. A strong platform builds strong relations.

The second main aim is to provide training. This is the key functionality of the platform. Both product and (in part) technical training can be offered on the platform. In agreement with the customer survey, online self-learning journeys can be offered in both domains. The complete product training of all categories and all vehicles can be available online. The sales managers often have regular access to machines, which can support their learning while they go through the trainings. Next to the journey, live virtual sessions, new technologies, and a proper reward system could further support everyone’s learning practice.

Moreover, two of the technical trainings’ three steps can (partly) be offered on the digital platform. The basic step can be incorporated completely, as the three domains (hydraulic, engine and electronics) can be covered. This way, training progress can be tracked before tackling more advanced trainings. Step 1 technical training pursues to teach the logic of the machine (e.g., think like the ECU) and what elements of the machines are Yanmar specific. A lot of the content can be covered in a digital setup. Yet, more engaging virtual tools such as game-like formats, new technologies or interactive videos may be required to get the information across. For instance, the Smart Assist Direct program can be simulated. Interactive movies of the disassembly of a pump can be introduced, after which schematics and diagrams can be linked to the disassembled pump. The same can be applied for the hydraulic diagrams and the VIPPS system. This is not to say that it should completely replace physical training, but it the online opportunities should not be underestimated. For step 2 trainings, there are two main elements. The first is to become a troubleshooting expert, the second is to build a better relationship as a Yanmar expert technician. The implementation of this training element will be limited to content on troubleshooting that could be available for advice, the physical aspects of this training are too significant to install in a digital format.

Lastly, the Yanmar platform could provide a personally tailored experience with many local on-demand possibilities. These on-demand features are not free of charge, in contrast to all other features on the platform. The on-demand possibilities cover all trainings, together with an on-demand customer experience aspect. On-demand trainings are a crucial addition to the digital capabilities. Sales managers could desire the get in touch with a new line of machines in a physical manner, or newcomers need to be trained with an additional Yanmar brand injection, then physical product training can be ordered on-demand.

The same is true for step 1 and step 2 technical trainings. The on-demand step 1 trainings are complementary to the free e-learning journey. Local technical training is offered, tailored as specified by the dealer to boost the technical knowledge. Primarily using the dealers’ equipment, but also offering Yanmar’s training equipment (from the demo fleet), all elements that were unclear from the digital trainings can be covered and questions solved. This will also boost concentration and engagement as this would add a physical component to the lectures. While locally organized, the trainings can be organized with several dealers as they can group together online with the support of Yanmar in digital communities.

Ultimately, the on-demand customer experiences are available in this store-like feature as well. Next to existing customer experiences such as fairs or the Yanmar Tour, on-demand
packages should be available too. They can be conceptualized as a pyramid. The foundation could consist of individual elements such as promotion machines, demos, furniture, flags etc. The middle level could consist of a combination of these elements. The boxes acquired for the Yanmar Tour could be included in the available bundles too. The top level envisions to offer full-fledged tailored Yanmar events on demand. This may be more interesting for larger dealers that would prefer to bring a large number of end-customers together. Of course, striving for customer intimacy Yanmar can support this practice by offering such events on-demand as a part of the Yanmar platform.

Financial analysis

In financial terms this is a promising scenario. The upfront investment, operational costs and potential revenue is summarized. In annex, a broader financial analysis can be found. Importantly, no upfront investment for this scenario is necessarily required. The SABA LMS platform and content creation software is already available, in addition to the workforce to realize such trainings. Local trainings are already organised today. Hence, no additional upfront investments are required to provide on-demand local trainings. Only if outsourced, there will be significant upfront investment cost. Because of looming dependency, it is advised to provide in-house capabilities to optimally implement this scenario in the long run. The operational costs can become high to very high. The platform’s fee depends on the user count. If the adoption is successful, the SABA LMS platform may be too expensive and restricted in its features. Other options are introduced and discussed in annex. In addition, the on-demand training may prove to be very expensive. While this may be offset with a good pricing strategy, the travel costs may be high to very high if demand would increase drastically. The potential revenues that come with the execution of this scenario can be significant as well. With a good pricing strategy for the on-demand trainings and customer experiences, the potential revenue can be optimized if a considerable volume can be reached. In short, the financial picture is a strong suit of this scenario assuming the operational complexity of the on-demand features can be overcome.

Timeline

The timeline digital and physical aspects of this scenario have a limited implementation time. Online solutions are already being build today, with the launch of the LMS planned in September. Other digital features discussed can be implemented easily in the following 12-16 months. The main hurdles may be the decision time on a precise strategy or hiring additional L&D and IT profiles for the most professional implementation of all the above-mentioned features. The on-demand aspects can start tomorrow if desired. If it becomes a core aspect, they should be optimized. The HR-strain of the demanded flexibility and mobility can be difficult to overcome, yet new profiles may be attracted to such a job description as remote working opportunities are present. Again, if additional hires would be preferred, this would be the main bottleneck. Overall, the complete scenario could be implemented within three years after the decision has been made.
Strengths & weaknesses

The three functionalities included in the Yanmar platform could bring a wide range of benefits to all stakeholders. First and foremost, it creates digital proximity. A connection is fostered, and this supports the strategy towards the best customer experience. This opportunity would reduce the training costs of essential trainings, as well as generate additional revenues by the on-demand service. The risk for this scenario is low and flexibility to pivot remains as there is no necessary upfront investment. Nonetheless, providing the on-demand options would require a highly mobile training team (and additional equipment) that is ready to answer on short notice. The operational complexity of this scenario (if demand is high) is the main hurdle. For the dealer and the end-customers, the relationship can be empowered. They are offered convenience for a tremendous reduction of costs, hence aligning with the indicated preferences of the customer survey. Yet, participation and educational quality could suffer within this model, as local trainings and online trainings are less controlled than trainings on Yanmar’s own premises. In addition, the cost for physical experiences could increase.

Conclusion

In summary, the multifunctional Yanmar platform would boost the customer experience and support all stakeholders. It offers an opportunity to become a digital leader that answers demand with personally tailored solutions through the platform. The on-demand and online features support the presence of Yanmar in a price sensitive market, aspiring to build a relationship that breathes loyalty, ease, and thrust.

Center scenarios

Scenario 2 – Customer and training center close to production sites

Vision

In this scenario, a customer- and training center will be constructed close to the existing production sites. This proximity to production sites limits the operational complexity to a bare minimum as resources will require minimal transportation, it will enable all-encompassing customer experiences and will allow for a limited transition- and implementation timeframe. In annex a detailed description of all elements can be found.

The first thing to assess in this scenario is the effective location of the customer- and training center. At the Saint-Dizier premise, there are possible locations at either the Saint-Dizier production site, the Bettancourt industrial park or the Marnaval logistics center. At the Crailsheim production site, the production site itself, as well as the Rothenburg logistical center can accommodate the center. The slightly better accessible and more touristic Rothenburg facilities will offer a better value proposition for dealers and end-customers. Locating the customer- and training center around Saint-Dizier however can lead to lower upfront investment costs due to lower property prices of industrial property.
Second, the exact content of trainings needs to be assessed. Product trainings can in this scenario be done through an initial introductory weekend. This will ensure that new joiners get a high dose of brand injection at the start of their careers. For follow-ups and product updates, cyclical product trainings can be offered at the center. The high inaccessibility and travel cost however make this a harder training to sell. Concerning the technical trainings, little organizational changes are due. The same structure as the current technical training can be used to organize the trainings in one customer- and training center.

Third, the customer experience is defined. In this center scenario, the customer- and training center can host *ad hoc* customer visits and ensure to link an interesting visit to the production sites to leisure activities in the vicinity of either Saint-Dizier or Crailsheim. Alternatively, big occasional events like Bobcat’s demo days or Wacker Neuson’s open days can be organized to ensure sufficient liveliness and brand related activities are available on the premise.

**Financial analysis**

After having looked at the location, training- and customer experience offering, an assessment of the financial impact is due. This entails an evaluation of the upfront investment, annual operational cost and annual revenue potential. Depending on the region and size of the premise, an upfront investment range between €2.000.000 and €2.400.000. Detailed calculation of this cost can be found in the full scenario description in the annex. This investment, spread over a depreciation period of 25 years equals to an annual depreciation cost between €80.000 and €96.000. Looking at the operational costs, the main elements are the utilities of the center, wages of the trainers and some restaurant costs for the trainees. All things considered, this scenario has a rather minimal operational cost structure. Finally, in terms of revenue, limited changes are expected over the current revenues from the training offering.

**Timeline**

Considering the implementation of this scenario, two years must be expected. Six months at minimum will be required to purchase the required property, get the required building permits and design the customer- and training center. Another six to nine months are required to build the premises. Taking some margin for delays and unforeseen works, this gives a total timeline of around two years.

**Strengths & weaknesses**

The main strengths of this scenario are threefold, there is the high convenience for Yanmar, the great brand visibility and the minimal operational impact. First, there is the high convenience for Yanmar. Having a single center reduces the operational complexity of running two locations, it increases cost synergies, and it ensures limited transportation of personnel, machines or training infrastructure. Second, this scenario optimal opportunity to give people a unique experience outside of their traditional environment. Coming to the Yanmar center allows for trainees to be indulged in an entire Yanmar related world, giving them a high dose of brand injection and a total focus on the trainers. End-customers also
benefit from this as they will be welcomed in a vibrant Yanmar customer- and training center. At this center, especially at moments such as the Yanmar Experience Days, end-customers can be given a unique brand experience which will amplify Yanmar’s brand value. Thirdly, this scenario is quite close to the existing training and customer experience offering. This entails minimal operational change and thus minimal strain on people and resources. For example, if a facility at Rothenburg or Saint-Dizier is opened, there are only limited HR implications and thus limited risk of losing valuable trainers.

The main weaknesses of this scenario are the upfront investment cost and the lack of alignment of this solution with the strategy. First of all, as mentioned, this scenario will require construction of a new customer- and training. This leads to a significant upfront investment cost and thus the necessity to have short term liquidity. Second, the customer- and training center does not fully align with the ambition to become a leader in customer intimacy as the center remains located at an inaccessible location with limited fun potential. The center still requires trainees and end-customers to travel to the center and thus still requires burdensome travel. Given the remote locations of both the Saint-Dizier and Crailsheim production site, both are very inaccessible by any type of transportation, leading to a dichotomy between the location of the new customer- and training center and the customer intimacy strategy.

**Scenario 3 – Customer and training center on a new location**

**Vision**

This second center scenario attempts to address the main issues of a customer- and training center close to the production site, the low accessibility and the limited fun potential. Through a new, more accessible location, the dealer and end-customer might be more inclined to travel to the customer- and training center and thus more inclined to follow trainings and attend in-center customer events.

Three regions are offered as possible locations for the location. First, there is the region around the city of Trier. This region is easily accessible by plane through the Luxembourg Airport, provides for sufficient leisure or fun activities and is located quite centralized between the two production sites in Saint-Dizier and Crailsheim. The second option is the region between Colmar and Freiburg. Being rather rural yet still close to Strasbourg, real estate prices are quite acceptable in this region while still being close to a major airport. The proximity of the airports of Frankfurt and Strasbourg offer for good connectivity for dealers and end-customers. Being right between the two factories, also for Yanmar there is good accessibility. This location fits close to prior plans to open new facilities in this region. A final idea is to place a new center in the Northern Italy region, around Milan. While this location is easy to access for dealers, for Yanmar it can be a challenge to arrange travel from and to the customer- and training center as its location is quite far away from the production sites. The main attractive element in this scenario is the touristic location. Being located close to one of Europe’s most popular touristic cities allows for a unique brand experience.

As for the operational structure, everything remains largely like the previous center scenario. The main difference will be the increased complexity due to planning of transport of
machines, transport of personnel and accommodation of personnel. This will not only result in higher operational complexity.

**Financial analysis**

Considering financing; there is just one significant change with respect to the other center scenario. The center at a new location requires more transportation back-and-from the center, which entails a higher transportation cost. This will consequently lead to higher operational costs. Exact figures depend on the location of the center and the planning.

**Timeline**

Also considering the timeline, little changes over the previous scenario. Given however the necessity to enter a real estate market which is unknown, scouting the right location might be taking a while longer. This entails that a total timeframe of at least 2 years will need to be accounted for the full operationality of the customer- and training center.

**Strengths & weaknesses**

This scenario has as main strengths that the location is more accessible and more interesting for dealers. This increases the value proposition towards the dealerships and thus their willingness to send and trainees and end-customers to the new customer- and training center. Becoming more accessible leads to less travel time and thus a more proximate offering of Yanmar services. This in turn fits closely to the customer intimacy strategy Yanmar is currently pursuing.

The main weaknesses of this scenario are the mentioned increased operational complexity and costs and the more far going HR implications. Having a center distinct from the production facilities increases travel time and costs of machines, increases the opportunity cost and accommodation cost of trainers, and increases the demanded flexibility of these trainers.

**Local scenarios**

**Scenario 4 – Clustered Dealership Trainings**

**Vision**

This scenario aims to fully align with Yanmar’s customer intimacy strategy. Hereby, the convenience for the dealers, their needs and expectations stand central. In fact, the following quote summarizes this scenario perfectly: ‘If the Mountain won't go to Mohammed, then Mohammed must come to the Mountain.’ In other words, in this scenario, all trainings and customer events will be organized locally at the dealer’s premises. In order to reduce operational complexity and avoid unnecessary costs, dealers will be grouped in geographical ‘clusters’. A trainer will be assigned a group of clusters based on geographical proximity (e.g. All clusters in France are under one trainer). This ensures a personal and proximate contact.
point for the different clusters. Trainings will be arranged according to a fixed schedule. During a predefined period, the trainer will travel to the premises of one of the dealers in the clusters and host the requested trainings. This can either be product, step 1 or step 2 trainings. Concerning customer experience, *ad hoc* customer events will be organized. These events will be fully separated from training related visits. Thanks to the flexibility that this scenario offers, it can be a possibility to prepare very personalized event.

This relevance of this approach is three-fold. First, As already mentioned, local trainings are a good fit with Yanmar’s customer intimacy strategy. Every aspect of this scenario is designed to serve and support dealers in the best way possible. Secondly, this scenario fits within the shift in work habits resulting from the COVID-19 pandemic. As a result of the pandemic, corporate travel has become less frequent and people are not willing to travel as much as before. This might partially be the reason why the dealer survey indicated that local training is preferred. Thirdly, dealers are making considerable opportunity costs when sending employees away to training. Every hour of travel that an employee can avoid is another hour which can be billed. Cutting out travel time is thus very much appreciated.

The dealers clusters will be divided in groups based on same language and geographical proximity. The dealer survey indicated that the maximum travel time to a local training or event is three hours. The corresponding distance will be used as an indicative radius for the formation of a single cluster circle. Afterwards, data regarding the number of salesmen and technicians will have to be collected. Each cluster should be around a similar headcount as to ensure training capacity can meet the demand for a single cluster. If there are multiple bigger dealerships present in one cluster, the number of trainees might lead to either an overdemand for trainings or an increase of the group size. The former would lead to organizational issues, the latter to a decrease in quality.

The location of the locally organized training or activities will be the facility of a dealership, ideally centrally positioned within the cluster. Next to its location, the dealership must meet several criteria in terms of size, learning infrastructure and potentially a demonstration field. Depending on the program of the event or training, the requirements might differ. In some cultures, the dealers might prefer a neutral location to host a customer experience.

Planning and communication are crucial for the outcome of this scenario. For both parties, clear and structural communication is key regarding the aligned management of the dealers’ agendas. Simplify the organization, Yanmar can impose a certain timeframe in which clusters can take specific trainings. Within this period, the cluster is free to select the dates on which the Yanmar training team will visit and which trainings will be hosted. Additionally, if larger dealerships or key accounts request a private session, this fixed schedule can be supplemented with on-demand training.

This planning and communication can be heavily reliant upon the online platform. A shared online agenda can indicate the free moments within a time frame that a cluster can reserve for training or customer experience events. Once decided upon the date, a request can be sent to the training team including information about content and expected number of participants. Later, a registration link will be sent to the cluster to ensure a sufficient number
of participants at the local training or event. Additionally, this platform will include a second reservation tool to claim the demonstrations machines dedicated to a main market.

To complement the locality of the trainers, also the demo fleet can be localized. In total, there are currently 30 demo machines in the demo fleet of Yanmar. It is suggested to split this demo fleet among the main markets and create local demo pools. These local machines will travel within that country for technical trainings or events. If needed, machines can be cyclically rotated between different pools. This solution will reduce the travel time and cost for the demo machines. Besides the local demo pools, some machines can remain to be stored centrally and can be used as back-up for certain special occasions within the main markets or reserved for dealers outside of the main markets. The overall responsibility of all demonstration machines will be dedicated to one fulltime Yanmar employee. However, the regionally assigned trainer can support the day-to-day management of the local fleet.

Despite this entire scenario having a very customer/dealer-oriented approach, attention for the Yanmar training team may not be forgotten. The success of this organization will fall or stand on the back of the hiring and composition of the Yanmar aftersales team. A strong dosage of motivation and flexibility will be asked from these profiles, as they will have to travel a lot to the different clusters. As mentioned, a trainer will be assigned to a certain geographical region. This can be the core markets and other, more wider regions. In order to ensure full utilization, the trainers will have multiple responsibilities within their task package. Examples hereof are contributing to the development of online learning platform in the local language or acting as a first help desk for operators. A more detailed explanation can be found in appendix.

As no product training is currently offered to the sales teams of Yanmar dealers, the content and duration hereof can be adjusted. Here, four different packages are suggested to be implemented in the Yanmar service range. Depending on the target audience, the content was adjusted to unify the level of experience and knowledge. Each of the following sessions can be followed: a new-joiner training, in dept-training on each of the machine segments, the introduction class for a new Yanmar product and a general refreshment session. The names of the class speak for themselves, however more detailed information can be found in appendix.

The most challenging aspect of this scenario was the creation of a feasible manner to offer qualitative technical trainings on site. The three different levels of technical training will be organized in their own, most efficient manner. The basic step will be an online tutorial that has to be completed prior to the registration for a step 1 training. This will ensure a minimum level of knowledge and ensure a better learning experience for all trainees. The step 1 training will be organized at the dealers’ premises, with a required capacity of attendees between eight and twelve. The minimum ensures that the travel for the trainer is worthwhile. The maximum ensures that the trainer is still able to give personalized training. The dealerships will have to provide the mentioned educational equipment and machines. The missing components can be provided by the training team; however, an additional fee will be asked to the attending dealerships. Next, the step 2 training will be offered to a limited group of larger and more inquisitive dealers. These exclusive trainings will be given to ‘premium’ dealers and thereby creating a feeling of importance and loyalty.
The main disadvantages of this scenario’s training offering is the reduced educational quality of the sessions due to fewer or more simplistic teaching materials and more risk of trainees being distracted by customers or dealer principals during the training sessions.

Customer experience is a broad concept that can be envisioned in different formats. This scenario structures the customer experience possibilities based on their financing. Some events are freely offered by Yanmar, other financed by the dealerships. The free customer experience activities include a.o. new product launches. These can be organized by a combination of the marketing and aftersales team. This brand event is both a network and a learning opportunity for dealers and end-customers. Another example can be sporadic non-construction related activities such as taking dealers and to local football games or family parks. These types of experience can easily be offered outside of the main markets to transfer a feeling of importance and appreciation. Besides the free, there are the paying customer experience events. This Yanmar service assists in the events that dealers want to organize privately for their end-customers. Yanmar can provide experts, regional field managers, special branded merchandise or demo machines for these events.

Financial analysis

This clustered dealership scenario offers numerous of benefits for dealers and end-customers, but in return, it asks a considerable effort from Yanmar. More specifically, the financial analysis indicates high operational costs. These costs include for example the wages, transportation and accommodation of the trainers, transportation of materials and machines and the demonstration related costs. Luckily, by reducing the dealer’s travel and accommodation costs, the training fee can be increased. This can increase the overall revenue and thus partially recover the additional costs.

Timeline

To structurally implement this local scenario, four different phases are created. The pre-implementation phase will analyse will cover the clustering process of the dealers. Also, a general overview of the planning must be established. Afterwards, the first phase can start, in which a pilot market such as Italy can test be used to test the waters and see the strengths and shortcomings of local training. If successful, the third phase consists in rolling the cluster solution out to all core markets. The final phase consists in the full roll-out of the clustered training approach to all dealers in the EMEA region. Up until the final phase, the current training centers will be held open to cover the markets not falling under the new regime yet.

Conclusion

In conclusion, this clustered dealership scenario offers a very proximate and convenient solution for dealers. All aspects within this organization are designed to support the dealerships in the best and most preferred way. On the other hand, this scenario will require a lot of effort and investment from Yanmar’s side to bring this completely new scenario to a smoothly running, sustainable solution to offer training and customer experience.
**Scenario 5 - Yanmar Tour**

**Vision**

The second proposal within the local approach is an extended revamp of the Yanmar Tour. This scenario largely builds upon the 2021 Yanmar Tour marketing event. It will add the feature of a traveling customer experience and training offering with the previously discussed clustered dealership scenario. This mobile event visit two core markets every year, offering both training and customer experience to dealerships within a cluster. Alternating, one year the Italian and German market will be the markets for the tour. The other year, France and the UK. For France, the DIG tour can be replaced by this event or this event can happen at the DIG tour. For the markets not targeted during a specific year, trainings will be organized according to the higher mentioned cluster scenario.

On the premises of the Yanmar Tour, one day of product training will be followed by two days filled with activities to entertain visitors. The technical training can be hosted in parallel of the event at one of the dealer premises. In short, this scenario is a duplication of the local scenario with the addition of the Yanmar Tour that will replace product training and customer experience.

Planning and organization wise, a similar approach will be followed as the preceding Yanmar Tour. This planning however largely overlaps with the planning from the above discussed clustered approach. First, the same clustered approach will be used. The fixed dates will be selected by Yanmar and communicated to the dealers, months in advance. To minimize Yanmar’s travel time and costs, the Tour will be scheduled as to minimize the distance travelled between two stops. Suitable locations will be selected at each cluster, complying with predefined parameters. As an ideal solution, a neutral space will be found to ensure neutral territory for all dealers. If necessary however, dealership premises can be used as well.

A valuable point of feedback obtained after the previous edition of the Yanmar Tour was the lack of clear in advance communication towards dealers and end-customers. As a reaction, informing the dealers and end-customers should be scheduled and planned in detail. Different channels can be used to cost-efficiently reach the target audience.

The personnel headcount of the local-clustered scenario can be maintained with the Yanmar Tour edition. Additionally, an extra team will be composed for the organization and communication of the event. The Yanmar Tour personnel is expected to be highly flexible. Travelling around the clock will ask for a significant stretch of Human Resources.

Two days are needed to build the entire ‘Yanmar village’. Afterwards a day of product training for the dealers will be followed by two days of customer experience events for the customers. Afterwards, two days are needed again to dismantle the set-up again. These days will be filled with demonstrations, try-outs, information sessions, conversations with experts, food trucks, and many more fun activities. Technical trainings will remain similarly offered as in the previous local scenario due to practical and time constrains.
In this scenario, the Yanmar Tour will not initially be expanded to non-core markets due to the heavy burden of the travel costs. Exceptionally, the Tour can stop in neighbouring countries such as Spain. For the dealers situated at the sides of the EMEA regions, there will be separate customer experience events such as the ones described in the previous scenario.

Financial analysis

The financial analyses indicated that this scenario can become quite costly. The Yanmar Tour costed €300,000 in 2021, excluding transportation costs. Including transportation cost and considering that the event will be extended with one day to accommodate for product trainings, an annual operational cost of €500,000 is estimated.

During the 2021 Yanmar Tour, the operational responsibility was partially outsourced to Triangle. Triangle accounted for over 66% of the mentioned €300,000 budget. This is a very considerable cost. Relocating the activities for which Triangle is used can cause significant cost reductions.

Conclusion

In conclusion, the addition of the Yanmar Tour to the clustered dealership scenario offers a strong improvement in proximity and personalization of customer experience. However, this playful event will require a considerable effort and financial contribution from Yanmar. The financial feasibility requires further investigation in light of the additional costs of Triangle.
IV. Evaluation

After the introduction of the recommended scenarios, it is valuable to weigh them against each other. In this final chapter, we will do this by benchmarking each scenario with respect to the other proposals with the use of a decision matrix.

7. Decision matrix

General

A decision matrix is a management decision tool where different options are benchmarked against each other using different decision criteria. To indicate relative importance of each decision criterion, a weight is assigned to each decision criterion. The higher the weight, the more important the decision criterion is in the overall assessment of the value of a given option. In our case, this decision matrix will score the five above discussed scenarios using 16 decision criterions, in our case, KPIs. This chapter will first discuss the 16 different KPIs, next the weighting of each KPI and finally the individual scoring of each scenario to each respective KPI.

KPIs

As mentioned, to make a decision matrix, different decision criterions are needed. In this case, there are 16 KPI that are considered to evaluate the introduced scenarios. These KPIs are chosen based on the gathered data which indicated their importance in judging the value of the proposed content. This does not mean that each of these KPIs must have the same weight, this is implemented later with the decision matrix, elucidated in the following section. Here, the KPIs are enlisted and defined. They are categorized in three groups: the Yanmar related KPIs, the dealer related KPIs and the competitor related KPI.

Yanmar related KPIs

There are ten KPIs related to Yanmar.

1. Upfront investment cost
2. Annual operational cost
3. Annual revenue

The first three KPIs are financially oriented. They are self-explanatory in the sense that the scenarios are valued based on how expensive or cheap the upfront investment cost of the scenario is. What financial capital investment is required to realize the scenario. The second parameter then evaluates the costs to keep the scenario operationally running. This is assessed both in an absolute sense as in a relative sense. Of course, if the cost is objectively very low or very high, the KPI is influenced. However, if a more moderate value is obtained, its costs are balanced with respect to the operational costs of the other proposed scenarios such that the judgment between scenarios becomes more apparent. The last financial KPI is
the potential annual revenue that can be generated within this scenario. This is judged in an equivalent way as the operational costs. The combination of both KPIs gives a sense of the profit or loss that the scenario is estimated to generate. The evaluation is based on the financial analysis within each scenario.

4. Operational complexity

The operational complexity KPI aims to evaluate the intricacy of the proposed scenario. The complexity in terms of operations could become a cost as well, as this could influence the adoption rate or the acceptance among employees. If not properly adopted maybe additional costs must be added. The evaluation will be based on the operational details of each scenario.

5. Implementation speed

The implementation speed evaluates the timeline of potential realization of (segments of) the scenario. Hence, both aspects are considered to give one result. The total picture of the realization window, and if partial realization already installs feasible solutions. If shorter, this will be evaluated better and vice versa. If a short solution is required, this can be considered more than when the timeline is less of an issue. This is discussed directly with each scenario in the timeline section.

6. Fit with global branding strategy

The fit with the global branding strategy was discussed in the internal interviews. This contains four pillars: the customer experience, the brand visibility, the proximity, and the prospection. Each scenario aimed indirectly to include alignment with these pillars. The extent of their success and how it is estimated to be perceived by end-customer and dealers provides the benchmark for quotation. The evaluation is based on the operational details of every scenario.

7. Synergy potential

What is not discussed in-depth is the potential synergies for each scenario. Occasional mentions occur, but many types of synergies are possible. This can be internal synergies within Yanmar (e.g., CE and agriculture), within Yanmar CE (e.g., Bettancourt site and Rothenburg site), or between different parties (e.g., Yanmar and dealer network). The potential synergies could contribute to the value of every scenario as a hidden gem. Hence, to manifest this value, the synergy potential is evaluated based on the operational details with this KPI.

8. HR implications

The HR implication could heavily impact the practicality of the scenario. This means that if major changes or restructuring would follow out of the scenario, this could be perceived as less ideal. As this brings the risk of losing hard to find talent and skills, it is an important
parameter to consider. In every scenario, the HR implications are discussed or in operational details, or at the strength and weaknesses of the scenario.

9. Overall risk

The overall risk is an accumulative estimate of the risk that the scenario brings. This can mean various things and will be a combination of all of them. For instance, the return of investment (financially or otherwise) is a risk that needs to be considered, this depends on the size of the investment, but also on the elements which make it a success or not. The HR implications are included as well. If there is minor segmentation within implementation, or if data showed that polarization is present within the organization or the dealer network, all are considered to judge the value of this KPI.

10. Educational quality

Covering the training aspect, the quality of the trainings is not equal in every setup. This is evaluated by this parameter for each scenario. This depends on the operational details, together with their alignment with the customer preferences as resulted from the survey and the interviews conducted with trainers, in addition to technical training participants.

**Dealer related KPIs**

There are five KPIs related to dealers.

11. Accessibility

Multiple elements from the customer survey and internal interviews indicated that dealers preferred solutions that provided accessibility and convenience. This validates it as a KPI that must be considered when evaluating the proposed scenarios. The accessibility is important for both trainings as for the customer experiences organized. The accessibility can be inferred from overall theme, as well as the operational details of the scenario.

12. Physical access to machines

The physical access to machines was often validated as among the most important parameters for trainings and customer experiences. Trivially, this is included as a KPI to evaluate whether the scenario presents these opportunities to the dealers and end-customers. This includes both the access to physical machines, as the access to demos and operation opportunities.

13. Access to the factory

The access to the factory is included as a KPI because it was mentioned as a minor factor for trainings and a more important factor for the customer experiences. The focus is on the latter. Access to the factory is not an all or nothing decision as events are still an option if no customer center is present near a production site.
14. Travel cost

The travel cost was not a priority factor for trainings, nor for customer experience. However, it cannot be disregarded completely as this would generate more risks regarding adoption and success of any organization. Hence, it is considered a less important KPI. This can be evaluated using the operational details of the scenario.

15. Overall experience

The overall experience was deemed important for the customer experience and was the highest growing parameter going from trainings to customer experiences. The hotel, restaurant, and entertainment can all contribute to an onsite customer experience. How they are organized, and whether they are in line with the customers’ desires is evaluated. Moreover, the ease to provide an attractive customer experience is graded as well. Both factors amount to the total value of this KPI.

Competitor related KPI

There is one KPI related the competitive landscape.

16. Industry Practice

The industry practice KPI aims to measure in what way it aligns with what is present among competitors. How they define trainings (product and technical) and provide customer experiences impact the value of the proposed scenarios. This can be regarded in two ways. First, the dealer expectations are based on what else is out there. If others are doing more glamorous trainings and experiences, they may demand the same. At the same time, the realization of Yanmar’s strategy to distinct themselves in terms of customer experience and intimacy results in an intuitively comparative perspective. It is not just about building a relationship; it is about building the best and more sustainable relationships.

Weighing of KPIs

As mentioned, not all KPIs are equally important and thus should not have the same weighing in the total assessment of the opportunity of individual scenarios. For that reason, each KPI needs to be assigned a certain weight, which indicates its relative importance. To make this weighing exercise, the Analytical Hierarchy Process was followed (Palcic, 2009). Under this Process, each of the 16 KPIs was put in perspective with the other KPIs. This created every possible ‘couple’ of KPIs. For each couple, an indication of relative importance must be given. This indication was given using a score from one to nine, where one indicated that the KPI couple were equally important, three indicated that the first KPI was moderately more important that the latter, this goes on until a nine, which indicates that the first KPI is crucially more important than the latter. This ranking can be illustrated by the following ‘KPI couples’:
• Physical access to machines and overall risk – 6. This six implies that the dealer’s ability to get physical access to machines are strongly more important than the overall risk assessment of the different solutions.

• HR Implications and travel cost of dealers - 4. This four implies that the HR implications for Yanmar of a given solution are between moderately and strongly more important than the travel cost for the dealers.

This exercise was done for every imaginable couple. Given that there are 16 KPIs, this entails a scoring of 256 different couples (16x16). Based on these numbers an individual final weight can be given to the different KP’Is. The following weights were obtained when making the full AHP exercise.

<table>
<thead>
<tr>
<th></th>
<th>Yanmar</th>
<th>Dealer</th>
<th>Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Upfront investment cost</td>
<td>Accessibility and travel ease for dealers</td>
<td>Industry practice</td>
</tr>
<tr>
<td>2</td>
<td>Annual operational cost</td>
<td>physical access to machines</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Annual revenue</td>
<td>Access to factory</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Synergies with Yanmar capabilities</td>
<td>Travel cost for dealers</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Overall risk</td>
<td>Implementation speed</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>HR implications</td>
<td>Educational quality</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Operational complexity</td>
<td>Fit with Yanmar’s strategy (4 pillars)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Implementation speed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Educational quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Fit with Yanmar’s strategy (4 pillars)</td>
<td>Overall experience</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16,00%</td>
<td>2,72%</td>
<td>3,64%</td>
</tr>
<tr>
<td></td>
<td>18,65%</td>
<td>9,07%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,08%</td>
<td>1,98%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,36%</td>
<td>1,68%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,65%</td>
<td>1,61%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,89%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,65%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,07%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13,89%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,04%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 4: Final Analytical Hierarchy Process weights

These weights indicate several interesting elements. First, the importance of financial considerations is clearly highlighted. With over 40% of the weight being assigned to financial KPIs, the budgetary impact of the proposed scenario will be duly considered in the final definition of the optimal scenario. Secondly, also the importance of educational quality becomes apparent. As the main purpose of training is to transfer information in a qualitative and effective way, this weight allocation is sensible. Finally, also physical access to machines is assigned quite some weight. This aligns with the results of the customer survey, where machine access has been consistently ranked as a no.1 priority for dealers.
Individual scores of the scenarios to the KPIs

After having defined the KPIs and having given weight to individual KPIs, scores need to be given to each KPI per scenario. The scores range from 10 for the perfect fit between the scenario and the respective KPI, to 0, where the scenario shows strong challenges to the respective KPI. For this report, the individual scores will not be discussed, yet a color coding will be used to indicate the performance of each scenario to each of the KPIs. A green color indicates that the scenario scores very well on the KPI, with scores ranking from 10 to 7. A yellow color indicates a medium scoring ranking between a 5 and 7. A red color indicates a clear deficit of the scenario, indicating a score between 5 and 3. And finally, a black label indicates a critical flaw of the respective scenario. This entails that the scenario scores under a value of 3 on the respective KPI.

This scoring gives the following final decision matrix. Note that for convenience a larger form of the decision matrix is added in annex.

![Decision matrix – visualized outcome](image)

Discussion of the results

Based on the abovementioned decision matrix, certain observations can be made.

Evaluation of the Yanmar related KPIs

Three interesting KPIs are noteworthy to highlight here, i.e., the operational cost, the fit with strategy and the educational quality KPI.

Operational cost KPI

Considering the operational cost of each scenario, the decision matrix shows two things. First, there is no scenario available where operational costs are minimal. In each scenario, there will be non-negligible costs to be considered. Secondly, this decision matrix indicates the heavy burden of the Yanmar Tour on the annual budget. Due to the recurring costs of
transportation of machines and materials, the fee of Triangle as well as accommodation and transportation of trainers; this local scenario bring about considerable recurring costs. This pushes the Yanmar Tour scenario in the red zone, near the black zone threshold.

Without the Yanmar Tour the operational costs of an operationally efficient cluster scenario approach the costs of the center scenarios. The cluster scenario entails more reliance on Yanmar’s divided demo fleet and requires less.

The online scenario has a similar final score, not due to the high operational costs of the platform. These can be contained to a minimum. Yet, the on-demand training aspect is more difficult to organize in an operationally efficient way. Certainly, if demand is high, the travel- and transportation costs may increase tremendously. As this will off-set the benefits from the low to very low operational costs of the platform, a similar final score for this KPI is given.

**Fit with strategy**

When looking at the fit with strategy, the local scenarios are the clear leaders. The fact that under the local scenarios the dealers and end-customers are not required to travel to attend customer-experiences or trainings ensures a full alignment of these scenarios with Yanmar’s customer intimacy strategy. A close relation between the clusters and an allocate market specific training team can be fostered.

The online scenario and the center at a new location scenario are moderate performers. Given the online scenario’s on-demand trainings and permanent access to the platform, there is a very large degree of local service provision and proximity. Nonetheless, the primary reliance on online services creates a *digital* proximity, which may be perceived as inferior by the dealer network. This was suggested as well by interviewing dealers and technicians.

Finally, the worst performers under this KPI are the center scenarios close to production sites. Given the inaccessibility of Saint-Dizier and Crailsheim and the high efforts expected from dealers to send their employees to the training center, this solution is more difficult to comply with delivering the best customer experience and striving towards customer intimacy.

**Educational quality**

A final highlighted Yanmar related KPI is educational quality. The center scenarios offer all the comfort, infrastructure, and equipment to host professional trainings. For that reason, they score very high in this KPI.

Next, the local scenarios are reliant upon dealer infrastructure or *ad hoc* improvised classrooms at dealer premises or at the location of the Yanmar Tour. While dealers can be made to commit to certain minimum standards in terms of available materials, the lecture format will always be a bit more improvisatory.

The least optimal scenario for educational quality is the online scenario. Online lectures are challenged by the high reliance on the self-discipline of trainees to pay attention to the online
lectures and by the limited direct personalized feedback during the learning experience. The on-demand feature already suffers from the same difficulties as the local scenarios.

**Evaluation of the dealer related KPIs**

Concerning the dealer related KPIs, there are several interesting elements to highlight. In general, the Yanmar Tour excels in meeting dealer demands. The proximity of the tour, the fun twist to the training offering during the tour and the ability for dealers to bring customers to a Yanmar branded event in their back yard makes the Yanmar Tour scenario *par excellence* the best fit to the dealer related KPIs.

**Accessibility and travel ease for dealers**

First, this decision matrix nicely illustrates the challenge for dealers to travel to a customer- and training center located in either Saint-Dizier or Crailsheim. Due to the even higher inaccessibility of Saint-Dizier, this location is labelled as black. Crailsheim on the other side is slightly closer to a major airport and highway, which is why it has received a red label. The online scenario and local scenarios, due to their training offering at the dealership’s doorstep are all excelling in this regard and thus receive the green label.

**Physical access to machines**

Following from the dealer survey, having physical access to machines both during training moments and customer experiences is of crucial importance. In this KPI, each scenario scores moderately for different reasons. First, the cluster scenario and its fragmented demo pools allow for quick and convenient access to the machines in the pool, yet the size of each pool limits the ability to see atypical machines or machines not included in the regional demo pools. This could be solved in the future, but that is currently not assessed.

The center scenarios allow to show the full range of Yanmar solutions at the centers, but the high inaccessibility of the center also entails the high inaccessibility of the machines. In addition, the inventory of machines is mainly at these centers such that transportation to dealers’ premises is not trivial, nor without cost.

The online scenario makes accessibility even more difficult as primary reliance on online training entails no easy access to a local demo fleet and no access to the entire product range at a customer- and training center. Access to (promotion or demo) machines is possible due to the on-demand feature. Yet, this will always introduce some kind of threshold absent in other scenarios.

**Competitor related KPIs**

**Industry practice**

Both the Yanmar Tour and the center scenarios score very well on the industry practice KPIs. For the Yanmar Tour, the high score is because this scenario is a refreshing and new idea in
the industry which can make Yanmar stand apart from its competitors. For the center scenarios, the high score is due to the fact that customer- and training centers are a trialed and tested concept by competitors. The online platform scores lowest due to its unprecedented territory. Note however that this does not entail that this scenario is entirely unfamiliar. Competitors do have an online platform, but most often this has a supportive role of other training and customer experience practices.

**Evaluation of the results from the decision matrix**

**The results**

Based on decision matrix that consist of the predefined KPIs, the AHP allocated weights and the grading for all KPIs, a ranking of the scenarios is obtained. According to the aforementioned criteria, the decision matrix ranks the center scenario at the Rothenburg premise as the best aligning scenario (67,78% match). Closely second best ranked is the center scenario at the Saint-Dizier premise (67,28% match). The gap between all scenarios is small such that it cannot be stated that this difference, while low, is negligible. Thirdly ranked by the decision matrix tool is the online on-demand scenario (65,48% match). Next, ranked fourth is the center solution at a new location (64,52% match). The cluster training scenario is ranked fifth (64,04% match) and closely follows the online scenario. Finally, at the fifth and last ranking is, the Yanmar Tour scenario (59,28% match).

In conclusion, the decision matrix favors the scenarios with a single center close to production sites. Its limited operational costs, high educational quality and low operational complexity and HR implications lead to this conclusion. The Rothenburg/Crailsheim premises are favored over Saint-Dizier. The difference arises mainly from the dealer related KPIs. The more attractive accessibility and overall experience of Rothenburg/Crailsheim have led to this differentiation between the two scenarios. This despite the more challenging HR implications, since more trainers currently are located at Saint-Dizier. Other factors beyond the scope of this decision matrix may further influence this decision.

The online scenario closely follows the center close to production site scenarios. Due to the more challenging situation to provide high education quality, higher operational complexity and limited physical access, the online scenario is a good, but not the best fit. These elements however can be mitigated. As this scenario is quite new in the industry, further research would be required.

The surprising lesser scenarios are the local scenarios. Despite outperforming all other scenarios on dealer related KPIs, the local scenarios fail to outweigh their negatives. The local cluster scenario still follows closely after the online scenario. However, the strengths and weaknesses and operational details of both scenarios are very different. The main drawback for the Yanmar Tour scenario is the high operational cost. As the past Yanmar Tour has illustrated, transportation costs of machines, personnel and infrastructure quickly becomes a very costly activity.
A final remark

As a final remark to this output, please consider that this evaluation tool is based on well balanced, but in the core still subjective, assessments of weights and scores of scenarios per parameter. Note that all results are close to each other as well such that there is no clear preferred choice among the proposed scenarios.

The AHP weighing system requires to balance couples against each other based on what in essence is a subjective assessment of priority. In the current outcome, this for example has led to a high emphasis on financial KPIs and less on dealer KPIs. If dealer demands are deemed more important than the costs to Yanmar, this might shift the picture and lead to the local scenarios becoming more interesting.

The scoring of individual scenarios also includes a certain degree of subjective appreciation. To which extend something is flawed requires a subjective benchmarking. Other inputs could lead to different results.

For these abovementioned reasons, it is recommended to make the AHP and scoring exercises with the final decision makers over the project and see whether the proposed weighing and scoring aligns with their input.

Importantly, due to the multitude of parameters valued and the repetition of this exercise, the aim remains an objective judgment based on the adopted KPIs of the scenarios. The final remark does not undermine the decision matrix tool used but emphasizes the noncircumventable judgements based on the gathered data implied in the establishment of that tool.

ESG evaluation of the scenarios

As our business school actively engages in the strive towards a sustainable planet, an ESG impact assessment is included. This part will discuss the environmental, social and governance impact of each scenario. As this project’s governance impact is interwoven with its social impact, the two will be discussed in the same section.

Environmental impact

When considering the environmental impact of all the scenarios, the emphasis must be put on the carbon footprint of the different scenarios. More specifically, the scenarios provide for very different outcomes regarding transportation related carbon emissions, data storage and the construction of new facilities. In this regard, clear ranking can be made.

The online scenario, with its core idea of remote learning reduces carbon footprint to a bare minimum. Only when necessary and when online content does not suffice to train employees, a single trainer will travel to the respective dealership to offer trainings. Reliance on the stock of the dealership avoids the transportation of demo machines and thus reduces the machine
related transportation emissions. Depending on the scale of the platform, the data storage will contribute to the eventual carbon emissions related to this online scenario.

On the second place comes the cluster training. Given that the only transportation related emission is the one coming from the trainer going to dealerships, carbon emissions are limited. Besides, as is the case with the online scenario, primary reliance on the dealer’s machines reduces the need to transport machines. If Yanmar machines require transportation however, the proximity of the local demo fleet reduces the travel distance and thus overall emissions. The Yanmar Tour, due to the necessity to bring more demo machines, the mentioned Triangle containers and other equipment ranks third.

The final and lowest scoring scenarios are the center scenarios. The necessity for trainees to all travel to a center instead of a trainer coming to them significantly increases the aggregate amount of travel distance and thus the carbon footprint of this project. Even stronger, in the scenario where a center is placed at a new location, also the trainers and machinery will be travelling to and from the center. This pushes this scenario in the absolute last place. More specifically, the construction of a new facility will increase the carbon footprint compared to the utilisation of the existing centers in France and Germany.

Social and governance impact

As for the social and governance impact of each scenario, two elements are highlighted. First, there is the impact of each project on the firms Human Resources. Second there is the impact of each scenario on Yanmar’s relationships with dealers and end-customers. There is no clear-cut ranking for the different scenarios. Each have their own unique profile with pros and cons.

For the online scenario, there are no additional strains on Yanmar personnel. Besides, the creation of an online community can actively contribute to create more friendly dealer relationships and can allow for better bottom-up communication of dealer’s ideas or concerns.

For local scenarios, there is additional strain on human resources. Having to travel for a significant portion of the year will put extra pressure on the trainer. More busy planning, less family time and more time spent on the road or in the air will lead to a deterioration of the trainer’s life quality. This is true for the cluster idea, but even more significant for the Yanmar Tour, where not only trainers are involved but also people taking care of the logistics of the tour. On the other side, the local scenarios, through the clustering, allow to create a more close-knit group of dealers, better communication among them and a better communication with Yanmar.

Finally, for center scenarios, the HR implications will vary based on the location of the center. Opening it in Rothenburg requires relocation of the four trainers and support staff in Saint-Dizier. Doing the opposite requires the relocation of two trainers in Rothenburg. Opening up a center at a new location will lead to severe additional HR strain as all trainers and supportive personnel will require to relocate or to engage in regular travel. The center however, with its potential to host events such as the discussed Yanmar Experience Days can act as a designated
meeting spot for dealers and end-customers and increase the relationships between those dealers, end-customers and Yanmar.

Acknowledgements

We are grateful for the thrust, support, and collaboration of Yanmar during the project. To the many people that welcomed us and supported our endeavors, we sincerely thank you! A special mention of gratitude to Simon Dornscheidt for safeguarding our stay abroad, to Lucien Gozzoli for training us to the highest technical level available. Many thanks to Markus Koehler for the valuable and practical input. We greatly appreciate the time and effort that Damiano Violi found to attend the presentations and meet us in Crailsheim. Lastly, a special thank you to our project supervisor Stéphane Lampaert for introducing us to the vibrant Saint-Dizier, assisting us whenever required throughout the project and the thrust in our efforts. Ultimately, there are too many people to directly mention here, to all our apologies, but special thanks to all members of the Yanmar Family who embraced and assisted us.
V. Sources


EY (3th of May, 2022) *Personal communication: Learning & Development consultant*


Coreum (2022), https://www.coreum.de/en


JCB (2022), *JCB Factory Tours*, https://www.jcb.com/en-gb/about/factory-tour


Bobcat (2022), Bobcat Company Overview. https://www.bobcat.com/eu/nl/company-info/about/overview


Hyundai (2022), Courses. https://hetaeng.hyundai-ce.com/course/active/non/list.do


Caterpillar (2022), Caterpillar Visitors App and Event Website. [https://caterpillar.eventscase.com/EN/visitorapp](https://caterpillar.eventscase.com/EN/visitorapp)

Caterpillar Facebook Page (2022), Caterpillar Demonstration and Learning Centers. [https://www.facebook.com/caterpillardlc](https://www.facebook.com/caterpillardlc)


Caterpillar Facebook Page (2022), Leicester Customer & Training Center. [https://www.facebook.com/LeicesterVTC](https://www.facebook.com/LeicesterVTC)


JCB (2022), About Us. [https://www.jcb.com/en-gb/about](https://www.jcb.com/en-gb/about)

JCB (2022), Factory Tour. [https://www.jcb.com/en-gb/about/factory-tour](https://www.jcb.com/en-gb/about/factory-tour)
JCB (2022), The dawn for a new vision for golf. https://www.jcbgolfandcountryclub.com/

JCB (2022), Events. https://www.jcb.com/en-gb/events


JCB (2022), JCB Product Range. https://www.jcb.com/en-gb/construction?gclid=Cj0KCQjwspKUBhCvARIsAB2IYuu5CvOT3QC08pp5JI09HcAfnMIycESk6siYMs9ri0jhFF34Jf8aAgaeALw_wcB


Komatsu Facebook page (2022), Komatsu Europe. https://www.facebook.com/KomatsuEurope


Scenario Deep Dive
Online Scenario
Online scenario

Scenario 1 - The Yanmar platform with training on demand

Vision

The training on demand scenario focuses on the creation of a multifunctional digital Yanmar platform that empowers your employees, as well as your dealers and end-customers. The platform should offer online product- and technical training as in-depth as feasible. It should strive to foster digital connectivity and proximity towards all customers. Aligning with the global branding strategy towards customer intimacy, the platform should guarantee a tailored journey for each customer by offering a wide range of online, as well as physical products on demand. The first part, namely the e-learning capabilities can be a model for every online organization in following scenarios as well, however, the priorities of those scenarios will be different.

Heavy investments in Yanmar’s online capabilities would be required, however, in return it could become a digital leader that embraces post-COVID customer preferences of accessibility and convenience. This opportunity would overall reduce the training costs of essential trainings, as well as generate additional revenues by your on-demand service. Nonetheless, providing the on-demand options would require a highly mobile training team (and additional equipment) that is ready to answer on short notice.

Operational details

As envisioned before, the core goal of this scenario is digital connectivity and proximity. The Yanmar platform should be the tool to achieve this. The connectivity is empowered between Yanmar and its dealer network, as well as between Yanmar and its end-customers. In addition, it could offer an innovative tool for each dealer to improve its connection with its customers and boost their sales. One of the main benefits of a strong online presence is the opportunity to include and reach all dealers, even outside the current main markets.

Every dealer, as well as end-customers and the required Yanmar employees should have access to (a part of) the platform. There are two frontiers of the platform, the front-end and the back end. The back end takes care of the platform’s configuration, as well as the data gathering and analytics. This should be accessible by your IT personnel (or outsourced responsible), together with your training team and content creators for sales, after-sales, and marketing purposes. The front-end of the platform should be accessible to all targeted users. The accessible content can be different depending on the type of login: dealer, end-customer or Yanmar employee. The platform can be monetized in different ways. As this is the core of this scenario, the availability of it is key. This aligns with Yanmar’s strategy towards customer intimacy as well. Therefore, free access to the platform for dealers is advised. End-customer can be given free access as well, or a (small) fee can be added when buying a Yanmar machine. Another option would be to launch a subscription for the platform, but this would result in hesitancy if it is not a required cost from the dealers’ side.
The platforms functionality would be like that of a social network with a general news feed of new trainings, events, and messages from Yanmar or highlighted dealers. First, the dealer accounts are the priority of the platform with employees of each dealer having their individual accounts. This way the progress on trainings can be tracked both by Yanmar if desired, as well as by the dealer’s management. The dealers (and its employees) should have access to most features of the platform such as the newsfeed, most e-learning content, and all offerings on demand. In addition, there should be the option for dealers to connect with each other on the platform. This could be segmented per market to circumvent language barriers, or with the usage or an AI translation tool, all dealers can connect and communicate (although not always flawlessly) with each other. Moreover, dealers could have a part of the platform that they could easily configure themselves that would provide them a platform that allows them to connect with their customers, i.e., Yanmar’s end-customers.

Secondly, there are two main functions for the Yanmar employee profiles. To provide the requested homogeneity in terms of training and to provide the desired, the Yanmar employees, more specifically the designated sales and after-sales employees that require training should have access to at least the same trainings as the dealers’ profiles. Furthermore, additional trainings could be added that provided exclusive insights if this would be an added value. The platform’s functionality cannot be restricted to a training platform. Hence, the second function would guarantee the desired proximity. This can be installed in two ways. First, some responsible employees should be answering questions, posting content, and connecting with the dealers and end-customers in discussions. In addition, the possibility for immediate video calls can be made available by launching meeting rooms (between restricted time slots) on the platform. The demand for such functionality must be investigated further. In short, internal training could be guaranteed and the customer experience can be supported by these profiles.

Thirdly, the end-customer applications can initially be more restricted and are not a priority. Yet, this could create more loyalty towards Yanmar as a brand in a cost-driven market and manifest progress towards its global branding strategy. Next to the newsfeed with promotions, previews and highlights, the end-customers could be supported by a restricted range of trainings that is directly applicable to them. Lastly, the platform could offer a more two-sided relation between the dealers and their customers. Of course, this would require an additional effort of the dealers too, which could be the bottleneck to install such features.

In the following three subsections, the two types of training and the customer center details are introduced within this scenario. For the trainings, this will consist of two parts, i.e., a platform elaboration, as well as an on-demand elucidation. The center section covers the potential benefits and hurdles of the presence or absence of a (small) center in this scenario.

Product training

With a focus on online possibilities, product training proves to be promising. As introduced earlier, did the COVID-crisis force the EVO center in the US to move their product training towards an online format to guarantee their continuation. Surprisingly, the demand remained, and the convenience was even appreciated. Their current model served as an inspiration for this scenario. In addition, our survey confirmed the trend in customer
preferences towards online training. Nonetheless, when asked which elements are important for product training, the physical access of machines was judged on average to be the most important. Hence, to resolve the limitations of e-learning for the dealers, local product training on demand can be offered as well through the platform. First, the e-learning solutions are elucidated. Then, the on-demand organization for the product training is introduced. Now, one possible realization is introduced, later the available flexibility is highlighted.

**E-learning solutions**

First, the e-learning opportunities for product training cannot be underestimated. Three methodologies can be adopted to organize this. Based on the existing Yanmar Academy an immerse state-of-the-art online learning journey can be developed. Next to this, the platform can offer the possibility to support this learning journey with live guided virtual training sessions. Moreover, new technologies such as virtual reality (VR) and augmented reality (AR) offer new possibilities to offer a more involved learning experience.

The Yanmar Academy must be developed further in the future. While the foundation is already there, the content and experience of the training platform are insufficient for the post-COVID era. In this scenario, specifically, the Yanmar Academy would be incorporated in the Yanmar platform. As mentioned before, training is only one element of the multifunctional platform. Nonetheless, the product training is an important element of the platform that should be accessible, both, internally as externally as systematic product training is lacking for the moment. This solution could provide the demanded homogeneity among sales managers within Yanmar, as well as lecture the dealers on all exclusive features of the Yanmar product range that could help them close the next sale with more ease.

**The self-learning journey**

The organization of the product training self-learning journey for this scenario can be adopted as described above without alterations. Each categoric lecture would cover the common elements, as well as specific selling points for that category. Then, within each category a training journey per vehicle should be available that explains everything from its basic elements to its most fascinating details. Each training should end with a small test, which verifies whether the core learning objectives are reached.

**Reward system & gamification**

The learning journey can be stimulated by the adoption of an interesting reward system that realizes the gamification of the training experience. The reward system could exist of multiple elements that can be divided in two categories, i.e., emotional rewards and supportive rewards. The emotional rewards include gathering experience levels through the introduction of a point system. For example, rewards can be distributed with the completion of the training of each vehicle, as well as the with the completion of a single category. In addition, it can be accompanied with online status symbols such as borders around pictures, stars next to their names, badges, titles... The options are limitless in this regard and can be introduced with minimal effort, although with an incredible return as they are deemed meaningful by whomever partakes in these trainings. The supportive rewards can stimulate target audience too and should be tailored to the needs of each target profile. If the product training of vehicle A is completed by a dealer, a one-pager could be obtained that can summarizes the key
learnings and selling-points of that vehicle. This practice is already present within Yanmar CE EMEA and is named the sales argue card. Hence, such sales argue cards could be an example of a supportive dealer reward. Another example for the end-customer is that it could provide the opportunity to be invited to give feedback to Yanmar with the preview of a new machine in that category. Of course, in case that this incentivization proves insufficient, a surveillance system should be easily accessible to safeguard training attendance.

**Live virtual sessions**
Next to this permanently accessible self-learning journey, live guided virtual training sessions can support everyone’s journey, offer the opportunity to ask questions and explore more complex parts of the trainings that adds to certain learning elements. Depending on the function of the virtual session, it can be a weekly or bi-weekly appointment where a limited number of dealers can sign-up to boost the interaction during the sessions; if the interaction is not important, more people can sign-up as well. This arrangement would result in the same number of virtual sessions as was organized by the US EVO center last year (i.e., 24 virtual sessions were organized). Such sessions could be closely related to the training journey. For instance, a minimal level of training can be demanded before attendance is allowed. It can even be part of the reward system that is both emotional and supportive. When highly trained people can be invited for an expert discussion and lecture, this can motivate to go through the trainings for those that are lagging or to further increase their excellence. In addition, sessions could be installed as a motivator or catch-up mechanism where laggards could be invited to give the platform another chance or to discuss their on-demand needs that would fit them best, as product training should be necessity.

**New technological opportunities**
Lastly, new technologies can offer a more immersive training experience. As discussed before, today, simulations and VR experiences are already adopted by some competitors such as Volvo. Indeed, the possibilities of VR and AR are open for exploration and should be explored to remain innovative. While is true no matter what scenario, it would make most sense to make it a priority looking forward if Yanmar aims to become a digital leader by adoption of this scenario.

VR training is an ambitious project but should be critically examined. The obvious benefits are that can it increase the number of trainings and offer new types of trainings that are not interesting without VR. In addition, it creates a more engaging and exciting training experience that reduces distraction and that sticks longer to the more active participation. However, it does have the risk of motion sickness. Moreover, the technology is still evolving rapidly. This results in headwear that is quickly outdated and at the current rate replacements are required within three to five years. In combination with the high acquisition cost for standalone headsets that can be used for business purposes, the upfront invest cost and the operational cost are not insignificant. For instance, two commonly used models are the Oculus Quest 2 and the HTC VIVE Focus 3. The first one is not optimal, but its retail price is $300. The latter’s retail price is $1300-1400 for a single VR set, but is judged better for business purposes (CNET, 2021). In short, the high cost may not be worth to make it the mainstream solution. However, it could be an exotic and engaging training experience for a restricted group.
AR training is more accessible than VR training as the only requirement is a smartphone with a camera. Of course, the smartphone cannot be outdated, but often the tools for AR are already in place. The AR experience can be improved on larger screens such as tablets. AR could bring the machines closer the dealers in a digital way. The survey showed that physical access to machines was valued tremendously, however, the question remains whether this access can be replaced by a virtual approach with AR as the machine can appear lifelike in front of you, wherever you are. This can be of interest of customer too who are interested in comparing maybe machines that are not yet delivered to the dealer, or that are not yet distributed.

**Product training on demand**

Secondly, next to the platform’s e-learning opportunities, the second key element is the on-demand functionality. This involves offering physical trainings on demand for EMEA. Different on-demand offers could be extended to cover the (current) shortcomings of online product trainings. As stated, this would require a highly mobile team that can move from A to B on a short notice - with the required equipment if demanded. Hence, the product training team could exist of the current trainers, but potentially new hires are required; another solution is to redefine the job content of sales managers such that some are also responsible for training. Initially, the training offering is introduced, this would be a package-based approach with four main branches. Next, the monetization of such trainings on demand is discussed, i.e., the pricing strategy can be cost-based or customer-based.

Four main types of packages of product training can be offered to the dealers. The first one involves the product training on a specific vehicle, the second type is product training on a category of vehicles (e.g., wheeled excavators), the third package type offered is a product training with multiple vehicles from different categories, and lastly there should be a training opportunity for the attachments and other solutions offered by Yanmar. Every package type should be predetermined, but some flexibility in terms of combinations could be available if feasible. They could come with additional demos or in combination with technical training, as will be introduced later.

**Monetization strategy**

There are two monetization strategies that are worth considering in this case. The first one is cost-based. Here, the objective is more to reduce the costs of offering such services for Yanmar. This does not mean that you will reach a breakeven, but this can be the objective as well. The second strategy is to price your packages based on the customers’ willingness to pay. Here, the goal can be more, or less ambitious than a cost-based approach as this depends fully on your dealers’ preferences and the value that Yanmar is offering in return. This is described in detail in the financial analysis of this scenario (see potential revenues).

**Mobility requirements**

Lastly, the high mobility that is required by your training team should be evaluated. This may be a difficulty of this scenario, although the hurdles have its solutions. This will be discussed in-depth with the introduction of the local scenarios and how your training force can be organized.
Conclusion

In conclusion, product training can be offered in an online focused way as described above. There are two main branches to this approach. The first branch was the e-learning journey that should be designed to systemize online product training. The second branch was introduced as training on demand. Here, four types of packages were introduced, and the monetization discussed. This scenario could provide the demanded convenience and proximity in a post-COVID era. Every dealer has access to a tailored approach and has permanent access to a vast knowledge base as well as the experience of other dealers.

Technical training

Online possibilities for technical training seem prima facie more restrictive as this is often perceived as a hands-on training. Yet, certain elements can be digitalized and should be incorporated in any online scenario. Today, technical training is not a significant part of the Yanmar Academy. In the future, technical training should be one of the two main types of training accessible through the platform. Importantly, the customer survey revealed a clear preference for online technical training, as this was the most preferred option. A good digital solution for technical trainings appears to be key for the dealers for any scenario. However, the interest of targeted participants must be considered as well, as motivation and tenacity to complete such online trainings may be lacking and they may not be encouraged to sit behind their computer instead of working on technical problems. In-house trainers should have training opportunities as well, but this is beyond the scope of the project. The organization of the technical trainings (i.e., the three steps) was introduced earlier. Each step is envisioned in detail and fitted in an online focused scenario.

Basic Step

The complete basic step of technical trainings can be transformed towards an online learning journey. In part, this is already the case in the Yanmar Academy. As mentioned earlier, there are three basics trainings at the time of writing. These trainings cover the basics of hydraulics, engines, and electronics. Currently only the basic engine training is accessible on the Yanmar academy. Moreover, the format of this online training is not attractive, nor engaging. In short, there are two recommendations for the basic training. First, make all basic trainings online accessible. Second, redesign the existing online technical training and make it into a truly engaging learning journey.

First, considering that such basic trainings are the steppingstone of any practical work, they should be accessible and ready to lecture to whoever has the need to get trained. Hence, the hydraulics and electronics training should be added such that the whole basic step is accessible as a e-learning journey. This way the introduction to the technology can be achieved without downtime.

Yet, each basic training also consists of an element called ‘practice on the machine’. While this would no longer be organized in a physical sense, a digital substitution for this element is perfectly feasible. The purpose is to get in touch with the machine components and to identify the failure that could be related to those components. With an immersive self-learning tool
consisting, for instance, of real-life videos of a trainer showing such components and the possible failures each component. The other formats discussed in previous subsection can be adopted as well to improve the basic trainings, such as the guided live sessions or new technologies. The same remarks as above apply here. The crux of the matter is that the availability of a self-learning journey for the basic trainings could improve and ease the overall technical training journey significantly.

Initial test & lay-out
The basic training contains essential knowledge to successfully complete other technical trainings. Hence, it could be a mandatory bottleneck to get access to the content (this seems already to be the case). This can be instantiated easier if the complete basic step can be found online. Because this may be seen as a nuisance to everyone with the expected experience, an initial test can be installed such that the known lectures can be skipped and the gaps in his/her knowledge can be addressed efficiently.

The second remark to redesign the lay-out of the online training is a general one that applies to whatever training is offered online. To get your message across participants must be drawn towards it. Like a moth to a flame, the platform should draw participants ready to finish the training, learn more, gain experience, a new border, a first title or even real-life rewards after completing all basic trainings (e.g., a miniature mini excavator). All this relates back to gamification elements discussed earlier in terms of rewards of online product training.

Conclusion
In summary, the three basic trainings could be made available on the digital learning platform without a loss of value. This initiative agrees with internal interviews, as well as an extensive review of the content of the abovementioned trainings. Shifting the basic step online, could ease the overall training procedure. Note that design will be key for a successful execution, and to motivate potential participants.

Step 1 - digital opportunities
The step 1 technical trainings are more focused on specific machine models and what discerns them being a Yanmar product. The current strategy for troubleshooting and maintenance is not directly to teach how to repair the machines, rather which logic must be applied to find out the proper solution with disassembling the machine. The complete training is difficult to implement in an online format, however, in part it can be made permanently accessible online and new technologies could push the complete training online in the future. However, currently the step 1 technical training would be optimized within this scenario as with a combination of online accessible training and on demand physical training.

Remember that in the current technical training catalogue, different segments can be discerned for the step 1 training. There are various elements referring to diagrams and circuits. Next, there are diagnostic tools that are discussed. Lastly, there are more practical elements that depend on the specific machines. Considering that the online platform would be a priority within this scenario, the investments can be justified to digitalize the less trivial elements. For each segment valid online substitutions are possible, yet the latter should be
the focus of the complementary local training on demand as substitution will prove the most
difficult for this segment.

The self-learning journey that was introduced earlier, in addition to live guided sessions and
the potential adoption of new technologies seems adequate to bring the first two segments
to an online academy. Nonetheless, the self-learning journey may require a more game-like
and interactive appeal to be successful as online format. That is to say, the instead of a
fractionized learning program consisting of texts, videos and exercises, the core of the journey
can be a video game that simulates the core learnings. This does not mean that an ordinary
immersive learning journey would be insufficient, yet as a replacement for the practicality
present for the step 1 training a more engaging experience may be required.

Three parts of technical training
The technical training on diagrams and circuits - such as hydraulic diagrams and the steering
and braking circuits- was identified as a first segment. Here, there are theoretical aspects
building on the basic training. More importantly, the circuits are truly discovered on the
physical machines and its options are highlighted. The theoretical aspects could be
transformed into an online course without hesitation. The more practical aspects can be
incorporated as well, yet here a game-like simulation or interactive video seems appropriate
to grasp the essence of the training. This digital solution could lecture the participant on the
physical aspects as well, but in a permanent accessible way. If this online format does not
prove to be sufficient for that dealer, there is still the option to order a physical training on
the same platform. More on this later.

The diagnostic tools’ (such as the Smart Assist Direct program) learning targets as stated in
the catalogue can perfectly be simulated. That is to say, the exact lay-out of the program can
be simulated and used to for an online course on the diagnostic tools. The only difference is
that instead of using the software in combination with a physical machine, that the machine
troubles are simulated, and the responding software is shown. Again, this does not cover the
feel of the defect in combination with the software’s notifications. Hence, the training can be
perceived as incomplete until this experience is gained. For this, the on-demand training can
be added value. The participant already masters the diagnostic tools, but then comes to a
closer, more layered understanding of the potential problems and their solutions.

Lastly, an attempt can be made to provide online substitutions for the more practical
elements of the trainings such as repairsments and step 1 troubleshooting. This can be
organized in a game-like format as well, using a simulation or interactive video. Of course, the
need to have such physical experiences cannot be neglected. Hence, for the third segment
the focus should be on the on-demand trainings, as solely online substitutions currently seem
insufficient. Note that new technologies could make such online experiences more feasible,
an example is discussed in the next paragraph. This does not mean that on tomorrow’s
instalment of the online platform this segment is absent. It can still be a useful tool for any
technician to have a set of supporting Yanmar videos on troubleshooting and other practical
aspects available. This content can function, both, as lecture material, but as technical tool as
well in the case of doubt.
Technological opportunities

Considering again the opportunities in VR and AR for online training, the same considerations as for product training come to mind. VR is often praised, yet practical widespread implementation remains a costly affair. The more accessible AR can offer a great and interactive experience with a digital machine that except the fact that you cannot touch or drive it, seems to be right in front of you. Walk around it, take a closer look, look under its hood, highlight certain circuits, simulate defects et cetera; all these features are possible with AR applications. The only constraint is the cost of developing such software, this is discussed in the financial analysis.

Step 2 - digital opportunities

The step 2 training is focused on expert troubleshooting and a specific trajectory towards becoming such an expert consisting of six steps is presented. The exact steps were introduced earlier in the general introduction. There are two important aspects with the step 2 training. Of course, content is one factor. Nonetheless, equally important, the training is a way to connect with the best technicians, share expertise and make Yanmar experts out of them. As became apparent from the internal interviews, you want them to feel important and make something special from this step 2. This experience cannot be replaced by a digital alternative. The core of the training is physical.

This does not mean that the step 2 training can be absent from the platform. In agreement with the abovementioned online troubleshooting support for step 1, can the platform offer more in-depth and complex analyses to support every technician. This would not aim to replace the step 2 training but can serve as an addition to the learning journey. In theory, the technicians do not have to be restricted to what they can learn. If interested, they can truly become experts on their own. There day-to-day activity guarantees the practical exposure either way. This motivation can be fostered and empowered with the right reward system and internal motivation mechanisms related to the gamification (cf. product training: e-learning solutions, gamification). As mentioned in step 1, new technologies can push the digital capabilities of these step 2 trainings as well. As this training is especially hands-on, VR applications may be preferred rather than AR as the rate of interaction is better. Yet, all aforementioned practical difficulties for VR remain applicable.

Technical training on demand

Different on-demand packages could be offered to cover the shortcomings of online technical trainings. Note that certainly in the early stages these local on-demand technical trainings are a necessity as the implementation and adoption of the online platform may take a considerable amount of time. In addition, while discussing the step 1 and step 2 trainings different instances were mentioned where digital substitutions were insufficient. For both reasons, on demand trainings are a complementary requirement - even more than for product trainings. In agreement with the product training on demand, the physical technical trainings are also package-based. The same monetization strategy can be adopted as mentioned above for the step 1 trainings, for the step 2 trainings this is discussed separately. The details of the former can be found in the financial analysis (see potential revenue). Note
that to provide local technical trainings on demand, a mobile technical trainings team would be required as well.

**Step-1 on-demand**
The step 1 on-demand trainings can be packaged in a flexible way. If the scenario is adopted such that the three segments are available in an immersive digital learning experience in every feasible way discussed above, then the on-demand training can be limited to four main packages. The four main packages are available for each vehicle category, in agreement with current step 1 training organization. The first package covers the physically necessitated fraction of the third segment towards repairment and step 1 troubleshooting. This also forms the foundation of every technical training on demand, as this key element is the most troublesome to replace in a digital format. Therefore, the following two packages are additions on top of the first (standard) package. The second package adds a physical training emphasis on circuits and diagrams. The third package focuses on the diagnostical tools and optimizing the technician’s real-life practice. The fourth package is the all-in formula, i.e., an all-in local technical training where the physical aspects of all three segments are covered.

**Step-2 on-demand**
The step 2 training’s core is physical, hence, the emphasis of this training step within this scenario is local on-demand. Again, it is more than a plain training, but also an opportunity to show that you value the technicians and bring them closer to the Yanmar brand that to which they have dedicated (a part of) their work-life. One package for each category could be provided, which would involve a complete expert training in agreement with the newly developed current offering.

Therefore, it can be installed as a reward or an on-demand training (for free or limited price) for the best technicians to make experts out of them. The resources demanded from the dealer to organize such a training could be more related to the experience and technical assistance provided, rather than a monetary threshold. If Yanmar would opt for the free option, then it could be taken one step further. The step 2 training could be offered from Yanmar. This relates back to idea of installing such training as a reward. If the dealer (or its technicians) satisfies certain predefined requirements (e.g., completion of online training & technical assistance on X number of vehicles in category Y), then Yanmar can offer the reward of an expert training to make true Yanmar masters out of them.

In addition, physical gifts and/or certificates should be provided as well. For instance, a golden Yanmar miniature in the respective expert category could be rewarded at the completion of the final training. Maybe these trainers could obtain the authority to train the dealer’s customers as well. This way Yanmar can support the training of the end-customers without dedicating in-house resources to their training. Furthermore, this could increase the feeling of responsibility and importance even more.

Note that the step 2 training is an important opportunity to truly manifest Yanmar’s shift towards customer experience and their prioritization of customer intimacy. The content of the training does not have to change, but the feeling can be optimized within this scenario as a laureate of Yanmar to its most important dealers. This can be interwoven with other ideas such as the operator club and the YPP’s as well.
Final remark
Lastly, in practically organizing such trainings, the dealers should, of course, not be restricted to organizing only technical trainings, but they can be combined with demos and/or product trainings on demand.

Customer experience

The customer experience is more limited on as a separate objective in an online scenario. Each activity, from a basic self-learning journey to the on-demand step 2 technical expert trainings, should be immersed with the Yanmar brand. In addition, remember that the multifunctionality of the platform also includes a critical connection component of Yanmar with their dealers, or dealers with each other by installing some forums, commentary sections, or a social media-like newsfeed. Yet, to boost the customer experience besides the ordinary features of the platform and the on-demand offering, special digital features can be considered, as well as local or (restricted) center-based solutions.

Note that while the focus remains on the digital aspect, but that to realize the strategic targets of customer intimacy, the customer experience aspects - even physical aspects - cannot be neglected. Due to the prioritization constraints, choices should probably be made as launching all what is introduced here seems unfeasible both operationally as financially. At the end of the subsection, a summary is provided to compare the various options.

Digital customer experiences

The advanced digital opportunities to boost the customer experience are characteristic for an online scenario. Considering the availability of the platform, which provides the digital connectivity and proximity, online events can be hosted that reach all dealers in one instant. Two examples of such digital customer experiences are explained, but this is not the full extent of the possible digital experiences.

Recently, an online communication tool was launched where several episodes of a talk show was available tackling Yanmar’s transformational journey towards a strategy focusing on customer intimacy. While the communicational tool should be included in the platform, similar larger online events could be organized as well. For instance, the launch of a new EV line. The marketing team did an astounding job already on the videos available for the SV17e. This gives a taste for the possibilities. Different types of online events can be organized to support such a launch. Think teasers, feedback events (e.g., for the most elite dealers), product previews/tests and big online (live) launch events. The accessibility is guaranteed through the platform, the grandeur depends on the budget.

A second example could be to showcase new technologies. For example, if technologically feasible, you could allow your customers to operate a machine from a distance. For this an application could be built within the platform that allows the participants to operate a small excavator (or even just a robotic arm) from their home. This engaging activity would show Yanmar’s progress on technology and what lies ahead.
Customer events

With a focus on online training and providing local trainings on-demand, budget can become available (after up-front investment costs) to support the brand visibility of Yanmar. Considering the locality of the recommendations in this scenario, the straightforward solution would be to provide the customer experiences on-demand as well. However, as this may be too restricted for the dealers, Yanmar should consider to still offer a range of customer experiences, targeting both the dealers and their customers. Indeed, the customer survey revealed that there is a non-negligible interest of dealers to bring their end-customers towards a customer center. Here, the result is extrapolated, and the assumption is made that they would bring their customers as well to other customer experience related activities.

The range of options is broad. Examples are elucidated for four different types of events such as fairs, mobile customer experiences, the gathering of online communities, and the on-demand customer experiences.

External fairs

The first type of events that has been around for a considerable amount of time is the different fairs at which Yanmar as a brand can be present among other brands. This way the dealers (and potential end-customers) can come to such fairs and get in touch with the brand and its machines.

For the dealers this is often an opportunity to get in touch with the different brands they offer as Yanmar is not a full liner. The internal interviews highlighted the demand from the dealers to be present at such event for this reason, or to benchmark the machines with the competitors. Moreover, the dealers can bring their end-customers to such fairs, and they can enjoy the brands’ events too.

For Yanmar the fairs are a non-complex and relatively cost-efficient solution to safeguard brand visibility. In addition, they answer to the demand of customers and in a semi-local way such that travel time is often more limited and convenience for the dealers and end-customers provided. This way, the potential problem of language barriers can be circumvented as well, as the current organization already knows how to deal with such hurdles. Nonetheless, due to the presence of other brands, Yanmar is always one brand among many and making a distinct appearance is more difficult. Their shift towards the premium red machines will help to achieve this already more easily in the fair to come, but it’s in operating a Yanmar machine that they stand-out. If this is possible to organize within the boundaries of the fairs’ organization, then this step in the right direction can be considered. Otherwise, a Yanmar specific fair can solve this issue. This is realized in the Yanmar Tour, which is introduced in the next subsection, as well as later on as local scenario.

The most notorious fair is, of course, Bauma in Munich. While this is a more costly fair, the brands’ presence is often non-negotiable. Yet, there is a minor trend of some brands no longer joining Bauma - Yanmar could investigate their reasoning and whether it applies to them as well. Currently, their presence seems highly valuable within an online scenario as well. In the long term, more budget could be available for their booth, and they could present themselves as being a digital leader that truly cares about their dealers and end-customers. The
advertisement writes itself. The contact with the brand at such an event could mean new business for the dealers, and hence, is greatly valued. Everyone’s visit can be optimized, and new leads could be contacted easily by incorporating such functionalities in the platform.

**Mobile customer experiences**
A second method to provide a more personally tailored customer experience is to offer a Yanmar exclusive fair or events. Here, two different ideas can be discerned. One is directly related to the aforementioned Yanmar Tour which is a literal mobilization of a Yanmar specific fair. The second idea comprises various activities that can be organized or supported by Yanmar. The latter comes with the additional challenge that the link to the Yanmar brand, and, ideally, its products must be clear.

A mobile customer experience can, primarily, be delivered by providing a mobile customer center. This is manifested by the Yanmar Tour, which was successfully organized in Germany and Italy. The concept is explained in detail in the local Yanmar Tour scenario. In this online scenario it is important to note that its organization could bring the customer experience close to its dealers and end-customers. While Yanmar already possesses the boxes, the operational cost is still significant, and the question remains whether it is feasible to make the heavy upfront investments to launch the online platform and keep the Yanmar Tour running. If the Yanmar Tour may prove to be too expensive, the equipment can still be used to launch local customer experiences at premium dealers as a reward for achieving exceptional sales number, for instance. This is just the tip of the iceberg to mobilize the customer experience.

There are less direct ways to provide a valuable customer experience as well. A lot of companies sponsor certain sport team, or events. Of course, as Yanmar is mainly a B2B brand, this may not be ideal as the brand is not necessarily required to be recognized outside of its specific market. However, just providing access to dealers to pleasant events (e.g., a soccer game or F1 race), and/or providing the option to bring end-customers could be a cost-efficient way to strengthen the relationship between Yanmar and its customers. Here, the challenge is not to arrange a fun and memorable event, rather the link with the brand must be manifested in a clear way. In addition, this can never be the sole customer experience activity as it does not offer access to the products, offer demos etc. Hence, it misses the direct link with Yanmar to be a standalone customer experience solution.

**Gathering of online communities**
Thirdly, the platform offers another unique feature that could be exploited as well to improve the customer experience, namely the creation of online communities. Within the digital platform, the forum, commentary, and newsfeed features could create communities that could be fostered by Yanmar. Yanmar can approach such communities and support the professional or even amicable relationship between them.

The types of events that can be organized can vary tremendously and depends on the type of community that has formed on the platform. Moreover, it could extend the meaning of the internally used phrase ‘the Yanmar family’. For instance, if expertise is openly shared on the forums, reward those that share through rewards, or (if feasible) bring them together for a special training. Maybe it is the ideal group for a step 2 technical training, or to make
ambassadors of the next local Yanmar events. Encourage the behaviour you want associated with your brand.

**On-demand customer experiences**

Lastly, next to the on-demand training aspect that is a complementary part for both product- and technical trainings, on-demand customer experiences can be offered as well. This can be offered in a similar package-based approach as the trainings and could be made available in combination with the trainings. The possible pricing strategies are shortly touched upon at the end.

The packages of the on-demand customer experiences could potentially be categorized depending on size and offered activities. Hence, their organization could be envisioned as a pyramid structure. At the base level of the pyramid, there is a first type of packages of individual on-demand customer experience elements. Then, there could be a flexible combination layer of multiple components. Ultimately, there could be a layer that allows a dealer to host their private Yanmar-supported event on-demand; this is the top of the pyramid.

**Three layers of packages**

The first layer could consist of offerings such as demos on-demand, or the possibility to rent promotion machines (or preview machines) for display purposes. It could consist of the material and machines required such that the dealer can offer operator training themselves. Maybe there are packages such that furniture, flags, or everything that is brand related can be rented or bought. Again, this is only limited by Yanmar’s decision regarding their budget and operational flexibility and capabilities to offer this.

The second layer should not be discussed in-depth as this should consist of flexible packaged offerings that are combinations of the first layer. The only difference here is that the boxes used for the Yanmar Tour could be part of some more expensive/ more high-end customer experience offerings as well.

The final layer could offer the possibility for (larger) dealers to organize their own Yanmar-specific events for their end-customers. Mainly for dealers that are interested in bringing between 10-20 or even more than 20 customers per year to a center, this can be on-demand solution that fits better within this scenario. Here, no expenses should be spared, and a tailored experience should be created to satisfy the wishes of the dealer in question. Think of events with the Yanmar Tour boxes, or just the furniture and flags while a competition on Yanmar excavators is launched to entertain the end-customers. Maybe a small inventory is provided for the event such that machines can be sold immediately without delivery time to the end-customers. Maybe discounts can be given to the dealers that organize such events. The exact capabilities to offer such major events on-demand must be determined by future research, yet it could be climactic conclusion to the on-demand features of the platform. Yanmar would truly show that they take their promise of their support towards all their customers dead-serious.
Pricing strategies
The monetization of such packages can be slightly different than with the trainings. Again, two strategies come to mind. Namely, a cost-based approach can be considered, as well as a customer-based approach. Here, the strategy is different as these offerings have another sense of urgency than offering on-demand trainings, which are an absolute necessity in completing the training offering within this scenario. The conclusion could be that this segment can be priced more towards profit than just minimize the losses whilst providing a sufficiently high adoption rate. This would depend on Yanmar’s intention to provide additional on-demand customer experiences as elucidated above.

Overview
Customer experience cannot be overlooked and should be seen as a more separate project within the online scenario. All suggestions can be considered as valuable, yet it depends on Yanmar’s ambition and budget to support this, in addition to the online capabilities. Digital events can often be introduced with minimal effort and can reach all dealers. The on-demand packages or mobile events could provide the opportunity for dealers’ and end-customers to empower their connection with Yanmar, yet this assumes that the dealers’ premises provide already a sufficient foundation to offer attractive customer experiences. In short, customer experience must be taken care of in a more independent way, different potential solutions where provided which would make sense within the online scenario.

Financial analysis
A financial analysis can be provided by balancing the revenues with the costs for all parts of the scenario. For the operational details, the revenues are considered for the product training, technical training and the customer experience. In addition, an estimation of the costs for all three are given. Then, an estimation of the profit or loss can be provided. Importantly, the estimation will be limited mainly to a qualitative approach, yet wherever available, quantitative estimations will be provided with a supporting argumentation.

Upfront investment cost
There are two upfront investments costs that need to be considered to realize this scenario. The obvious one is the investment to realize the platform with all its introduced features. The second upfront investment is to provide the content and have the capabilities to develop new content if required on the platform.

To begin with the investment on the platform. A platform is already present, namely the American licensed LMS by SABA. This could be maintained without further upfront investments are required. Most to all features can be inserted in one way or another. Yet, the SABA platform is limited in lay-out and you are dependent on the American branch of Yanmar. If a more modern platform is built, other software can be considered. For instance, Totara, Docebo, and Flowsparks. The first two offer a free trial. All are subscription based and are discussed in the next subsection. Only Docebo (which is the most expensive LMS of the three in general) would require an upfront implementation investment between $1000-$5000. When building a new platform is outsourced, the upfront investment depends on the
demanded features of the platform. Learning and development (L&D) or Tech consulting prices may vary tremendously but are expensive to very expensive for and extensive project as this. This way, you can tailor your own online platform however it optimally suits Yanmar.

The second upfront investment is to provide the content on the platform. This can be designed in-house by continue using the Studio 360 Microsoft tool. However, the learning journeys that you can build with this tool are more restricted. More advanced L&D software, or authoring tools, can considered if more immersive content needs to be provided. You can use this tools yourself or you could hire a L&D developer that has experience with such tools. Examples are Flowsparks (easy to use) or Elucidat. They are both subscription based as well, so no real upfront investment. Outsourcing to L&D consultants is possible, yet the same cost remark applies. This training journey development would involve a high to very high upfront investment. In addition, as Yanmar’s trainings material is industry specific, this is not a desirable option.

In conclusion, no financial upfront investment is absolutely necessary to start the realization of this scenario. There is, however, a considerable opportunity to develop all these capabilities within the existing. Only if the development of the platform and the content would be outsourced, there would be a significant upfront investment. This is not recommended, as Yanmar’s training materials is very specific and continuous updates will be required afterwards. Hence, investing in the in-house capabilities is the most interesting. While the trainings can be developed already, hiring an experienced L&D developer can boosts this process. These are operational costs, and hence further discussed in the next section.

**Operational costs**

The operational costs of this scenario can be segmented in four parts. The operational platform costs, the costs the create, maintain, and update the content, the costs to organize on-demand trainings and (with this specific scenario) complementary customer experience.

First, the operational costs of the platform are considered. Currently, the monetization is based on the number of users. For a trainer, a yearly fee of €57 is charged. For a user (e.g., a dealer, sales manager, technician) a yearly fee of €23 is charged. Knowing that currently 400 people are registered, and the aim is to bring this number up to 1400 according to the interviews. Just considering the users’ fee would imply a current yearly cost of €9200. If the goal is reached, the yearly cost would increase to €32,200. This a very high cost considering the features that are offered by the current SABA platform.

Therefore, alternative platforms can be considered as introduced earlier. Three examples were given earlier, i.e., Docebo, Flowsparks, and Totara. The latter two vary in price depending on the number of users you would like to support. For instance, the most complete standard package of Totara supports 1000 users for a monthly cost of $459, thus, a yearly cost of $5,508. This is about 60% of the cost of bringing the existing number of participants on the SABA platform, while Totara’s LMS features are more advanced. Flowsparks has a similar price, but this is determined on demand. Docebo is more expensive, exact prices are available on demand, but range from $900 per month to $2500 per month for larger
companies (Cypher Learning, 2022). As this platform would be the core of this scenario, more advanced software can be desirable. In addition, if the fee does not change with an increasing number of users, the cost in comparison with such platforms seems prima facie significantly higher. Exact quotations need to be requested for a more precise estimate.

Secondly, the operational costs are connected to the content offered and the content creation. This is a key cost within this scenario. There are two types of costs related to this, the software cost, and the salary cost. The latter is almost unchanged in comparison with the current salary cost. However, if a content developer and/or an experience L&D developer would need to be hired, knowing that the average salary for a single US L&D consultant is $67,134/year, a similar salary in euro in France can be assumed to attract such a profile. In addition, IT could use reinforcements if the core of all your training is organized online. Such profiles cost in the EU on average between €39,000-€92,000/year. These profiles could optimize your output of your L&D software. As this the content available is crucial for the success of this scenario, Yanmar could consider other content creation software as well. These authoring tools can create the learning journeys on a very advanced level. This can be considered in combination with a platform, or the current SABA LMS can be used in combination with these tools. The cost for such tools can vary greatly and is available on demand. A price range between $1,500-$7,500 per year can be expected.

Thirdly, the costs of the on-demand trainings can be estimated. There are different parts to organizing on-demand trainings and a cost can be associated with each part. First, the trainer needs to travel to the specific location for the local training, then his stay needs to be paid for as well (i.e., accommodation, living expense, …). Of course, then the trainer’s wage needs to be considered as well. The training brings two the opportunity costs. The first opportunity cost is the absence at the helpdesk. This is no different from the local or center trainings today. Only a split of the two functions would solve this issue, although it keeps trainers up to date with the latest practical struggles. The second opportunity cost is the travel time and downtime after the training. This time is present today with local trainings as well and cannot be circumvented. However, should the demand of the on-demand trainings become very high as the online training is not a complete replacement of the current training program, then the travel costs and opportunity costs could make this installation significantly more expensive than prima facie considered. All this numbers fluctuate on the dealers’ location and the intertwined travel time. In short, a single local training cost may not be significant. However, should this become your core offering, an extensive cost analysis should be performed to get an accurate of the yearly operational costs.

Fourthly, the costs of the customer experiences associated with this scenario can be considered. To begin with the digital experiences, these have very limited operational costs as this should be an upfront investment cost (or platform subscription cost). In actuality, the operational costs can be neglected as insignificant. Yet, this should be incorporated in the evaluation of the platform cost and whether the current SABA provides all these features in an optimal way. Otherwise, separate software and tools may need to be acquired to compensate for this shortcoming. This goes against the streamlining spirit of this scenario and is not advised.
Next, the customer events can be considered. The prices of the fairs would remain unchanged. This information is internally accessible. The same can be said about the mobile customer experiences. A more in-depth financial analysis can be found in the Yanmar Tour scenario.

The gathering of the online communities can be, both, cheap and costly. This depends on Yanmar’s wishes to realize this. It can be done in an extensive heavenly branded way that gives access to dealers (of a given online community) and potential end-customers they can brings. If heavenly branded the cost will be larger. The same can be said about reimbursement of travel expenses, location, dinner, and lunch arrangements etc. Nonetheless, for a limited cost, they could be invited to a Yanmar production site, for instance, and a customer event can be organized on a low budget. The customer survey indeed showed that the most desired parameters are the ability to get machine demonstrations, or to operate a machine. Then a small patch of land needs to be acquired that can serve as a demo yard at one or both of production sites. At Saint-Dizier, next to the parking lot, a patch of land can be acquired a part of which can be made into a demo yard. If you count 600m² for a demo yard (the same size as Bettancourt now), at €12/m² (price at 2020), then you can obtain install such a demo yard for a one-time cost of €7,200. A similar solution is possible in Crailsheim or Rothenburg.

The on-demand customer experiences’ costs depend on the exact packages that are offered. Therefore, further estimation is difficult. Note that the discussed pricing strategies should cover all or most of the costs, or if customer demand is high, a profit can be realized. The latter scenario appears unlikely as the survey revealed that dealers’ willingness to pay for a customer visit to a center is almost exclusively (+90%) between €200–€400 and no option was given for a lower price. Hence, pricing of these packages will be crucial, but the on-demand customer experiences should be considered as a cost.

In summary, there are four main operational costs. Considering the comparable costs with other scenarios, most will be restricted. However, note that the cost of the on-demand trainings and customer experiences could imply that the total operational costs increase significantly. Further investigation is required, and the costs should be weighed against the potential revenues that are generated by them. This depends on the chosen pricing strategy as well (see below).

**Potential revenues**

The potential revenues of the online scenario can be estimated by considering the two main parts. The first part is the online part, i.e., all digital features incorporated in the platform. This involves the trainings, digital customer experiences, guided live sessions etc. The second part is the on-demand practice which can generate potential revenues per package ordered.

The online part that includes all features of the broadly introduced online platform should be offered for free to the dealers, and, where applicable, the end-customers. This online platform realizes the (digital) proximity and customer intimacy that Yanmar aspires to build with their recent shift in strategy. While no revenues will be generated this way, the added-value for Yanmar is found in streamlining their training organization which improves the after-sales support, and eventually the sales. Moreover, an empowered relation with their dealer
network can be built from this platform. A Yanmar machine, being a Yanmar dealer should arrive with access to the Yanmar platform.

The second part is the on-demand practice. The monetization (i.e., the pricing strategy) of the on-demand practice was already introduced during the elucidation of potential on-demand packages. To determine the revenue, two parameters need to be determined. First is the price, secondly, there is the volume of packages sold.

The pricing strategy came essential down to the same consideration. Yanmar can choose between fixing the price of the on-demand packages in a cost-based way, or by consideration of the dealers’ willingness to pay. Depending on the specific topic, the advised preference leaned towards a cost-based or a customer-based strategy. First, pricing strategy for trainings is explained. Then, the possible changes for the on-demand customer experiences are introduced.

Cost-based pricing of the training on demand is straightforward. First, the cost of the trainer and his/her transport can be considered. While this can be included, it would be attractive to offer trainings for free (or for a minimal fee to guarantee the dealers’ dedication towards the training). Hence, to align with Yanmar’s global branding strategy towards customer intimacy it would make sense to offer this from Yanmar to your dealers. The second cost that can be considered is the transportation cost and renting cost of certain promotion or demo machines. Of course, this cost is only applicable if the machines required for the ordered training are not yet part of the dealer’s inventory and that he/she can guarantee its presence. If the machines are not there, or only partly there, the transportation fee can be covered completely or in part by the dealer. The third and last cost that can be considered is the cost of operating the machine and possible value reduction with usage. Again, this cost is only applicable on machines that are not yet at the dealer’s premises. This cost may be negligible but can be considered for the cost-based pricing if this would prove to be significant.

The second strategy to determine a price point for each training by looking into the dealers’ willingness to pay. This customer-based approach can use the data from the customer survey regarding their willingness to pay for a local Yanmar product- and sales training per participant, here, about 90% answered that they would pay between €0-€250. The remaining 10% indicate that they would be willing to pay between €250-€500. For technical training, the division was respectively 85% and 15%. Assuming that these numbers are applicable there, a price between €0-€250 per participant seems most appropriate. The pricing can also be determined per training, i.e., assuming a group of 10 participants (which would also be the maximum) a price between €0-€2500 seems to align with the dealer preferences. The former model may be more interesting for sales managers where local trainings would probably consist of smaller groups, the latter model seems more suitable for on-demand technical trainings as this is in line with current group sizes. In addition, if multiple dealers would connect on the platform and demand/order a larger training in group, the price per participant would lower as well. As the current price is €150 for a center training per participant (or €200 for a step 1 technical training, but for the ease of the calculation and to prevent overestimation, streamline the pricing to €150). This methodology would bring the training’s price to €1.500 for max. 10 participants. This could be an interesting solution, both, for dealers as well as for Yanmar. That is to say, the price of the packages could be increased
which could cover the costs or even generate a profit, without increasing the cost per participant (significantly). The risk is that it makes training for smaller dealers inaccessible if they have no or bad relations within their network. Of course, this is something to platform aims to resolve. This is just another example of how the platform could manifest close relationships within the Yanmar network and could give rise to spontaneous events that brings sales managers together.

In short, as trainings are key to the successful sales of Yanmar’s products, the second strategy is recommended. While this could imply that a direct loss from the activity, the indirect result is a healthier future with a more loyal market share and potential increase in sales due to the realization of the company’s goal of customer intimacy. An effort can be made to measure this in a quantitative way, but this remains a daunting task.

Furthermore, the pricing strategy of the customer experiences can be considered as well. A similar reasoning is applicable as adopted in the former two paragraphs. As stated before, due to a difference in a sense of urgency, i.e., the customer experiences less of a necessity than the trainings, the mission towards which a pricing strategy is designed may be different. In other words, customer experiences on-demand should be accessible, but depending on how crucial this is, Yanmar potentially can aim to generate profit with the on-demand customer experiences.

Depending on the costs of the on-demand packages (e.g., transportation costs or wages) the price of the cost-based pricing method can be determined. As the goal could be profit, the price is then fixed with respect to a to be determined margin of the costs. If sales remain successful and the customer remain sufficiently satisfied, a profit can be generated whilst the installed customer experiences also serve their purpose.

The customers’ willingness to pay can be considered as well. This was not investigated by the customer survey directly. For a center customer experience of 2 days more than 90% answered to be willing to pay between €200-€400. This was the lowest option, which could imply that actual willingness to pay is lower. The on-demand customer experience packages considered here differ greatly from the comparable offering. Hence, for exact number further research is required.

In summary, with the lack of data and exact packages of the on-demand customer experience offering the best strategy is difficult to determine. If the adoption rate remains large enough, the cost-based strategy is a safe bet. The second strategy requires more research and is more complex, however if the willingness to pay is considerable profit can be larger than in a cost-based scenario.

Next, the volume can be determined to get an estimate of the potential revenues in this scenario. The volume for the trainings is considered first. The volume for on-demand customer experiences is not estimated. This estimation depends on too many factors such as goal, price, offering, adoption of the platform etc. An estimate can be made if the offering is specified, and the price strategy determined.
The volume for can be split up in two parts. There is product training and technical training. Moreover, the volume can be determined as the total number of participants each year, or the total number of trainings ordered. This depends on the preferred pricing strategy explained as a bifurcation within the customer-based strategy.

The total number of participants for the technical training last year was 550. If this scenario is realized and adopted, the on-demand number of participants is expected to lower significantly as the needs will be met most online. However, physical contact at a step 1 trainings is still partly required, and step 2 training will be launched. The training schedule of the first half shows that 13 out of 43 trainings are of the basic level, which will be completely replaced by online trainings. Hence, 30% of participants will not join as they will find the content of the basic training on the platform. Assumption the maximum number of participants to be equal to the number of participants of last year, less the 30% of basic training participants, the maximum number of participants is 384. As the on-demand training is truly complementary to the step 1 training, this number can be maintained. The number of trainings that are not followed, could be balanced out by the number of participants for the newly organized step 2 trainings on-demand. In conclusion, the expected number of participants is approximately 375. Consequently, the total number of on-demand trainings with a local average participant count of 6-8 participants would be between 45 and 60 trainings.

The total number of product trainings is difficult to estimate as no similar program is currently in place. However, considering the interest from the dealers to launch such trainings, we hope to obtain an adoption rate of 20% on-demand trainings within the dealer network. Considering there are approximately 180 dealers, 35 on-demand product trainings can be considered a success in short term after launch. Assuming that 2-3 sales managers join for the training if ordered by the dealer, then you target between 70-120 participants for the on-demand product training in the short term.

Now that the two parameters are introduced the potential revenue can be determined from the multiplication of the resulting numbers. Assume a customer-based pricing model - group-oriented for technical trainings and participant-oriented for product trainings- and multiply with the respective volumes. The price is maintained at €150 for this calculation. The potential revenue for the on-demand product training is €10.500-€18.000/year. The potential revenue for the on-demand technical training is €67.500-€90.000/year. This would bring the total potential training revenue to €78.000-€108.000/year. This does not include the potential revenues of the on-demand customer experiences. Note that the result and preceding assumptions should be evaluated critically. For instance, the yearly demand of product training may be lower due to excellent online content or that less repetition of the training may be required. The potential revenue should be weighed against the operational costs of installing the on-demand practice to decide on its feasibility.

**Timeline**

The estimated timeline for the project can be divided into two main parts. First, the platform, together with the LMS is considered. Secondly, the on-demand operations must be realized. This section gives a short overview on the expected targeted duration of implementing the
different elements of the scenario. Of course, the time estimations only start from that point in time when Yanmar decides to execute this scenario.

The timeline for the platform and the LMS can vary tremendously depending on the extent of the discussed features that Yanmar wants to adopt. In addition, its timeline is influenced by the decision to keep the current SABA LMS, or whether a new platform is adopted as this is the core of this scenario. Initially, the timeline is sketched for a viable solution within the current SABA platform. Then, other platforms and additional features are considered.

The current targeted deadline for launching the LMS is September. No further specification was provided. This means that in approximately four months the content for the basic technical trainings would be available on the platform. Other features include chat functions and Yanmar’s capability of sharing messages on the platform. Moreover, information from the extranet should be transferred to the LMS wherever applicable such that everything is centralized in one platform. Disregarding the incompleteness of the latter, all these features should be launched in four months.

Within this scenario, two types of training should be added. The step 1 training for the technical part, as well as the complete product training. The stories should be developed, and the creation of the digital training can start. The development of the stories for the step 1 training does not necessarily have to be altered dramatically. Within 1-2 months, based on the recommendations above, decisions could be made on which elements of the content can be included in e-learning journey. This is executed by the after-sales department. Next to this, the story for the product training must be developed by the sales department at the same time. Based on their knowledge and experience, a sales training can be designed. For each category the base training will need to cover the basic selling points, benchmarks, as discussed in the operational details, in addition, specific videos per vehicle are added to get a more complete understanding of the product range and why one machine may serve a client better than another. The golden rule is that to create a training the total number of content hours has to be multiplied by three to get the number of hours required to design the training (EY, 2022). This rule will provide a more exact estimate when decisions on content are made. As the current training requires four months to develop, a feasible estimate would be that the product training and the step 1 technical training could be ready in 6-8 months depending on the available working hours of the developer to design the training. Hence, this adds up to 10-12 months in total.

Important features discussed in this scenario are currently not planned to be developed and will take some time to develop as well. Of course, this depends on the adopted methodology. Different options were introduced such as hiring new talent or outsourcing. First, the lay-out of the platform could be optimized, this streamlines the experience and will boost adoption and time spend on the platform. This can be a side project, however, it seemed that this was restricted in the current SABA platform. Another option is to switch platforms. Different options were enlisted earlier in the financial analysis. Then different options have to be weighed against each other and a decisive direction has to be fixed. If this is made a priority, this can be decided within one month. If then the content is transferred immediately from one platform to the other, the lay-out can be improved and other interesting features can be added. For instance, it is currently not known whether the SABA platform supports live guided
sessions. It could be beneficial to have this capability within one platform, such that other software does not have to be considered when providing such trainings. Overall, the adoption of the new software will slow down things at first but will set Yanmar up for long term digital success. The expected duration for making the decision, the basic adoption and transfer of content, with set-up, is three months. Hence, the new platform with the complete product and technical training could be ready within 16 months.

All this time can be reduced, and the execution can be perfected with additional L&D or IT hires. However, it is hard to attract such profiles. The working from home opportunities and higher wages for these profiles should increase the attractiveness of the vacancies. Nonetheless, with the war on talent going on, an expected waiting time of 1-2 years is not absurd. Therefore, implementation should not be stalled until these profiles are found. They can optimize the existing content when hired.

In summary, the platform and LMS can be installed soon should Yanmar decide to make this project a priority in their shift towards customer intimacy. This would imply a considerable amount of man hours would be invested in the launch of this platform with its content by whomever that can assist. This way, the project could be realized in one form or another within 16 months. This does not mean that all features will be optimized by this time. The start is fast indeed, yet the growth will continue organically afterwards. Features can be added, content added or changed, if necessary, feedback can be incorporated in newer versions of the platform, lay-out can be reworked etc.

To realise the on-demand operations three parts need to be considered. Logically, these parts are the technical training, the product training, and the customer experience. The on-demand product training will be in line with the story that is created for its online counterpart. Hence, the creation of this on-demand training can start only after this is finished. Of course, this does exclude the implementation time within the software. Hence, the expected timeframe is that within 6 months the content for the on-demand product trainings can be determined and mastered by the trainers. However, should new trainers be required (specifically for the product training), or the job content of (some) sales managers redefined, then the implementation time grows considerably. The (internal) vacancy must be filled first, a probably more than one. As a result, considering aforementioned reasons in terms of hiring, the implementation time could increase to 1.5-2.5 years.

Next, the on-demand technical training must be installed. Luckily, you are already doing this to a limited extent. Trainers currently provide some local trainings if the dealers are unreachable or large enough such that this becomes more efficient. In addition, the field service managers can provide (limited) training as well. This practice can serve as a foundation and be expanded upon the launch of the on-demand technical trainings. Hence, the timeframe of implementation is equivalent to that of the creation of the step 1 technical training e-learning solution, which was estimated to take 2 months without insertion into the platform.

Lastly, the customer experience that accompany this scenario can be considered. That is to say, part of the customer experiences is already provided today, other have to await the launch of the LMS and are part of the additional features already discussed above. The on-
demand customer experiences’ timeframe is determined by the exact offering. If, for instance, furniture and a demo is requested, this can be provided already today - however, more furniture may be required as great interest was shown among dealers during the previous Yanmar Tour. Others, such as tailored local Yanmar events for customers may require more time. Hence, your offer of such experiences can grow organically, for the dealers this will be new either way, such that an overload of information is not advisable. The fact that you can start this practice today is the most important fact. The optimization of the logistics could take more time, smart solutions should be considered. Perhaps synergies are possible within the parts distribution that already reaches individual dealers. This has to be investigated further in the future.

Overall, the physical aspect of this scenario has a limited implementation time as well. The major bottleneck is the potential hires to install a mobile training team (both for technical training if current trainings are unwilling to travel, or for product training if current trainers cannot combine this with their job content). The timeframe to implement to whole scenario could be less than three years after the decision has been made. If Yanmar would consider inserting this scenario, it is advisable to make an exact implementation roadmap when the gaps of the current knowledge are filled, and some important decisions are made.

Strengths and weaknesses

In the following section the strengths and weakness within the online scenario are elucidated for all stakeholders, i.e., Yanmar, the dealers, and the end-customers.

Yanmar

Strengths

Digital proximity
One of the four pillars of the global branding strategy is to realize customer intimacy by providing proximity. The platform would connect Yanmar directly with all its dealers, both for functional as plain practical instances. This way, Yanmar is always nearby for trainings, expert advice on troubleshooting or sales, together with the possibility to connect in person through video chats or digital events. Moreover, this way, the whole EMEA can be reached. This remains a challenge today and is solved by adoption of this scenario. An empowered connection could mean empowered sales. It generates proximity that supports the core idea of the best customer experience, both in purchasing as in ownership.

No upfront investment required
As discussed before, all essentials are in place to realize the most important functions of the platform. Even the switch to another platform would result in a different operation cost, as all examples were subscription-based, but not in an upfront (financial) investment. While additional hires may be required for the long term, features must be added, and the focus of the organization truly shifts with the adoption of this strategy, the fact that there is no necessary upfront investment cost to execute this scenario is a major asset.
The platform costs are low
A better connection can be established with the whole of EMEA, while at the same time the operational costs for the platform maintain low. The subscription cost for the platform is the main cost, but negligible in comparison with the rent of the current Bettancourt training site.

Digital, modern & required
Digital trainings are not brand new. As shown in the competitor analysis, it is a widespread practice. This modern solution is a proven solution that provides accessibility of your content. Today, certainly post-COVID-19, there is another major shift towards digital and remote solutions. This can be the final nudge for Yanmar to implement this, as the already hesitant dealers desire the convenience associated with the online option. This was also shown in the customer survey. Hence, the platform could provide the desire permanent availability and accessibility.

Risk is low
The risk of implanting at least the basic elements of this scenario are without risk. In part this is related to the lack of a required upfront investment, but it is also in line with your current ambitions as you are already planning on launching such a platform. Customers almost expect such a solution now, the demand is present. Yanmar reduces its risk by aiming for an excellent execution and flawless communication.

Provides opportunity to manage training access
Currently, there is no systematic way to test the trainings’ participants’ level. Normally, they are required to complete all basic trainings before joining the step 1 training. As the basic training is currently not optimally accessible, as this would involve three separate trainings in Saint-Dizier or Crailsheim, the participants’ knowledge can vary greatly in the step 1 training. Consequently, the training’s performance is highjacked as they cannot be left behind. The training platform would offer all basic trainings online, as interviews indicated that all content is suitable for an e-learning format. The entrance for step 1 or step 2 training can be guarded by the completion of other steps in the training journey such that the levels of all trainings increase. In turn, this has long term benefits for the sales of Yanmar products.

Provides data per participant and monitor demand/needs
Understanding the trainees can provide enormous benefits. Some may be struggling with certain aspects, maybe their managers can be notified of this, and trainings can be offered. Benefits and rewards may be distributed if the data shows that your dealership is doing excellent in terms of trainings. In can be connected to the dealership journey from partner to premium dealer as well. Furthermore, the platform would allow Yanmar to respond to major training needs by installing additional events or launching discounts on the on-demand trainings if the data shows that results are inferior to Yanmar’s targets.

Leaves flexibility for other solutions
The low risk, the low operational cost, and the absence of a required upfront investment add up to a lot of remaining flexibility for Yanmar. Other solutions can be considered, or the online platform as described in this scenario can be combined with other scenarios or other solutions. The flexibility through its strengths is the most significant strength of this scenario.
Weaknesses

Digital proximity
While proximity is provided and Yanmar aspires to build a connection, it remains (mostly) a digital connection. This may be experienced as an easy solution by the dealers, or a lack of interest to connect in person.

On-demand trainings could become complex and expensive, certainly at high demand
While the platform parts had a low operational cost, the addition of the on-demand feature could make it expensive and operationally complex. If demand is high, how are you going to manage it? While it could start in the main markets and later expand to the other markets, the question remains whether trainers will be willing to travel a considerable number of working days to give trainings. The cost can add up as well. If Yanmar would be responsible for paying the travel arrangements and hospitality, the costs are high. However, this can probably be negotiated with the dealers as they would normally pay the travel cost times the number of participants they send. Nonetheless, while feasible, if demand is high, the on-demand trainings require exquisite organization.

Difficult hires are recommended
The war on talent is present for all companies today, for Yanmar too. This introduces a bottleneck, or at least an additional hurdle with the realization of this scenario. While no hires are absolutely necessary to start the implementation, the hires would help to boost professionalism and excellence. For instance, an IT engineer could easily solve complex issues that could be considerable hurdles otherwise. Another example is that an L&D professional could create the required stories more efficiently and may have experience with similar training development software. The whole organization would benefit from such hires, but they are hard to attract.

If tailored in detail, there is a considerable upfront investment cost
While no upfront investment is required and multiple SaaS solutions are possible, the ideal platform would be tailor-made by a professional technological consulting team. However, this is a costly investment. This does not mean that alternatives are bad, but it does make you dependent on their service. This could imply that it would be worth exploring what the exact cost for a tailor-made platform with all features (and possible expansions) would be.

It changes the way of working
All change is difficult, but change does help to keep us on our toes and perform on our highest level. The shift to a focus on online trainings and customer experiences in combination with an on-demand arsenal, will change the organization. The combination of an absolute physical entity such as an excavator and the digital world may be initially hard. In addition, job contents can shift towards more content development, virtual guiding sessions, online events, a very mobile training team etc. This is a significant list that has to be taken into account when making this decision, and what Yanmar can do to facilitate this shift, should it decide to realize this scenario.
Dealer

Strengths

*It provides convenience*

After COVID, the demand for convenience has increased. More remote solutions are expected on all fronts. The training and customer experiences are not different in this regard. The platform provides this desired accessibility and permanent availability of the content. This online accessibility results in a second type of convenience for the dealers, namely the fact that the downtime of their employees is minimized.

*It reduces their costs*

The cost of the dealers for trainings, but also to connect with other dealers and their expertise is reduced considerably. The direct expenses linked to travel are cancelled (or minimized) for the dealers within this scenario. In addition, as their employees can stay on site there is also no opportunity cost associated with the trainings. This results in a significant cost reduction for the dealers.

*The on-demand feature realizes Yanmar listening to the personal needs of the dealers*

The platform is a solution that shows to every dealer that Yanmar cares about their business as well, and that they want to optimise their story together. The tool allows Yanmar to listen to their demands, it can be one of the many solutions already provided, or it can be a voice for a community, an aspiration that the dealer network wants to realize etc.

*Aligns with the survey results*

Importantly is that this scenario is the most requested way of operating by the dealers, as could be concluded from the customer survey. Of course, the reason why the dealers prefer this can be explained by the three strengths enlisted above. Yet, if the dealers desire an e-learning solution, it will align with the strategy towards customer intimacy to listen and value their opinion on the matter.

Weaknesses

*There are local disturbance risks*

From interviewing technicians attending trainers it quickly became apparent that if they would follow training on their own premises, that there is a continual risk of disturbance. The work is waiting, and they get contacted continually. The attempts of contact do not stop while they are away from their premises, yet they cannot respond if they are attending the training at a different location. There is an important risk that the training cannot satisfy its purpose because any learning is impaired by frequent disturbances.

*There is a participation risk*

There is a limited interested from the technicians to educate themselves on an online platform. The first reason is discussed above as a separate risk. More crucially, online trainings bring the risk of being less engaging such that learning is more difficult. As the target group
has in general a more hands-on mentality, it could prove difficult to realize an optimal adoption rate. This will improve with time and a younger mindset.

The cost for physical training could increase
The online training is not sufficient. Hence, there is a necessity for physical training. During the financial analysis the price was considered to not change, however, the travel cost of the trainer would then be the burden of Yanmar. Should the company consider pushing the costs of the on-demand training, then the cost for the dealer can increase. While this may not weigh against the price and opportunity cost gained, it has to be perceived this way too. Regarding this, good communication is crucial.

Quality could suffer
The optimal setup for the technical trainer would be a center with many machines, all parts and solutions available etc. This cannot feasibly be realized locally at the dealers’ premises. First, an exquisite organization is required such that everything that is required is available. In addition, due to disturbance risks or suboptimal training facilities the training could suffer in terms of quality.

End-Customer

Strengths

The end-customer could gain access to more trainings
Currently, no trainings are provided to the end-customer. Indeed, demand may also be limited. With the launch of this platform, restricted accounts could be offered to the end-customers with the trainings that interesting for them. In addition, they keep in touch with Yanmar and the dealers as was discussed in the operational details.

Tailor-made on-demand customer experiences can be arranged by dealers for them
The dealers can listen to the needs of their end-customers and boost their customer intimacy as well. This boosts the idea of a true Yanmar family. Then, the desires can be communicated to Yanmar and customer experiences of any type can be considered.

Better relations with Yanmar and the dealers
The end-customer may have good or sufficient relation with his/her dealer. However, the platform and it associated accessibility could truly boost this connection. The dealers will become more reachable and remote solutions may be provided by having a quick chat or having access to expert discussions on the topic.

Weaknesses

There is no customer center
This scenario does not foresee a customer center for the dealers. Hence, there is also no opportunity to bring their customers, i.e., Yanmar’s end-customers to such a center.
No or limited production site visit opportunities
It is not necessary that there are no production site visits. For instance, such visits can be part of an event. This event can be digital or can be on-site, but will still be more limited than a customer center near a production site where the end-customers can get in touch with the origins of their products.

No expansion for operator training from Yanmar
While this is beyond the scope of the current project, there is a demand for operator training. This can be seen for example by the operator training organized by Loxam, next to the Bettancourt premises of Yanmar. Other scenarios would provide more expansion options to install such a training in the future. This is not feasible within an online scenario, except with heavy investments in new technologies. Other scenarios are more pivotable in this regard.
Center Scenarios
Center scenarios

Scenario 2 – Customer and training center close to production sites

Vision

This second scenario entails the construction of a single full-out customer- and training center located close to the production sites at either the Saint-Dizier premises or the Crailsheim premises. As discussed under the competitor analysis, there currently is a strong industry preference for a full customer- and training center. A Yanmar center can match the offering of competitors and allow for a better overall customer and training experience.

Operational details

This center solution revolves around convenience and organizational ease for Yanmar. With a fixed location for trainings and customer experience, there is no need for relocation of staff or demo machines which can considerably limit the annual operational costs of trainings- and customer experiences. The upfront investment costs in acquiring terrain, constructing the center or repurposing other buildings, as well as the inaccessibility of Saint-Dizier and Crailsheim however will be the major downsides to this scenario.

Location

For both the center solution in Saint-Dizier and in Crailsheim, a suitable location needs to be present to construct the customer- and training center. In this chapter, different locations are investigated.

Saint-Dizier based center

The customer and training center could be located at one of the two following sites of Yanmar in the direct vicinity of Saint-Dizier. First, there is the production site at Saint-Dizier, second, there is the current training center at Bettancourt. Both offer possible locations for the construction of a new training center. Although Marnaval would theoretically also provide for a good premise, due to past rejection of renovations of the facilities, this location will not be discussed here.

Saint-Dizier production site

The premise of Saint-Dizier production site allows for a good basis for the training center as it is proximate to the city center of Saint-Dizier and, it inspires brand experience by directly being surrounded in the industriousness of the production process. On top of that, it facilitates plant visits during trainings, individual customer visits or open events like the below mentioned Yanmar Experience Days.

Two options are identified as feasible solutions. A first solution proposes to expand the current demo site to accommodate a customer and training center. The second proposes the acquisition of a vacant plot 100m away from the production site. Note however that these
options are following from a *prima facies* assessment of current low financial impact opportunities. Other expansion opportunities might present itself in the future and thus provide for a better location.

**Demo field expansion**

The current demo field behind the parking lot of Yanmar shows promise to accommodate a customer- and training center. While it provides for a vacant terrain, the current dimensions of the demo field (1700m²) are insufficient to construct a center with adjacent demo field. Adjacent to the demo field is an unconstructed grass field, belonging to what appears to be the premises of the Saint-Dizier emergency services. Acquiring this plot of land and adding it to the dimensions of the current demo field would increase the available space to 3000m², sufficient to establish a compact but decent demo area with adjacent customer- and training center (see annex 11).

Considering the buildings of Contignon and the Yanmar premises come all the way up to the waterside, it is plausible to assume a building permit for a customer- and training center or covered demo hall can be obtained at this location.

As mentioned, the plot of land necessary for this solution appears to be owned by the Saint-Dizier community as it currently is part of the home basis for the local emergency services. As Yanmar is an influential employer in Saint-Dizier and as the hosting of trainings and customer event brings indirect benefits to the community of Saint-Dizier under forms like increased income for hotels and restaurants, there are strong incentives for the community to agree to the sale of the discussed plot.

On the positive side, this option is relatively low budget as it requires the acquisition of a very small additional plot of land. On the negative side however, the 3000m² of space, stowed away behind the parking lot, can create the impression of a small and crammed customer- and training center. Smart design of the center can be a solution to make it appear appealing and spacious.

**Nearby plot of land**

Next to the above-mentioned emergency services, there is an unconstructed plot of land which appears to be used right now as a recreational football field. (see annex 12). Although the team was not able to get insight in the owner of the premise and the cadastral situation, it would provide for an interesting construction site. The plot measures 5700m² of space, which would make the training and construction center feel more open and spacious in comparison to the above-mentioned solution. Further investigation in the ownership and the cadastral status is due.

**Bettancourt training facility**

The current training facility in Saint-Dizier is located in a rental premise in Bettancourt. Because of the precarious rental situation and the high rental cost, continuing this rental is not an optimal solution. Close to the Bettancourt premise however, there are vacant plots of land with promising potential. Annex 13 shows a chart with available premises at the Bettancourt industrial park. These premises are attractive for the low acquisition cost – which
will be elaborated further in the financial analysis-, for their nice and spacious environment and for their proximity to the production site.

Crailsheim based center

For a customer- and training center around Crailsheim, there are two feasible solutions. A first one entails the creation of a new customer- and training center at a vacant plot of land close to the Crailsheim production site. A second one is to build upon the existing training center in Rothenburg.

Crailsheim production site

Adjacent to the Crailsheim production site is a spacious vacant premise which can be used for placement of a customer- and training center (annex 14). Although it is a possibility to place a customer- and training center there, it does not appear to be preferred over Rothenburg. Rothenburg as proximate location to the production site is more accessible by airports, closer to the touristic city center of Rothenburg and located in a more green and pleasant environment. For that reason, Rothenburg seems like a better fit. Nonetheless, this option exists.

Rothenburg parts- and logistics center

Yanmar’s current training center in Germany is located at the Rothenburg parts and distribution center. According to internal sources, the plot of land behind the current facilities of Rothenburg can be acquired. (See annex 15). This land provides ample space to construct a new training center in a spacious and nice environment. Besides, the vicinity to Rothenburg, a top touristic attraction in Germany, increases the overall experience when visiting the customer- and training center. This in turn will increase the brand perception of the visitors.

Product training

For product training, a training package is presented for every salesperson or other interested individual to complete. This training package will include both online and in-center learning moments enhancing the individual’s learning curve and ensuring the brand injection for the trainee.

Training for new-joiners

The first step in educating salesforce is to ensure a common basic understanding of the existing product range of Yanmar. This type of training will commonly be provided when new salespeople start at the dealerships. In order to give new joiners a swift basic understanding of the Yanmar product range, a training must be held as soon as possible after the commencement of the employment contract. At this training, the entire product range of Yanmar has to be explained to the trainee and a first shot of brand experience must be provided.
In center training

In this solution, new joiners would be invited personally to join the introduction training at the Yanmar customer- and training center where they will learn about all the different solutions Yanmar offers and get a high dose of brand injection.

To minimize inconvenience for the dealer, this welcome training can be offered over a long weekend (Saturday – Monday). With the objective of limiting the time between joining the dealership and getting the training as short as possible, the Yanmar welcome weekend is ideally organized three times per year. Such a four-month cycle balances the need to have a large enough group for training purposes with the aim to train new joiners as soon as possible.

During this training, the basics of product training would be given on Saturday. This first day can host different seminars based on different product lines, allowing the trainee to mix-and-match according to the product offering of their respective dealership needs. Saturday evening can include a good dinner with entertaining activities. On Sunday additional training focusing more on sales techniques can be hosted before lunch. After lunch, test driving and demo shows will cement the ‘fun’ dimension in the welcome weekend. Finally, on Monday, a factory visit is hosted to top of the brand injection. This weekend will allow for an immersive learning experience which will directly contribute to the memorization of the discussed products.

The biggest issues of such solution are threefold. First, such an introductory weekend will bring about some costs if done properly. As first impressions are the most important once, the first perception of the trainee with Yanmar has to be on point. This will generate additional costs in organizing a truly captivating learning experience. Costs of this introduction weekend would however be split between the dealer and Yanmar which will suppress the financial burden on Yanmar.

Second, there is the challenge of mapping different new-joiners in the network. A prompt registration of new joiners on the Yanmar academy could help to identify recently joined staff and solve the latter issues. Concerning the former issue, a cost prognosis will have to be made.

Third, there is the gap between the new joiner starting and the training. Although a welcome training will be a great way to provide a first brand injection, the frequency of the trainings might lead to a couple of months between the new joiners starting and their in-center training. In order to bridge the gap between the training weekend and the start of the job, online content serves par excellence as right tool.

Yanmar product updates

After the salesforce has been introduced to the Yanmar product range, the brand knowledge must be maintained, and salespeople need to be updated on the latest novelties in the product range. Next to the practical knowledge, the salesforce must be continued to be inspired by the Yanmar brand. For that reason, follow-up Yanmar touchpoints are crucial. For these touchpoints, the emphasis is rather put on the customer experience for the salesforce than pure education. Two in-center options are feasible to organize these updates, updates during the Yanmar Experience Days or updates during a training in the classic format.
**Option 1: updates during the Yanmar Experience Days**

A second way to maintain brand connection is through Yanmar marketing events. Yanmar events such as the Yanmar Tour have proven to be a big success not only with the end-customers but also with the salesforce. It is a moment to connect with the Yanmar network, to see machinery in action and to learn more about different Yanmar solutions. From competitor analysis, as well as the customer survey, marketing events such as the Bobcat Demo Days or Wacker Neuson’s open days have a positive perception at both customers and dealers and provide for a great opportunity to reach out to the network. For an in-depth discussion on a Yanmar open days style event see below the section on customer experience within this scenario.

At these annual Yanmar experience days, next to the aim to provide brand injection to the visitors, bootcamps or workshops can be provided which give salesforce the opportunity to catch up on the latest developments within the Yanmar network or to get a more in depth understanding on a certain area of the product range. The mixture of spectacle, end-customer experience and education for the salesforce makes these days very valuable for dealers and thus can ensure a high participation grade.

While being a good way to blend a fun event with an educational seminar, there is the risk that the salesforce of the dealership will be too occupied with guiding their end-customers around at the experience days that they will not have time to attend these workshops. This can lead to not attending the workshops or not actively learning and absorbing the knowledge. A separate training event as discussed below can create a more focused atmosphere and increase the retention of knowledge.

**Option 2: Periodical in center training**

A final solution offers a middle position between the functional and educational online updates and the rather flamboyant Yanmar experience days. Having salespeople to come over on a periodic basis to the center can help them to be focussed on training while also having a fun experience at the center.

Note that there might be dealer reluctance of sending their salesforce to the training center as the final value of such a training might not weigh up against the travel logistics and costs, accommodation costs and lost opportunity of having salespeople not selling for a week. The Yanmar experience days as described above allows to blend their professional responsibilities as a salesperson with our ambitions to have an up-to-date and inspired salesforce. This increases the dealer’s value of sending salesforce and this also their willingness to pay.

**Organization**

As mentioned before, there is a choice between making trainings obligatory or leaving the choice to attend trainings to the individual dealership. In case of obligatory training in cycles, the frequency of the training should be calibrated to the frequency of product updates and balanced with the individual travel costs and complexity for the salesperson.

Concerning the duration, this cyclical training can be a two-day event with one full day of workshops and updates and another day of a fun Yanmar branded activity. This balances the
education value of the training with the necessity for a brand injection. For ideas of fun activities, please see below the discussion on customer experience within this scenario. Note that this activity will have to change every cycle to keep the offering fresh and appealing.

Technical training

Technical training entails the education of our dealer’s technicians as well as technicians from key clients. As discussed elsewhere, such a training requires advanced access to machinery and a tailor-made training environment. For that reason, a training center is *par excellence* the solution to offer technical trainings in the right setting with the right equipment and machines.

Basic

For the basic training, little value can be obtained by offering those in a training center solution. The basic functioning of hydraulics, engines and electronics will in the majority of cases be learned at technical schools and thus not be a value providing education. For the technician it is an inconvenience to come to Saint-Dizier or Crailsheim to see thing he or she is already aware of. For the dealer it does not provide value as it does not make the technician more efficient on Yanmar machines. This will limit the dealer’s willingness to pay for the expenses of training, travel and accommodation. For the training center it entails more occupation of space which could be used for more better purposes. For these reasons the utility for Yanmar to host in person basic training is very little.

For that reason, the basic training should be offered not as an in-center training package but a self-paced online module. In this way, technicians who need the basics refreshed can access the content at any moment. Technicians who don’t require a refresher won’t be spending their time attending a training which provides little value to them. In order to ensure a common level before attending step 1 trainings however, all technicians can be asked to complete an online benchmarking test. When the score is insufficient, the online module can be made compulsory before attending the step 1 training.

For further elaboration on the basic online training, please look to scenario 1.

It is possible however that, despite the lack of additional in center training value, these trainings are lucrative for Yanmar. If this is the case, keeping those trainings at the training center should be considered.

Step 1 & step 2 trainings

*General considerations*

Step 1 and 2 trainings have significantly different content than basic training. For that reason, a different evaluation is due. As discussed earlier, Step 1 and 2 trainings offer brand specific education on the functioning of Yanmar machines, tools, diagnostics and trouble shooting. While step 1 training is more concerned with the basic theoretical functioning and assembly
of the machine, step 2 offers an in-depth course shifting emphasis from theoretical education to hands on problem fixing in small groups.

Training infrastructure necessities
Based on estimation on the demand and internal figures, three training rooms would be necessary to comfortably accommodate the trainer and trainees in one customer and training center. These training rooms will best be fitted close to or integrated in a workshop. In that way, theoretical knowledge can directly be translated on to the machines. It will stimulate the memory of the trainee and ensure a better overall training.

In case the three training rooms are not used for technical trainings, product trainings, demonstration meetings or internal trainings can make sure the center and its training rooms reach full potential.

After the training in the customer and training center, a follow-up training online can be hosted a couple of days after the training. It will activate the learned knowledge again and will ensure a better retention of the knowledge and thus a more performant training.

Training content
Concerning the content of the technical training, as indicated before, little to no change is needed. There is however room for more brand injection during these trainings. Being close to the factory is one of the strengths if this scenario. It allows technical people to see the construction of Yanmar products and to give them a strong brand injection. In the current training, there is little time to fit in a factory visit or another fun on brand activity with the trainees. A solution could be to extend the training hours from 9am to 5pm to 9am to 8pm. This would solve two issues at once. First, it will open time for a brand activity, such as a factory visit. Second, it will fill up the dead hours of the day where trainees sit at their hotel rooms, waiting for the next session to start. Note however that such an extension of the day will require a longer period of focus from the trainees, which can lead to an information overflow, and thus limit their ability to retain the information. This in turn will impact the effectiveness of the training.

Customer experience
The customer experience would primarily be organised in and around the Yanmar customer center. In order to be able to accommodate customers in an intimate sphere, the center will offer the possibility for on demand customer visits. Besides, the center will be the fallout basis for the semi-annual Yanmar experience days. Please note here already that these center-oriented solutions can still be extended with other, local customer experiences and marketing events.

On demand customer visits
Overarching idea
This first part of the customer experience entails the permanent availability to host dealers and their customers in the customer center. As dealer customers often have limited time in
their packed schedules, a time efficient visit is essential to make the option interesting for both the dealers and the potential customers. For that reason, being flexible to the requirements and expectations of the dealer is of prime importance.

Despite the flexibility to the individual dealer expectations, basic packages can be offered to the dealers. A basic two day and three- day package of customer visit can contain a factory visit, demo moment, fun activity and better dining options.

**Fun activities around Saint-Dizier**

Concerning the fun activity, the Saint-Dizier area offers limited, but nonetheless interesting possibilities. Note however that the activity will have to be tailored to the profile of the customer and the time of year.

Options are:
- A guided visit to a Champagne house with generous degustation possibilities;
- Sailing tour at the Lac du Der – potential partnership with the local Yachting club is possible;
- Bateau Mouche in Paris – Although practically only possible with a three-day visit;
- Play golf at the Comblesen-Barrois Golf club – A sponsorship with the club would fit in the practice of the Japanese mother company and reduces the cost of paying for each player’s entry.

**Fun activities around Crailsheim**

For the area around Crailsheim, the following activities are possible:
- Visit to Rothenburg, a top tourist attraction in Germany;
- Visit a regional winery or Brauhau;
- Play golf at the Schwäbisch Hall Golf Club – Here also sponsorships are possible to reduce costs.

**Practical implications**

Although these customer visits can provide a lot of value for the customer, the additional infrastructure, cost and complexity of offering this customer experience will be very limited. The customer’s factory visit requires no additional infrastructure, neither does the fun activity nor the dining.

The sole structural addition will be a nice welcome- and reception room, preferably with direct exposure to the demo area. Additionally, a tribune can be placed to accommodate larger groups of customers at demo shows. When not used for welcoming customers, this ‘viewbox’ could be used to host other events or meetings. The training center of Komatsu’s viewbox can be used as inspiration. (See annex 16). Regardless of the final shape, the limited size of such addition to the center would limit the additional cost yet allow customers to view machine demonstrations in all comfort and quiet, all year round.

Following the customer survey, the current customer visits are organized rather ad hoc instead of having clear packages with different schedule options. To bring more structure to Yanmar’s customer visits, an additional member of personnel can be put in charge of customer activities. This employee would structure and organize visits, guide customers
through the production plant, be present throughout the entire customer visit and bring the customers in contact with the right persons. Potentially, this can be someone who is also in charge of planning customer events such as the Yanmar Experience Days.

Yanmar Experience Days

Basic concept
This second customer experience option to be hosted at the customer and training center is based on practices of competitors such as Bobcat, Kubota and Wacker Neuson. There, periodically, demo days or innovation days are hosted filled with brand related activities, networking and training opportunities. During these days, a Yanmar centred trade show would be offered. This Allows dealers to bring customers not just to a production site, but to a vibrant and energetic environment with plenty of on brand activities. The high concentration of customers and dealers allows for a more special event than a regular factory visit. The following can for example be hosted during these demo days: new machine launches; best operator competitions; a wide range of demo possibilities; a demo show with light and firework shows where the choreography intertwines the demo and the light/firework show; a music concert in between machines; a dinner in the sky over the demo premises; ... The potential activities are numerous.

Core benefits
This event benefits all core stakeholder. Dealerships have the opportunity to network with each other, to bring various clients to an overwhelming event and to reduce the time their staff is away from their dealerships. Customers get a truly vibrant brand injection and a high ‘wow-factor’ through the overload of activities. Yanmar finally can inspire both the customers and the dealer’s salesforce. The customer will be satisfied to be invited to this event and discover the full product range of Yanmar. The dealer’s salesforce will pin the date in their agendas as it is both a professional and recreational event.

A brand specific trade show will allow a true brand injection which cannot be obtained by participating in multi brand tradeshows. This logic lays at the basis of JCB’s decision to no longer take part in large fairs but rather organize their own travelling tradeshows. A similar logic can be applied to Yanmar’s Experience Days. When Yanmar organizes such an event, participating in smaller tradeshows of lesser importance might become obsolete. This then can lead to the budget being freed up to finance the experience days, making the experience days more budget friendly.

Organizational implications
Location
Such an event has to have a high wow-factor and thus will require quite some place. This place can either be at the center or a nearby other location to host such a bigger event or at an entirely remote location. While Wacker Neuson and Bobcat use the customer and training center as basis for their demo days. Komatsu at the other side chose to host their demo days in Barcelona. Not close to the production site, but nonetheless a very ed a similar event in Barcelona a couple of years back. Barcelona, while not being close to its production site, is a very sunny and touristy location, having certainly benefits.
While all options for the location of the center provide for sufficient room for day-to-day operations, a case-by-case analysis will be due to assess their respective capacity to be the host premise of such a large-scale event. For example, the center solution at Saint-Dizier’s demo field expansion will likely not be sufficient to host the experience days. For that case, (a part of) the adjacent parking lot can be used to host the event. Alternatively, a field can be rented close to the center. This last option comes close to a plus sized version of the Yanmar Tour as discussed in scenario 5.

Planning
As for planning, this in essence is a marketing event with training added to it. For that reason, marketing should primarily be in charge of planning such an event. The individuals involved in the organization of the Yanmar Tour have shown great organizational potential to also facilitate and plan this type of event. Triangle, the stage builder for Yanmar’s displays at trade shows, can be used as support for this event. Alternatively, a professional event planning agency can be involved to limit operational inconvenience for Yanmar.

Duration and frequency
In order to provide the 180 dealers and their customers a tailored experience, the event must last at least two weeks. Optimally, the weekend in between those weeks is also included to accommodate customers with busy agendas during the week. During these two weeks, each day can put an emphasis on a different geographic group of dealers by providing more Yanmar professionals speaking their respective language. Alternatively, demos and trainings can be given in different languages on the same day, in order to give the experience a more international look and feel.

This one-week event would be hosted, in line with competition, once a year. Following our rough estimation of visitors, a two-week Yanmar experience event is sufficient to saturate the need.

Although the dealers and their customers will be the main target audience, others can be invited to this event. First, employees from the other production site can be invited to increase the unity between the French and German branch. Second, suppliers can be organized as a way of maintaining good relations. Third, families of employees and the employees themselves can be visitors during weekends to increase brand awareness, connection and their motivation. Fourth, this event might be an opportunity to connect with other Yanmar branches in EMEA or the Japanese mother company. Finally, interested local inhabitants can attend the Yanmar experience days. This can increase the attractiveness of Yanmar as local employer and give the brand reputational boost among the local inhabitants. The individual value such event can provide to many different types of visitors makes justifying the budget of the event easier.

Demo area
In this part, the necessity and different options for a demo area are being discussed. First, we will introduce the general concept and need. Next, we will delve into two options.
General concept

A demo area is a place where machine capabilities can be demonstrated and where people can first-hand experience the range of solutions Yanmar has to offer. Currently, a small plot of land close to the production site in Saint-Dizier is used as main demo area (see annex 11). This does not appeal to the eye and is rather small comparing to demo areas of competitors.

Following from the customer survey, being able to look at the different machines, to see them operate and to be able to operate them is a crucial part of the customer experience, sales training and technical training. This entails that in a training center solution, a demo field is an indispensable element to have.

Practical organization

As for the practical organization of a training area, there are two major possibilities. Either demos can be given in open air, or a separate enclosed hall can be constructed to host demos shielded away from the elements.

Option 1: open air demo field
A first option is to have a simple plot of land to be used for demos. As is the case in Bettancourt, a simple plot of 20x35m allows for sufficient space to host demo events. On this premise, there can be a covered seating area, or even an entirely closed off viewbox for end-customers.

Option 2: demo hall
While it certainly is cheaper to only provide a vacant plot of land to use as demo area, there are significant merits to providing a covered demo hall. Inspired by CAT’s training and customer center in Leicester, a Yanmar demo hall of 25x35 meter (875m²) would allow all year around demo availabilities in the comfort of a heated space, sheltered from rain, snow or wind. This demo area can then be used for customer demos during individual customer visits in winter, for prototype testing, for technical training and for the above-mentioned sales brand injection weekend. Besides, this demo hall can be used to safely store the machines used for training in winter. This avoids machines covered in snow or dirt to come into the training tech yards and thus avoids hazardous or unpleasant training situations.

The CAT demo hall contains seating tribunes for around 200 people, allowing a view on the machines operating in the demo area. In summer, one side of the hall can be opened through folding doors to offer a view on machines operating on the larger demo field outside. It surely allows for an immersive experience for clients to host demo shows from this hall.
Financial analysis

Upfront investment cost

The customer- and training center

The construction land
A first cost to consider is the cost of acquiring a premise close to the production facility. Although this is not always the case, it still requires careful consideration. In this chapter, we look at the cost of acquiring an entirely new plot of land both around Crailsheim as around Saint-Dizier. This will give us an upper limit of the potential cost to acquire land. In each assessment, a plot of 1 hectare, hence 10,000m² will be used. This will comfortably accommodate all training and customer experience needs.

Following internal figures, the Bettancourt industrial park has vacant plots of land for sale at around €12 per square meter. This brings the cost of one hectare to €120,000. For Rothenburg, plots of industrial land trade around €24 per sqm. Hence bringing the cost for the acquisition of one hectare at €240,000.

The building
Seen from the very basics, the training-side of the center will require at least three training rooms, three adjacent training tech yards to place machines, offices for the trainers and support staff and a cafeteria for the trainees to take breaks and have lunch. As indicated, to convert a training center to a customer center, nothing but a conference/demo viewing room will be required. The example of Caterpillar’s Leicester center gives a good vision on the structural necessities of such a center (see annex 6).

Sqm price
To approach this cost with a simple metric, a square meter price will be used to make a price estimation. The necessary data is gathered from the information center of the German Chamber of Architects. This data dates from early 2021 and was provided through employees at the Rothenburg facilities. By approximation, we will use these same numbers for the construction cost of the French premises. The average square meter price of average office space is €1,700 per sqm. Skeleton constructions without an adjacent office is on average €1,100 per sqm. A skeleton construction with an office part is priced on average at €1,300 per sqm. Storage halls with up to 25% of office space are priced at €855 per sqm. Storage hall without office space is priced at €762 per sqm. Since the training center will be partially office space and partially technical yard, a segmented approach will be used to estimate the price.

Size of the premise
Based on internal desires of the training and customer support division, the envisaged customer and training center has three training rooms, a cafeteria, a welcome area, office space and the necessary utilities. Concerning the training room, an estimated size of 200m² per training room is used. This 200m² is a hybrid learning area where the tech yard and the
training room are blended in one entity. This includes 150m² for tech yard and 50m² for a classroom of 8-10 people. In total, this is 600m² of training rooms. The other areas mentioned are expected to take 700m² of space. In total, this creates a customer center of 1.300m².

To put this in contrast to competitors, the Leicester training center of Caterpillar is a peak example of a great customer and training center. It has a dimension of 45x25m and uses a mezzanine structure to accommodate its offices and training rooms. (See annex 6) In terms of total space, this comes down to a total surface area of about 1.500m².

Total cost of the building
Using the information above, two different regimes can be dissected. A first part of the building consists of training rooms. This takes roughly the shape of the current tech yard in Rothenburg and thus will be prices as skeleton construction, costing €1.100 per sqm. At 600m², this gives a construction cost of €660.000. Note however that this just entails the skeleton construction itself. Additional costs for things such as fire safety, exhaust suction systems or an increased usage of glass in the design of the training rooms -one can think about the current tech yard in Rothenburg- will need to be added to this number.

A second part consists of the more expensive welcome area, office space and cafeteria. This 700m² will be priced using the price of office space, hence €1.700 per sqm. This gives a cost of €1.190.000.

Counting the two parts up, this total to an investment cost of €1.850.000 to construct the entire center. Once again, the higher mentioned additional costs will also need to be considered to get a full and pinpointed number. The current figure acts as solely as an estimation of the base price.

Using a depreciation period of 25 years, this investment costs comes down to a cost of €74.000 to be incorporate in the annual statements.

The demo hall or area
As discussed, demo facilities are a must have for a customer center. Even more, an enclosed demo space could provide significant benefits to the all year around customer experience. This section discusses the additional cost of such a demo hall. For the size and setup, we used Caterpillar’s demo hall as reference. This building, as shown in annex 6 has a dimension of 25x35m with roller doors allowing to open up the side.

Based on different price offers from hangar constructors, of which one is added in annex 17, the price of construction will be around €250.000. Taking into consideration the groundworks, architectural plans and administrative formalities, we estimate the price of such a demo hall will be around €300.000. Spread over 25 years, this leads to an additional depreciation of €12.000 per year.

Final upfront cost
Considered all together, the cost of the constructing a new center close to the Saint-Dizier production site will be around €1.970.000. For Rothenburg, given the higher costs of the land,
this will be around €2.090.000. Adding an enclosed demo hangar, the costs would respectively increase to €2.270.000 and €2.370.000.

Operational cost

The customer- and training center running costs

The operational costs of the training center, including utilities like water, gas and electricity or the other costs like security, cleaning and others are hard to estimate given the uncertainty about the size and scope of the operation. The current training center in Bettancourt is a rented premise with a total operational cost of €100.000 per year. This includes rent and the costs of all utilities. The current estimation of the construction costs of the center gave an annual depreciation of €74.000 per year. This leaves another €26.000 for utilities in order to meet the same cost level as the current Bettancourt premise. Based on this, it seems feasible to keep the total running costs of the customer- and training center under the current level.

The trainers and support staff.

Under the current circumstances, the training and customer support team consists of eight members. A manager, one administrative support and six trainers. This team structure does not need to change. Consequently, all employee related costs remain unchanged.

The Demo Days

To estimate the costs of the demo days, the cost of the Yanmar tour is used as a proxy. The Yanmar tour costed per location, per week around €30.000 - €40.000 in costs. Of these costs, the supportive services of triangle are accounting for the majority of the costs. Being able to cater and organize the event inhouse will reduce the costs but make the event organizationally more challenging.

Making the projection from the Yanmar Tour, the two-week lasting Yanmar Experience Days, would amount between €60.000 and €80.000.

Note however that the Yanmar demo days will be more overwhelming and thus more expensive than the Yanmar Tour weeks. Following the example of Bobcat’s demo days, there will be food trucks, laser and light shows, goodies, fireworks and other costs to be budgeted for. For that reason, a price of €100.000 – €150.000 is used as most proximate estimation.

Demo fleet maintenance

A demo fleet will have to be present at all times at the customer and training center. Ideally, the dispatch location of the demo fleet is at this center, thus allowing the entire machine range to be present at the customer- and training center. Such presence will allow dealers and end-customers to see Yanmar solutions which they might not be entirely familiar with and thus increase the general knowledge of Yanmar’s range of solutions. For the operational budget, this entails that the depreciation of these machines will need to be included in the budget. Alternatively, new machines which are awaiting shipment to the customer can be
used to avoid this costly depreciation burden. This will allow the present models to always be the most recent models available in the product range.

Revenue

Product training and technical training

Product training
For the new joiner weekend, the prices can be higher than the current €200 per participant in the technical trainings. Given the higher fun factor and given the fact that dealers can use this introduction weekend as an employee motivation tool, their willingness to send new joiners to the center and pay for their product training will be higher than their current willingness to send technicians to a training. Considering this argument, a price of €300-€350 per new joiner seems appropriate in this case. The pricing of the entry weekend can be modulated according to the Partner-, Advanced- or Premium status of the dealership.

Technical training
Concerning the technical training, the current pricing seems appropriate to uphold. A couple of years back, Yanmar changed its policy from free trainings to paid trainings. Despite causing dissatisfaction at the dealers, it made the trainings more valuable to the dealers and thus increased the respective dealer’s expectations of their technicians to learn and pay attention during the trainings. The current price is set at €200 per participant for a step 1 training. Note however that due to a very generous regime in France, French participants are charged €750 per training. This price is mostly paid back by the French government through the Qualiopi certification procedure. As will be discussed later, this support system can be lost when improperly moving the customer- and training center to Germany.

Final estimation
According to the 2022 training calendar, 25 step 1 trainings will be hosted in the first half of the year. Assuming a similar density in the second half of the year, 50 step 1 trainings are currently hosted in the two training centers. Adding the step 2 trainings and the different types of product trainings, the assumption is made of hosting 75 trainings per year. Of those, some will be eligible for the mentioned Qualiopi rates. Using the same proportion as the one from the first half of 2022 calendar, 25% of trainings will be offered to French trainees and thus be eligible for these rates. With 8 trainees per session, this leads to an annual training of 150 French trainees and 450 non-French trainees. Using the current rates for training of €750 per French trainee and €200 per non-French trainee, this generates a total estimated revenue of around €200,000 per year.
Note that this estimation excludes basic trainings for the higher discussed reasons. If however these basic trainings would be a lucrative addition to the training offering, they can still be hosted at the center.

**Customer experience**

For the individual customer experience, the preliminary question to ask concerns whether to charge instead, before asking how much to charge. Having a customer center with good facilities and customer demo days will increase the brand reputation of Yanmar and thus lead to positive nudges for end-customers to buy Yanmar solutions in the future. This positive nudge is very difficult to estimate and thus cannot be fully included in a budgeting exercise. A fee to take customers to a visit of the factory or a visit of the Yanmar Experience days could generate additional revenue for Yanmar, at the expense of dealers being less inclined to take their customers to these events and thus at the expense of less brand awareness at the end customer. The dealer already has to take care of the transportation and accommodation of clients. Charging thus for a visit to the customer center and adjacent factory will only increase the burden. For that reason, charging for the customer visit does not appear opportune. Cost sharing of the fun activity however can be done to offset these activity related costs.

**Timeline**

This part of the scenario investigates the timeframe of the solution. According to internal sources, recently, Scania constructed a new premise in Bettancourt, comparable to the solution presented in this scenario. It took six months from the first foundations to the final finishing of the building. The administrative clearance, architectural design and internal discussion on shape and look of the customer- and training center can take another six months. In conclusion, using this example as blueprint, the construction of the center will take around one year from the clearance of the project by Yanmar management to the finished building.

If the center is constructed in the Saint-Dizier area, the trainings hosted in Bettancourt can immediately be transferred to the new center. The trainings hosted in Rothenburg can only be transferred to the new center once sufficient German speaking trainers willing to work at the center have been found.

If the center is constructed in the Crailsheim area, the same reasoning applies. Rothenburg trainings can directly be transferred to the new center. The Bettancourt premise can only be phased out once sufficient French speaking trainers are present in the new center.

**Strengths and weaknesses**

In this final part, the strengths and weaknesses of a center close to production sites is discussed. For each stakeholder, the main strengths and weaknesses are listed.
Yanmar

Strengths

Closest to the current way of doing business
This solution fits closest to the current situation of trainings and customer experience. It allows people to remain stationary located at a specific center and thus entails minimal disruption in organization or in the expectations of the trainers.

Convenience
For Yanmar and its personnel, one center creates a lot of convenience. Little travel for the trainer is needed, all machines and tools are static and don’t require to be transported to dealers. This not only limits the operational complexity, but it also limits the costs associated with continuous travel.

Better attention span of trainees
Being in a center will isolate the trainee from anything going on outside the training. This will consequently improve the attention of the trainee and thus the retention of knowledge. In turn, this will increase the education level of the trained technicians and salespersons. Local trainings don’t take the trainee away from everyday life and thus will often lead to situations where the trainee is still doing its job besides attending the training.

Brand injection
Being close to the factory and having a customer- and training center allows Yanmar to create a true Yanmar atmosphere and to entirely indulge the trainee in the Yanmar spirit. This will increase the brand injection of the trainee and its motivation to recommend Yanmar solutions.

Weaknesses

Not a good fit with the strategy and guiding principles
Yanmar’s strategy emphasizes proximity to the customer. It entails to offer superior quality by understanding customer needs and values. The customer survey has indicated a clear preference for local or online solutions. This center solution thus stands in contrast with the solution which is most valuable to the customer.

Potential loss of government support
This point is mostly applicable to the options where a center is opened in Germany. French participants in the center of Bettancourt fall under a governmental support regime which allows Yanmar to charge €750 per French step 1 trainee instead of the normal €200. This leads to a significant increase of revenue from the trainings. From our preliminary analysis, when done without proper care, opening a training center around Crailsheim will lead to the loss of this support. Following the conditions to become Qualiopi certified -and in line with European internal market law- the applicant is not required to have physical presence in France but only required to have a French registration number (SIRET number). This number can only be obtained by a company registered in France. Moving the customer and training center to
Germany, under the legal entity of Yanmar Compact Germany GmbH would thus lead to a loss of the mentioned government support. However, moving the center to Germany, as a branch of the French legal entity Yanmar Compact Equipment EMEA S.A.S. or as its own French legal entity, would ensure the continuing support of the French government. Further legal assessment of the full impact of this proposed structure is due.

**HR implications**

Having a single center entails some shifts in the HR. Either the center is opened close to Saint-Dizier, in which case the two trainers based in Rothenburg will need to relocate either permanently or on a frequent basis to the center. Or the center is based around Crailsheim, in which case the same applies for the 4 trainers currently based in Bettancourt. Refusal to relocate by the trainers can lead to an exodus of talented and skilful people. Given the scarcity of good, qualified trainers, the trainers currently working for Yanmar are a core asset. Consequently, the impact of relocating the center on them must be considered very carefully.

To avoid grave impact, the trainers could remain close to their current home base but have fixed periods during the year in which they will give trainings in the training center. The trainer could then, for example, be assigned a fixed part of his or her assignment at the center and the rest at the home base. This solution however will entail increased compensation for travel, travel cost and the cost of accommodation.

Another option is to relocate trainers of the closing training center who are not willing to relocate to other assignments such as customer support -both on the field and online-. New trainers would then take the position of the relocated trainer in the new center. This solution however supposes to find German speakers skilled on technicalities of Yanmar solutions to work full-time in Saint-Dizier or French speakers with these same skills to work full-time in Crailsheim. As interviews have pointed out, this is not an easy profile to attract. For that reason, this solution is not recommended on the short term.

**Dealer**

**Strengths**

*More focused trainees*

The primary strength of a center solution for the dealer is that it allows the dealer’s trainees to be separated from work for a week and allows them to focus only on the content of the training. This will, as mentioned, increase retention of knowledge and make the trainee better at his or her job.

*Reward opportunity for trainees*

If the training includes a fun element, it can be a form of employee motivation and thus a reward tool for dealers to show gratitude towards their dealers. The current trainings have a purely functional purpose and are seen as such by the trainees. Making the trainings fun
Experience days

The Bobcat demo days or Wacker Neuson open days are highly appreciated events for many dealers. Having a center allows for the organization of a very similar event and thus transpose the dealer excitement about these events to Yanmar.

weaknesses

Hard to reach

Having a training center close to Saint-Dizier or close to Crailsheim poses logistical challenges for a dealer. Following the customer survey, logistics and travel time are among the top reasons not to attend trainings. Over 30% of respondents who did not yet attend a training indicate the long travel time and complex travel logistics as reason to not attend trainings.

For Saint-Dizier, the closest access for EMEA dealers would be the airport of Paris or Strasbourg. After having taken a plane, the trainee still needs to drive three hours by car to get from the airport of Paris or Strasbourg to Saint-Dizier. Public transport for the same distance takes easily, on a good day, four hours. In some cases, this means that besides the cost of airplane tickets the dealer will have to pay for a weeklong car rental.

For Rothenburg, the closest access for EMEA dealers would be the airport of Stuttgart or Frankfurt. For both airports it will take around two hours to reach the Crailsheim area. Taking a train will take at least three hours. While this is a significant advantage being more accessible than Saint-Dizier, it still is not an easily accessible location.

In both situations, a full day of travel is needed to get to the center or go back home from the center. This entails two full days salespeople or technicians are unable to perform paid work and thus two full days of lost opportunity for the dealer.

The inaccessibility of Saint-Dizier, and to a lesser extend the inaccessibility of Rothenburg creates a logistical hurdle and thus increases the barriers for dealers to send personnel to trainings.

Limited fun opportunities after training hours

This weakness applies mostly to a center around the Saint-Dizier premise. Once at the premise, there are limited activities to do with trainees. The lack of nightlife or leisure activities makes building the brand experience much harder. This gives the impression trainings are rather functional instead of a fun activity. A solution for this could be that the trainers, once the training is over, take care of the trainees and provide fun on-site activities with them. Things as simple as a nice barbeque between the machines or a competition to see who the most precise operator is can suffice to bring that brand experience. For example, a couple of years ago, Caterpillar organized a Yenga contest, where machines were used to pull or push out big wooden Yenga blocks. This type of activity is on brand, fun and simple. It suffices to transfer a positive sentiment to trainees.

Less options

Reducing the number of centers from two to one will reduce the convenience of the dealer to pick the most proximate center. This will in turn lead to longer travel times for some dealers.
and further reduce the opportunity for dealers to send their employees to trainings. Although this issue is no real problem when training is compulsory, the mindset of the dealership will be impacted by it. The dealers, who are already currently expressing dissatisfaction about the location of the center according to the customer survey, will only feel more demotivated to send people to training.

End-Customer

Finally, concerning the end customer, the strengths and weaknesses align with those of the individual dealers.

---

**Scenario 3 – Customer and training center on a new location**

**Vision**

This second center scenario discusses the merits and demerits of having a customer and training center at a location remote from any of the current Yanmar production sites. In essence, many elements overlap with customer and training center scenario close to production sites. For that reason, this chapter will only highlight the differences between the scenarios. In order to facilitate easy comparison, the same structure as before will be kept.

**Operational details**

Concerning the operational details, the big structure for product, technical training and customer experience remains the same. However, new opportunities and challenges present themselves with a center delinked from production site. The main opportunity concerns the possibility to work with partnerships to better spread costs. The biggest challenge concerns the increased logistical complexity of getting machines and trainers from production sites to the training center.

**Form of the center**

When there is no necessity to have the customer- and training center close to the production site, new opportunities concerning the ownership status of the center become possible.

**Partnership with other Yanmar divisions**

Other divisions of Yanmar in EMEA have similar customer experience and training needs. The EVO center in the US has shown that it is possible to successfully combine a customer- and training center for the engine, agriculture and Compact Equipment divisions. Although this will initially be a challenge in terms of finding a balance between the divisions and making clear rules, the upside is considerable. The major benefit of this solution is the synergy potential in terms of upfront investment cost, operational costs and revenues.
Upfront investment cost synergies
A first benefit of cooperating with other divisions is the cost synergy related to the construction of a customer- and training center. As the costs are allocated over the different departments, the heavy burden of upfront investment is not carried solely by the CE department. Pooling customer visit demand, training demand and available resources implies the capability to create a more attractive, accessible and technologically advanced customer- and training center.

Operational cost synergies
Besides the upfront investment, also running costs will be spread among departments. The utility bills for gas, electricity and maintenance staff will be spread among the divisions. On top of this, as agri and CE departments use the same engines, designed by Yanmar, the trainers present in the center can train both agri and CE trainees, thus utilizing the trainers more optimally.

Finally, big events such as the Yanmar Experience Days can be co-organized which once again will reduce the costs of organizing for each branch.

Revenue synergies
Being in contact with different division can next to cost synergies also cause revenue synergies. By giving CE customers and technicians exposure to agri solutions, and visa versa, the entire range of solutions by Yanmar is being put in the minds of the visitors of the center. For customers, this can mean a potential for cross-selling. For dealers, this can mean a potential to start incorporating other divisions in their dealerships. Dealer interviews have shown that offering agri and CE solutions side-by-side in one dealership is a feasible business model. Nudging the dealer to become dealer of other divisions can thus cause significant benefits. The main challenge within this idea is to ensure the territorial dealer division remains respected.

Partnership with third parties
Besides internal partnerships, also partnerships with third parties can be arranged. Yanmar could take participation with an existing customer-and training center.

The recently constructed Coreum center can be used as an illustration for this idea. (Annex 18) The Coreum customer- and training center is the realization of a strong collaboration between serial entrepreneur Helmut Kiesel and his many corporate partners in the construction industry. With combined funding of Kiesel and the different partners, a joined customer and training center was constructed in Stockstadt, a city close to Frankfurt and its airport. At this customer and training center, all partners are given the opportunity to use the state-of-the-art facilities and spacious demo fields to accommodate customers, train dealers and host marketing events. Due to the annual contributions of the many partners, Coreum is able to be a truly impressive surrounding to welcome visitors and train dealers.

Joining such a multibrand customer- and training center has certain core benefits. No upfront investment is needed to offer customer events and trainings in a very impressive surrounding; Since the center is self-managed there are limited administrative and operational
responsibilities are placed at Yanmar, leading to a potential reduction in headcount; and, all the above mentioned operational cost synergies are applicable to this solution.

At the downside however, the annual fees can be quite considerable; Yanmar is placed among other brands of CE equipment, thus creating less unique brand experience; due to the different partners, Yanmar threatens to become a ‘second rank’ member of the center; and, there is the risk of difficulties in the communication and interaction between the different corporate partners. A careful consideration must be given to the unique terms of each partnership and the ability to cooperate with all the other partners in such a solution.

New dispatching location demo pool

Under the current circumstances, trainings are performed on machines which are either belonging to the center or machines awaiting their shipment to the customer. The latter part avoids the expensing of heavy depreciation budgets for machines used for the training. Having a center away from the production facilities makes this latter solution rather difficult. For that reason, an increased reliance on the machines Yanmar uses internally for demos and training purposes will occur. Based on this increased reliance of the demo pool, having the central dispatching location of this demo pool at the training center would be sensible. Given the centralized and easily accessible location of the new training center, this relocation of the demo fleet could cause cost benefits and less travel time.

Implication on trainers

A second thing to consider before delving into the operational intricacies is the impact of opening a center at a new location of the trainers currently active at the training centers in Rothenburg and Bettancourt. The trainers will either need to relocate permanently and have the training center as their permanent office, or to relocate occasionally in order to give trainings. While the first solution is operationally speaking the cheapest and most convenient, it also asks the most of the trainers. Given the already mentioned scarcity of talent, for that reason, demanding relocation seems unfavourable. It could be proposed to the trainers, but only should be done when the trainer entirely agrees to permanently relocate. The latter solution is more costly and operationally complex, yet it will entail a lesser burden on the trainers. In this solution, trainers keep their home offices and only travel to the center whenever a training is scheduled. This solution will bring increased salary benefits, increased travel costs, opportunity cost and increased cost of accommodation. On the long term, a phase in can happen from trainers permanently based at the customer- and training center. Whenever a trainer assumes different responsibilities, the position of trainer can be taken by a trainer with his or her permanent office in the center.

Location

A new location for the training-and customer center can only be justified when there are considerable advantages over having the center close to a production site. The main drawbacks of the construction site premises, as indicated, are its accessibility and its lack of entertaining activities. Consequently, a new location must at least be more accessible and
offer a more stimulating environment. Besides the weaknesses of the production site-based centers, one of the main strengths of those is the relatively low cost environment to buy land and construct new buildings. For that reason, also a quick cost comparison will be made.

For the sake of this project, three locations will be discussed.

**Colmar/Freiburg**

*Accessibility*

Being close to the Alsace region, the Colmar/Freiburg area provides for easy access both by road and by air. First of all, the area is reasonably accessible by car from both the Saint-Dizier production site (3 hours’ drive) and Crailsheim (4 hours’ drive). Secondly, it can be easily accessed by airplane through the airports of Basel (45 mins drive) or Strasbourg (1 hour drive). The distance of the airports to the area justifies for shuttle buses of Yanmar which could take care of the transport of trainees to and from the center.

*Cost*

The Alsace region is in France a moderately expensive region, thus most likely leading to above average prices of industrial construction ground and more expensive costs of accommodation for trainers and trainees. Note however that ground costs in the financial analysis of scenario 2 only contributed a small part to the total cost of construction. The more expensive construction terrain price thus must be considered marginally in assessing the opportunity of the location.

*Touristic activities*

The area provides for many interesting touristic visits such as the city of Colmar or the City of Freiburg. Besides, the Alsace is widely known for its great wines. A vineyard and winery visit could be considered as one of the potential activities with end-customers.

*Other considerations*

Due to the location, there is a high likelihood of finding multilingual employees for the center fluent in both French and German. This can help to solve the abovementioned HR difficulties.

**Trier**

*Accessibility*

Trier provides good access by road and by air. First of all, it is accessible by road both from Crailsheim and Saint-Dizier. Driving from Saint-Dizier to Trier takes around three hours, from Crailsheim it will take around three and a half hours. Besides the easy access by road, Trier can be accessed from the Luxemburg airport, an airport providing direct flights to over 100 destinations.

*Cost*

The area around Trier is priced moderately in Germany, thus construction premises and accommodation costs will not be significantly higher.
Touristic activities
Trier is a very touristic city, allowing for many restaurants and bars. As part of the Moselle region, also around Trier winery visits are a possibility.

Other considerations
As with Colmar/Freiburg, Trier has the advantage of being close to the Franco-German border. It allows for a good mix of French, German and English speakers.

Milan

Accessibility
Driving from Saint-Dizier to Milan will take 7 hours. From Crailsheim, it will take 6 hours. This thus is quite a remote location for employees to drive to from the production sites. Its accessibility by air however is fantastic. Milan’s multiple airports allow for easy and direct access from any place in the world.

Costs
Milan’s industrial real estate prices are circling around the average in Italy. This entails that there will be little extra cost for construction. On the side of the dealer, it’s touristic appeal often create special price discounts for airplane tickets and assure competitive prices for accommodation.

Touristic activities
As a major touristic hub, the high touristic value of Italy as a whole and specifically Milan needs no explanation. Each year, the city attracts over 4 million tourists annually. From Milan, the Como Lake, Pavia or Piacenza are convenient and nearby to visit.

Other considerations
Being close to a world city like Milan ensures many interesting profiles to populate the center. The vicinity to the Swiss and French border can ensure sufficient German and French speaking trainers can be found.

Product training
Considering the shape and format of product training, all information mentioned in scenario 2 will remain the same. Having a more accessible and fun location will increase the attractiveness of an introduction week or weekend at the Yanmar premises even further and thus further increase the willingness of dealers to send their new joiners to the premises.

Technical training
Considering the shape and format of technical training, all information mentioned in scenario 2 will remain the same. As with product training, a more accessible and more entertaining location will allow for a better overall experience of trainees and consequently increase the positive sentiment of the trainee towards the training.
Customer experience

Considering the shape and format of customer experience, there are certain differences between the scenario with a customer center around the premises of the production site and this scenario.

On demand customer visits

First and foremost, the accessibility of a new location and its increased touristic value make on demand customer visits much more appealing to dealers. They can link the visit to a small city trip and thus effectively create a unique customer experience. Being able to take customers quickly to a Yanmar Customer center and demo show, while also being able to take the customer to have dinner in front of the Piazza del Duomo or at the historic city center of Trier or Colmar is a very attractive combination for dealers and will lead to an increased interest in customer visits.

Without access to the factory however, more emphasis will be on the actual activities in the center. Being able to do something educative and fun with the customer in the center will thus become more important.

Yanmar Experience days

The concept of the Yanmar Experience days will not change in its essence. Here also, the increased accessibility and travel ease will lead to an increased number of interested dealers and customers. Yet also, not having access to the factory will require to be compensated with more activities at the premises of the customer center.

In terms of logistics, having the Experience days further away from the factory will require more careful planning of transportation of demo and showroom machines to and from the center for the event.

Demo area

Considering the shape and format of Demo area, all information mentioned in scenario 2 will remain the same. As mentioned below, in order to cut costs, this demo area can be made more compact is the property prices for industrial land would appear too high.

Financial analysis

Upfront investment cost

Considering the shape and format of technical training, all information mentioned in scenario 2 will remain approximately the same except for two major differences;

First of all, the cost of land might differ. The price of €12 per sqm of industrial land in Bettancourt and €25 per sqm in Rothenburg are very sharp prices. It is likely the price of
industrial land at new center locations might be more expensive. In order to offset this cost, smaller premises could be opted for to start with. Instead of starting from the intention of buying one hectare, half a hectare could do too.

Secondly, if the demo fleet is managed from the new customer- and training center, additional storage space must be foreseen and budgeted for.

**Operational cost**

While everything written under scenario 2 still holds for this scenario, some added operational costs are linked to the remote center. In this part, we will discuss the increase in transportation cost of the machines and the increase in travel cost for the trainers.

First of all, there will be an increased costs of shipping machines from the factories to the customer- and training center. Using internal figures from the Yanmar Tour, a fully loaded

Secondly, besides machines, also trainers need to be transported from and to the center. In case the trainers remain their current home basis, an option which is preferred to avoid the loss of talent, frequent travel will need to be organized. With this travel comes an increased cost of transportation, cost of accommodation and the increased employee remuneration for working from a remote location.

**Transportation cost**

To make a rough estimation of the transportation cost, the Colmar/Freiburg option is discussed here. It is assumed that each trainer drives by car to and from the center for each individual training. Taking an average travel distance of around Concerning the cost of transportation, assuming that there are 75 sessions in a year and assuming that each trainer travels back and forth for each individual session, this amounts to a total annual travel distance of around 50.000 km. At a reimbursement of 35 cents per kilometre, this means an additional cost of around 20.000 euro. Carpooling or efficient planning might bring this number down. Having two trainers travel together cut these costs in half. Having one trainer stay for 2 weeks of training does the same thing. Note that for the Milan solution, as the travel distance is almost double, these costs will also double.

**Cost of accommodation of trainers**

Once arrived, the trainers need to be accommodated for the duration of the training. Under, the most expensive scenario, this accommodation will be done entirely in hotels. Assuming that a trainer arrives a day before the training and remains at the center a full day, this means he or she must be accommodated for 4 nights. At 75 sessions per year and using an average cost of hotel and meal expense of €125 per day, this amounts to an additional cost of around €40.000.

In order to significantly reduce this cost, the training center can provide for an accommodation area where trainers can stay during their trainings. Even more, as shown by Atlas (see annex 16), on site accommodation for guests and trainees is a feasible opportunity.
This will lower the expense dealers make on accommodating their trainees and increase the brand experience Yanmar can bring.

Revenue

Concerning the revenues, the main revenue sources and potential of this scenario overlaps with that of scenario 2. Two differences can be distinguished however. First of all, due to the higher accessibility and the higher entertaining value, the willingness to pay for trainings might increase. Secondly, the idea of on-premise accommodation might be a way to gain additional revenue.

Higher willingness to pay

Having a training in an easily accessible location, where Yanmar can simply pick up trainees at the airport and arrange their local transportation, will reduce the transportation cost for the dealers and thus potentially clear out more willingness to pay Yanmar for the training. Secondly, incorporating a fun activity after the trainings at one of the locations can lead to a more positive perception of training, more satisfied trainees and thus more demand from the trainees to attend trainings. This consequently leads to dealers perceiving training not as a must-do, but as an opportunity to reward and motivate employees. Eventually, this can increase their value perception of trainings and their willingness to pay. The validity of this hypothesis and the degree of increase in value need to be investigated further.

Additional revenue from accommodation

As already mentioned, on premise accommodation can be a fun and convenient availability for trainees. Currently, dealers pay three nights a hotel between €70 and €100 per night for a twin room to accommodate 2 trainees. If Yanmar can provide training packages which include accommodation for the duration of the training, this once again can lead to a higher convenience for dealers and thus a higher willingness to pay to Yanmar.

Timeline

The implementation timeline will *grosso modo* align with the timeline from the center scenarios based around the production site. Yet, the process will take a bit longer. First of all, the location will need to be scouted and an optimal plot of land will need to be acquired. Once acquired, permits at local communities will need to be requested. As there are no leads on interesting plots of lands and as Yanmar has not a strong position to leverage the communal decision-making process yet, this process will take longer. Second, staff for the center will need to be found. A center manager who manages the day-to-day operations of the center and coordinates the different trainings and trainers will need to be found. This process does not necessarily impact the timeframe of the project as the search for a center manager -be it internal or external- can happen during the construction phase of the center.

In conclusion, where the center close to the production site would need around a year to open, this scenario will take around one and a half year to open up and be fully operational.
Strengths and weaknesses

Here again, the strengths and weaknesses of scenario 2 overlap with these here. The following listed strengths and weaknesses are those on top of those already listed in that scenario.

Yanmar

Strengths

*More interesting brand injection opportunities*
Having a training and customer center at a nice and new location offers a more convincing brand experience for both customers and trainees. The areas around the production sites, certainly around Saint-Dizier, offer limited accessibility and limited opportunities to have memorable on brand experiences. Easy access and a high entertainment value increase of these new locations both contribute to creating a positive brand experience for both dealers and end-customers.

*More aligned with strategy*
The current strategic direction of Yanmar to become more customer centred entails the necessity to have all brand experiences more convenient for the customer. A long flight and long drive to the customer- and training center cannot be seen as very convenient for the customer. Having better accessible locations thus better fits within the new strategic direction.

Weaknesses

*More operational complexity and costs*
The main drawback of this scenario in comparison to a center close to a production site is the added operational complexity and cost. As indicated, increased transportation of demo machines and personnel leads to a significant increase in annual operational costs. Although there are manners to limit the operational expenses and complexity, still this scenario will be more challenging and costly than a scenario where the center is conveniently placed next to a production site.

*More HR implications*
Having a new center based at a new location requires all trainers to be on board with either frequent travel or permanent relocation. If not, it requires new trainers to be found close to the center. This can be a challenging task given the specificity of the searched profile.

Dealer

Strengths
Convenience
For the dealers, the main selling point is the increased convenience. Following the customer survey, over 30% of respondents who haven’t participated in a training indicate accessibility issues as a prime reason for their inability to attend trainings. Even more, 44% of respondents have replied that they would prefer a customer- and training center to be located at a new location and not around Crailsheim or Saint-Dizier. Opening a new center at a more accessible location would thus answer to a very large concern of our dealer network and increase the willingness to send employees to trainings and bring customers to a Yanmar event.

Customer perception
Besides the easier access, a new location offers more interesting opportunities for the dealer to combine a visit to the customer- and training center to the

Weaknesses

No access to a production site
One of the main activities of a customer visit is the visit to the production site and see how the machines are being assembled. Not having access to the factory is a significant downside as it threatens to have customers come to a dull and generally unindustrious environment. When the agenda of the visit isn’t completely full of fun and interesting opportunities, the customer visit might rather create adverse effects on the brand perception. In order to mitigate this, the Yanmar Experience days can be marketed as the only real moment to bring customers to the customer center. The on-demand customer visits might then not be marketed and only be an exception rather than an opportunity for all dealers.

End-customer

Despite having a slightly different entry angle, End-customers are facing the same challenges and experiencing the same benefits as dealers under this scenario.
Local Scenarios
Local scenarios

Scenario 4 – Clustered Dealership Trainings

Vision

This scenario is focused on the convenience towards the dealerships regarding training and the customer experience, thereby implementing Yanmar’s customer-intimacy strategy. Under this scenario, all dealers will for training purposes be divided in clusters. These grouped dealerships will be offered local training and events at either a dealer’s premises or at local conference centers. By implementing this local scenario, Yanmar proves that it is willing to take training one step further to support its dealers in a convenient and time-efficient manner. Customer experience is envisioned as a separate aspect in this scenario. Demo days, product launches and external fun activities are all examples of how Yanmar can keep a positive brand perception without a physical customer center. The biggest advantage of this local customer experience approach is the ability to personalize the programs on the needs, expectations, demands, culture and region of individual dealer.

However, this will require a strong flexibility and additional effort at Yanmar’s side. This scenario is only feasible if the training team and dealers are willing to make the transition towards local trainings. In order to achieve this, during the first phase, the emphasis should be on efficient planning and clear communication with the cluster. A driven and flexible mindset is required from both the dealers and the trainers to achieve the expected benefits. A success story of this scenario would result in a more convenient and supportive offering of training and customer experience. This implies that the core values of this scenario are convenience, proximity and personalization.

The difference with the online scenario, is threefold. First, this scenario considers face-to-face training as first priority, not as a method to supplement online training. Second, there is the clustering of dealers for training events. By clustering dealers, the costs associated with travel and accommodation of the trainer and additional machines become less elevated. Third, this scenario fixes a schedule for the cluster trainings. Where in the online scenario trainings can be ordered on demand, here, there is a schedule which will fixate the dates the trainings will be hosted at a certain cluster.

Rationale

There are three reasons to adopt this change to a local scenario. It is more in line with the general strategy of Yanmar, it better fits the new post-COVID-19 reality of working and it allows scarce technicians to spend time assisting clients instead of traveling to and from trainings.

First of all, as already mentioned, Yanmar is switching its strategy towards customer intimacy in order to provide its (potential) customers with the best possible service during their entire Yanmar Journey. Becoming closer to the customer means offering a more convenient and
proximate service offering to them. A local training and customer experience offering fits in this idea.

Secondly, even though the COVID-19 pandemic slowly passes, its traces are still noticeable in the way companies have shifted their approach to work. Every-day life was forced to shift to an online format, downgrading the average travel time enormously. Employees started to appreciate the possibility of tele-working and discovered the advantages of this time-efficient approach.

Thirdly, the construction industry is currently struggling to attract talent proportionately to the amount of work that arises. Both operators and technicians are scarce profiles on the job market. Those technicians who are currently employed, have busy agendas and little time to spare. For that reason, cutting out travel time reduces the lost opportunity for dealerships and increases the utilization of the scarce technicians.

‘If the Mountain won’t go to Mohammed, then Mohammed must come to the Mountain.’ Applying this mind-set, this scenario was developed with the main priority to adapt the current training and customer experience offering to the new strategy of Yanmar, the post-COVID-19 needs of dealers and to offer maximum convenience to the dealerships’ employees. The results of the customer survey confirmed this scenario’s validity. Local product and technical training were by consistently ranked as preferred option. Over 70% of dealers ranked a local solution for trainings either as first or second most preferred format of training. Lastly, Kubota is one of Yanmar’s strongest competitors in construction equipment and are currently offering local trainings at the dealer’s premises. This illustrates that this local scenario could be a feasible approach for a CE manufacturer.

**Operational Details**

In this part, the operational details will be discussed of the clustered training scenario. First, the general principles of clustering and internal structure of the cluster will be discussed. This section will include how to form the clusters, where trainings will be organized within the clusters and how to communicate within the cluster. In the next chapter, HR implications will be discussed. Thirdly, a restructuring of the demo fleet to enhance its compatibility with this scenario will be proposed. Finally, the form and content of product and technical training, as well as customer experience will be discussed.

**Clustering**

**Cluster formation**

Practically, the dealers will be divided per country in several clusters. In order to make these clusters, travel distance, language and culture and, cluster size are the main considerations to take into account.

The first thing to consider is the travel distance. Following results from the customer survey, dealers are prepared to travel up to three hours to attend a training. For that reason, each
cluster will ensure that the furthest dealership in a specific cluster will be located within that three hour travel time.

Secondly, Language and culture is an important factor in this clustering process. While dealers are no direct competitors, there still can exist a tension between different dealerships and thus a reluctance to cooperate. During the Yanmar Tour for instance, it was noticeable that German Yanmar dealers liked the idea of shared events, organized at another dealer's premises. Other countries seemed more hesitant in bringing end-customers to other dealers’ premises, indicating a more competitive relationship towards neighbouring Yanmar dealers. This implies that a nuanced local approach is needed when organizing these trainings, together with an extra effort to improve the connections within a cluster.

Third and finally, the respective size of each dealership and the number of dealerships must be considered. Having too many technicians in one cluster can impact the quality of trainings as trainings are partially reliant on independent learning and one-on-one coaching and feedback.

As an illustration, a potential division of the German and French dealerships in clusters is given in annex 18.

The circles on the map are drawn with a radius of 150 km, approximately a two-hour drive. These circles allow for a wide coverage while still limiting the number of different clusters. Note that this proposal is merely illustrative and only considers the abovementioned travel constraint. In this example, the Germany Yanmar dealers could be divided in five clusters and the French dealers in seven. Using a same radius, the UK and Italy could be respectively divided in three clusters. This gives a total of 18 dealer clusters in the core markets.

The next step will be to assess which dealers would fit under each cluster and see if the number of potential trainees within the cluster is sufficiently limited. the total number of technicians, salesmen or end-customers within a cluster should not exceed the capacity of trainings and events organised by a team of two trainers. This data should be collected by a survey in order to estimate the potential participants per dealerships.

Once the dealerships are assigned to different clusters, it must be determined which dealership in each cluster is the best to establish as a fallout basis for trainings within the cluster. The ideal dealer to take charge in each cluster is a bigger dealership with a large – perhaps rental- fleet of Yanmar models, high dealership status and centralized in the cluster.

**Internal organization**

*Location of the trainings*

Depending on the content of the training or event, the dealer’s premises will have to meet the required facilities in order to deliver a qualitative program. Examples of such factors could be the presence of certain tools, sufficiently large space to accommodate trainees or the presence of specific Yanmar machines.
Ideally, one centrally located dealer will be selected that fulfils all the requirements for both the trainings. If a dealer-cluster prefers a rotation system, there are no practical constraints to change the location regularly. When the cluster experience difficulty to agree on a location, a neutral place can be offered to hosts these trainings. To push dealers towards collaboration however, this should only be used as a last resort.

**Dealer representation**

Ensuring that each dealer will feel equally represented and respected in each cluster will be a challenge. To give each dealer a sense of importance, an internal democracy will need to be established. Facilitated by the regional trainer, the clusters can convene on predetermined moments to hear the schedule for training moments and communicate their needs for training, both content and form wise. To bring some differentiation between dealers, the dealer status (partner/advanced/premium) can be used to give more weight to some dealer’s input on certain matters. Matters of training content or disputes between the dealers can be arranged through the regional trainer. Important here is to investigate how far the dealers can cooperate before they enter into the grey area of competition law.

**Internal planning and communication**

**General remarks**

The planning and communication are very crucial elements in this local scenario. For the Yanmar training- and event team, a predefined planning is crucial regarding travel of personnel, training material and demo machines. For the dealer, a good planning will create a clear and structural way of managing the agenda within their respective cluster.

To optimize the utilization of trainers and equipment, Yanmar can impose a certain timeframe in which clusters can take specific trainings. Within these timeframes, the cluster is free to determine when, where and how the training will take place. In this way, the rigidity and efficiency of a tight planning is balanced with a certain degree of flexibility in which dealers can operate.

As some dealers have more importance in the dealer network, and as some key accounts require to be served at specific times, this fixed schedule can be supplemented with on demand trainings for a selected number of participants. In this way, Yanmar provides more customer service to those dealers and key accounts who justify this flexibility. More in-depth operational details about the on-demand trainings can be found in scenario 1.

**Online communication platform**

This communication and planning can be heavily reliant upon an online platform. This platform can help to communicate and plan in a structured, clearly, and transparently. First, an online agenda will be visible with the planned or proposed training sessions and events. The free moments of the trainers are visible to request additional private training or activities. This request will not only involve the time and date, but also the content of training and the expected number of participants. After the consent of the training team, a registration link will be available to all parties involved. If a minimum of people confirmed their participation, practical details will be shared with the dealer heads.

Secondly, a reservation tool will enable the rent of demo machines. A map will also indicate
the current location of the machines and their scheduled exchanges. Next, an incorporated application will allow communication between all profiles on the platform. This will enable dealers within a cluster to efficiently align their agendas or discuss potential requests or needs in terms of trainings for example. Trainers will also be able to maintain a strong relationship with the dealers within its country and work actively on the customer-intimacy and proximity approach. Via a feedback tool, attendances of training or customer experience activities, can anonymously share points of improvement for the organisation or the trainers specifically. Not only negative feedback can be shared, but also strengths and appreciation can be communicated.

**HR aspect**

Despite this entire scenario having a very customer/dealer-oriented approach, attention for the Yanmar training team may not be forgotten. The local-clustered scenario can only function properly if the correct profiles are fully on board to implement this scenario. More specifically, the trainers who currently have stationary working places will be asked to travel much more. This demands a very strong dosage of flexibility from them. This section will discuss how the workload of the trainers will change and how to ensure sufficient knowledge is shared to ensure the proper educational quality of the trainer.

**Utilization of trainers**

Making a high-level estimation of the HR impact illustrates the expected flexibility from trainers. For each core market (France, Germany, Italy and the UK), a single trainer will need to be assigned to provide product and technical training in the local language. For other, smaller markets, countries can be clustered in geographical regions to ensure the assigned trainer is fully utilized. Although it would be the most convenient if the trainers would be living in that specific country, the current trainers are all stationed around either Saint-Dizier or Crailsheim. This entails that these individuals, when agreeing to it, will travel a lot more to their designated markets.

As it is important to fully utilize the capacities, this paragraph will provide a summary of all activities that a trainer will conduct. First, within the designated region, the trainer will team up with the regional field service manager to contact the dealerships, preside cluster meetings and organize the trainings. Using the example of Germany, the trainer will make the planning for the 5 clusters, facilitate meetings within the clusters to pinpoint exact training moments and content and finally deliver the trainings at the clusters. When not occupied with training related activities, this trainer will be responsible for the following additional tasks:

- Assisting the field service manager in providing technical support to dealers and operations. When possible, this entails being in charge of the regional helpdesk. When needed, the trainer will directly offer field service. (Currently, such regional helpdesks are non-existing. Consequently, the customer satisfaction is affected is the dealer is unable to meet the needs of the end-customer. Introducing this initiative is aligned with the strategy of customer-intimacy.)
- Support customer events
- Managing the cluster demo fleet.
- Delivering trainings to key accounts
- Delivering internal trainings
- Contributing to develop the online learning platform in the local language.
- Offering support to trainers outside of the core markets.
- Retaining a good and constructive relationship within the cluster.
- Helping the processing of warranty claims.

Training of trainers

As these regional trainers will represent the brand name, it is important that Yanmar is able to provide a consistent quality among the trainers. Regular internal training and evaluation will resolve this challenge.

Prior to the implementation of this local-clustered scenario, all (newly hired) trainers should be educated in technical and product to ensure a similar level of knowledge and expertise. Standard training programs and event scripts are divided and reviewed together. At the beginning, the trainers should get in-depth guidance on both technical and product training. For product training, the trainer should get information from the product development and sales departments concerning key features of each machine and main selling points. A written catalogue of permanently accessible materials on the products. The same accounts for technical training. The current technical trainers and the head of aftersales will have to pass their knowledge to the new-hires and train them on their technical- and educating skills.

Regular evaluations and feedback systems will improve the performances of Yanmar’s training department. This can occur internally by the head of aftersales or other training teams, or feedback can be collected from the dealers and their employees via an anonymous survey.

Demo fleet

Currently, the demo fleet consists of 30 machines, stored at Saint-Dizier and Crailsheim. In order to reduce the travel time and costs of the demo machines, it could be an option to divide the fleet over the 4 core markets. Italy, Germany, France and the UK will then each have 5 machines available. This small demo fleet will rotate between the dealers of that country. Ideally, each market will have all four types of machines produced by Yanmar in the fleet. The demand for certain machines however might currently not be equally divided; however, this can easily be achieved by ordering additional, more popular machines. These will be delivered within 2 years. The fleet can be used by the local trainer for demonstrations or trainings if the dealer does not have the requested machine in stock. Especially for the type 2 technical trainings, the demo machines will be used during the sessions for trouble shooting. Additionally, as the dealers requested already in the past, it will be possible to reserve demo machines for their personal events and demonstrations.

Out of the current 30 machines, 20 will be permanently located within the main markets, leaving the 10 remaining machines in Crailsheim or Saint-Dizier. If additional machines are
required in the main markets, these common pool machines can be transferred as well but the price will be higher dependent on the distance. The local trainer will have to communicate with his/her colleges to arrange the transfer of machines. Of course, it would be a negative side-effect if the outer regions of Yanmar CE EMEA would feel neglected or disadvantaged based on location. Dealers outside the center of Europe also have the option to rent the demo machines and can join the reservation tool of the nearest main market. Occasionally, the training team will have to check the machines to verify the quality of the machines. After some time, the machines can (locally) be sold at a discounted price to provide the dealers with the newest version of the machines.

Again, communication and management are key elements in this concept. Therefore, it is important to create a defined structure that will allocate the responsibilities of the demonstration fleet within Yanmar. Currently, the entire demonstration fleet is managed by one Yanmar employee. This function will keep an overview over the entire EMEA fleet in terms of quality, depreciation and replacements. Additionally, they will act as mediator between the different main markets, and remaining countries when a dealer wants to reserve a machine abroad. The general transportation contracts and deals will be recorded by this overall fleet manager. To increase the operational speed and communication, it can be an option to create an additional level to the fleet management of the 5 machines. The local trainers can utilise their close connection with the dealers to agree upon the rental conditions and communicate the detailed information of transport directly to the local transportation company. However, the feasibility of this proposal has to be further investigated as no information was gathered regarding the time consumption of the fleet management.

By allocating a small demo fleet to each main market, the rental service might be used more as the transportation costs and the waiting list will be reduced. This could make it more attractive and convenient for dealers to reserve a machine at the tool incorporated in the online platform.

**Product training**

This section will elaborate on how product training is envisioned in a local approach. Content-wise, the product training will remain the same as described in the general description. The duration of each product training is estimated at 1 to 2 days, but can of course be modified after the design of the product training. Here, 4 different possible content proposals are discussed: new joiner content; in depth content; refresher content; and, product updates. These packages can be mixed-and-matched to create the training the cluster demands.

**New joiners**

A new addition to the sales team is often unfamiliar with the construction industry. This training aims to address this challenge. The main goal of this training is to transfer the basic information on the industry and the Yanmar products to improve their initial service towards the end-customers. This training offers a more structured and holistic approach then on-the-job training and thus will boost the new joiner’s overall Yanmar knowledge and experience. A short introduction can be given on the entire product range of Yanmar and the CE industry.
After covering the basics, this course will be more focused on the categories of Yanmar machines which are offered at the respective dealerships.

During this new-joiners training, the Yanmar brand injection is equally important as the educational aspect. It will increase the enthusiasm and brand connection, which will eventually affect the sales performance. The exact format of this brand experience in this scenario will be discussed later.

In depth-trainings
As Yanmar produces different categories of machines and attachments, more detailed training can be clustered among each product category. Within a category specific training, the models in that category will be compared to each other and competitor’s machines. This way, the sales team can perfectly recommend a machine to the customers’ needs and expectations. The duration of this training will depend on the type of category and the option to demonstrate or try-out the machines to make the information more tangible and practical. Of course, this is dependent on the facilities of the dealers’ premises and the availability of machines in stock. For example, a cluster can request to fill their training slots with a training covering of two categories of machines.

Introduction new Yanmar product
When a new machine will be introduced by Yanmar in the future, the new product can be introduced to the dealerships by a roadshow. This will involve product training, followed by an event at which end-customers are welcome to experience the new product and its capabilities.

General refreshment
At some point, the sales teams of a cluster might request a refreshment of the Yanmar product range. Prior to the training, specific questions or topics can be send to the training team. This allows to mould this refreshment course specifically to the cluster’s needs.

Technical training

Needed training material and machines
After conducting the internal interviews and attending a technical training, it became clear that technical training is for the training team preferably bound to one location to ensure the maximum quality of the education.

This quality is related to the presence of learning material such as opened engines, hydraulic maps, opened DOC’s and other tools, as well as physical access to machines. Being able to practice theory on a machine allows for a stronger trigger to retain knowledge. Concerning the learning materials, those can be easily brought to dealers when local trainings are hosted.

Concerning the machines, the trainer can require the dealer-host of the training to have specific machines in stock to be used for training. If not, the regional or communal demo pools can be used to transfer certain machines needed for training to the premises. Note however
that step 2 trainings require troubleshooting or error simulations. Doing this on dealer’s machines is not recommendable given the risk of being unable to fix a certain simulated issue. For that reason, demo machines will always be necessary to organize step 2 trainings.

**Planning of the trainings**

*Basic training*

As mentioned before, the basic training provides little value to be hosted in person. An online solution is *par excellence* suited to transfer basic information about engines, hydraulics and other basic principles. It ensures an easily accessible and permanent source of data where everyone can learn the basics at his or her own pace.

Since the clustered approach brings together technicians of different dealerships, there is a that these technicians will have different knowledge level. In order to solve this issue and bring everyone to an Olympic minimum of technical knowledge, this basic level of technical training can be required to be completed online prior to the attendance of a real-life technical training. A small quiz afterwards can confirm the mastering of the basic information. This approach will ensure a time-efficient and qualitative training for all students in class.

*Step 1- and 2 training*

Every year Yanmar will provide a timeslot for technical step 1- and 2 trainings. In this timeslot, dealers have the ability to pinpoint and exact moment to host the trainings. During their chosen moment, every type of training can be hosted, and clusters are free to request any type of emphasis they deem needed. This solution offers structure and plannability of the trainings to Yanmar due to the fixed timeslots and flexibility to the dealer due to their freedom to pinpoint the exact training date within this slot. Every year, at least one timeslot for step 1 and step 2 trainings will be offered to each cluster. Depending on the size of the cluster’s trainees, additional timeslots and training moments can be added.

For step 1 trainings, there will be a minimum number of participants of 8 and a maximum of 12. If dealers do not make the minimum requirement, no training will be hosted. This can either mean dealers will need to wait another year or that the timeslot will be moved to later that year. This choice depends on the available flexibility of Yanmar’s training planning. If the number of participants exceeds the maximum threshold, Yanmar can offer more trainings within one timeslot. E.g., remaining two weeks to give two trainings to a group of 12, hence training 24 people in two weeks’ time.

Step 2 trainings are more selective and only reserved for dealerships whose employees have successfully completed step 1 trainings. The core idea of this step 2 training is to offer this additional training level to premium dealers. This leads to a lower demand for these trainings and a smaller group size. The groups for step 2 trainings will be fixed to 4 people. This ensures a more selective and more personal training.

**Technician focus**

Another challenge of this scenario ‘s technical training is the distraction of the trainees. According to trainees, it often occurs that during local trainings, the technicians are called out
of a training to serve a customer in need. This breaks the attention span of the trainee and thus decreases the retention of knowledge. In order to ensure full attention is paid to the training, clear agreements with the dealership need to be put in place.

In order to ensure the technician’s focus, special arrangements can be made in the training contract with the dealership. Those arrangements, which can contain among others minimum requirements of available machines, conference rooms or training materials can also contain a formal obligation to leave technicians unbothered during their training to avoid undue distraction.

Customer experience

Customer experience is a broad concept that can be envisioned in different formats. In this local scenario, these events can be performed independently from training as it is not connected to a specific location or an online dimension. Thanks to the flexibility and freedom of this local approach, the level of impressiveness and originality can be adapted to the foreseen budget. To structurally tackle this topic, a division will be made in the activities regarding the financing: events offered by Yanmar, and activities paid for by the dealers.

Free customer experience offered by Yanmar

As Yanmar is implementing the customer-intimacy strategy, the Yanmar experience should be aligned with this mind-set. Therefore, dealers and end-customers should be able to attend such an event or activity for free to show support and appreciation to our entire EMEA network. The following three subsections are examples on how to improve the general Yanmar brand perception and will be organised occasionally depending on the availability of the training team and the foreseen budget. The fairs currently attended by Yanmar will continue likewise in this scenario and for that reason, it will not be discussed in this section.

Training-related
A customer experience component can be connected to the trainings intended for the dealerships. By decorating the location with Yanmar furniture or flags, the feeling of the day can be more relaxed and familiar. Lunch can be provided by Yanmar to create a cohesive moment in which the technicians or dealers can share experiences or common challenges of the industry. If the facility allows demonstrations, the training attendants can try-out machines themselves, or playful competitions can be organized to reveal the gained knowledge and skills.

New product launches
When Yanmar launches a new product to the market, Yanmar can offer for example a 3-day program to the cluster, including two days of sales and technical trainings followed by an event specifically intended for dealers and their end-customers. This last day will be filled with info sessions given by experts, try-outs, demonstrations, potential lunch or dinner, competitive benchmarking and more. To increase the attractiveness of such an event, the first machines can be ordered at that moment with extra benefits such as the Yanmar furniture or jackets.
No CE relationship

Lastly, the Yanmar brand injection can also be stimulated by organizing events that have little to no relationship with the construction equipment industry. A cluster can be invited to watch a football game, potentially with end-customers as well to connect the Yanmar brand with a fun activity, improving the relationship between dealer and end-customer as well. Other possibilities could involve tickets to the Formula 1, sailing races, dinners, family attraction parcs and more. The possibilities of customer experience are flexible and very dependent on the foreseen budget. However, a minimum of effort is required to stimulate the relationships within a clustered group of dealerships.

Paid customer experience events

Yanmar event at dealers' premises

The above-mentioned vents or activities offered by Yanmar are only organised occasionally, dealers might be interested in organising the customers. Some smaller dealers often don’t have the expertise or materials to host such events. Others could prefer the presence of a Yanmar representative that day. If a dealership requests an additional customer event, they will have to finance all related costs.

There is still an important remark to be made regarding shared customer experience events and activities. As all activities are provided in group context, it is important to actively work on the relationships within a cluster. In some countries, the dealerships prefer to act more individually instead of grouped, which can cause a challenge for this scenario. This hurdle can be overcome by focusing on the local needs of customer experience.

Financials

Upfront investment cost

The upfront investment of this local-clustered scenario is relatively limited, as no facilities or specific software are required. Only the amount education and event materials will have to be multiplied, involving a beamer, the engines, hydraulic pumps, tents, furniture... The demo fleet will not have to be expanded, even though customer experience events might happen at the same moment. The demo fleet will be divided over the main markets and the primary focus will be put on the resources of the dealerships. However, transportation of the demo fleet may have to be arranged, this can be an external service, but can be an upfront investment as well, if Yanmar wants to organize this in-house.

Operational costs

The main operational costs of this scenario will be split over training and customer experience. The main training costs will be transportation cost of the demo machines, and the transportation and accommodation cost of the trainers. The main customer experience costs will fluctuate depending on the exact scope of the customer experience events.
Training related costs

Cost of demo fleet
The costs of the demo fleet and its depreciation will initially remain unchanged as the only changed aspect will be the location of the machines. In case certain machines are more popular and thus need to be present in all the local demo fleets, this machine can be added to these local fleets. This will increase the total size of the demo fleet and thus the total depreciation cost.

Cost of transportation of the fleet
Prior to any kind of training or events, the dealers will be asked to prepare and provide all material necessary. If the dealer however cannot meet the minimum required machine standards for a certain training, additional machines of the demo pool will need to be brought to the dealer. In that case, as is currently the case, half of the transportation price will be covered by the dealers and half of it by Yanmar. Note that due to the local stationing of the demo pool, these transportation costs can be significantly reduced.

Cost of trainer
Wage
As for the trainer’s wage, no special changes will be made except for an increase in hourly compensation for trainers on travel. The current training team of 6 will remain its headcount.

Transportation
The main transportation cost is the travel of the trainer across the country. Depending on the home address of the trainers, the locations of the dealerships, the number of clusters within a country and the number of events per cluster, the travel costs of the trainers will significantly vary. If a cluster prefers a product and technical training within the same week, travel costs can be saved. Once the clustering process of a country is finished and the trainers are permanently hires, an exact calculation can be made regarding the costs of transportation.

Accommodation
A budget of €125 is provided to the trainers per night during a local training. This includes the hotel fee and the reimbursement of drinks and meals. The cost of accommodation is based on the price of several standard room of the Ibis Hotel chain within Europe.

In optimal circumstances, a technical training is planned for three days. If one additional day is added for the preparations and set-up of the training at the dealer, a four-night’s stay at a hotel needs to be accounted for. This gives a total accommodation cost of around €500 for a technical training. Assuming that each core market cluster requires two step 1 technical trainings and two step 2 technical trainings per year, there will be a total demand of 72 trainings for the core market. This leads to a technical training related accommodation cost of €36.000.
A product training, which will take less long, will cost around €250. Assuming one product training per cluster per year, there will be around 25 product trainings hosted in the entirely of the EMEA. This will cost an additional €6.250.

In total, there will be an added cost of accommodation of around €42.000.

**Customer experience related costs**

The operational costs of the customer experiences will fluctuate depending on the exact scope and content of the events. For that reason, no customer experience related cost estimation can be made.

**Potential revenues**

**Trainings related revenues**

*Technical training step 1*

The current price of a step 1 training is €200 per participant. For French participants, due to the discussed Qualiopi system, this is €750. As the number of participants of a local step 1 training will range from 8 to 12, the revenue per training will range between €6000 to €9000 in France and €1600 to €2400 anywhere else.

Using the conservative assumption of two step 1 training moments per cluster per year and the assumed clusters based on the higher discussed 150km range, this gives a total of 14 trainings in France and 22 in the other core markets (10 in Germany, 6 in the UK and 6 in Italy). This gives a range of revenue from step 1 trainings between €120.000 and €180.000. Note that this number will need to be increased with the trainings offered in non-core markets. Besides, dealers are currently spending money on transportation and accommodation of their trainees. Cutting away these costs by coming to them can significantly increase their willingness to pay.

*Technical training step 2*

For step 2 technical training, two pricing options are possible.

First, these step 2 trainings could be to offer this training for free, as a form of appreciation from Yanmar towards the best and most motivated dealerships.

Second, as these trainings are more advanced and exclusive sessions, the price can be increased to, for example, €850 for French technicians and €300 for the remaining European technicians. With a group size of four, this entails that a step 2 training will gross €3.400 for France and €1.200 for the other core markets.
Given that the group size of step 2 trainings is limited to four, it is estimated that one step 2 training session per year per cluster will be hosted. This gives the same calculation as step 1, 7 trainings in France and 11 in the other core markets.

Totalling, this leads to an estimated revenue of €37,500.

**Product training**

Regarding product training, it is feasible to accommodate more much more people in a single training. This can result in product trainings being hosted only once a year. Using a price of €750 for French participants and €150 per participant in other markets and an average group size of 10 people and one training per cluster per year, this results in a total estimated revenue of €70,000.

**Customer experience related revenues**

**Customer experience**

Aligning with the customer-intimacy strategy, this scenario proposes that no entrance fee will be asked to the dealers and its customers at bigger events and fairs such as Bauma or the Yanmar Tour. Doing so, Yanmar proves the sincerity of its intention to serve and support its dealers and end-customers. These financials are internally available and can be used to estimate the cost of such events. Only private events requested by dealers and organised by the Yanmar training team will be reimbursed by the dealerships involved. Dependant on the expectations and the level of luxury, this price will be modified.

**Discount**

A discount can be given for all types of activities to the organising dealer, as he/she is opening the facility to other dealers. Other benefits could be given to the dealership, such as merchandising furniture or a dinner offered by Yanmar.

**Overall revenues**

Combining all revenues from trainings, this gives a final revenue around the €300,000 to €360,000 ballpark for the core markets. Note that (i) non-core market trainings are not yet included in this number and (ii) it is assumed step 2 trainings are paid. These two factors will have an impact on the final exact number.

**Timeline**

This scenario is proposed to have a first assessment of feasibility and planning, a trial phase where one country is used, a roll-out over all core markets and a final roll-out of all markets in the EMEA.

**Pre-implementation phase**
Before starting the effective clustering and trainings, the clusters need to be formed, explanation of the new system will need to be offered to the dealers and practical schedules for clustered training will need to be made. This can be a time intensive work. For that reason, a minimum of six months need to be accounted for.

First implementation phase – pilot market

In order to test the feasibility, strengths and weaknesses of this scenario, a first pilot market should be selected to enter into this scenario. We propose Italy as pilot market for two main reasons. Firstly, Italy is already largely dependent on local trainings. Following the internal schedule of trainings in the first half of 2022, all trainings in Italian are hosted at Italian dealers. For that reason, the transition to the cluster idea will be more gradual for that market, increasing the chances of success. Secondly, the Yanmar Tour has shown that Italian dealerships are on friendly footing and very willing to cooperate with each other. This minimizes the risk of disputes or irreconcilable arguments.

This pilot phase would last two training season and thus two years. During the final year, all other market remain following their trainings at the current training centers in either Bettancourt or Rothenburg.

While the pilot project is running, the clusters can be made for the other core markets and first teambuilding activities can be accommodated. This will allow for a more gradual transition of the dealerships in this cluster model and thus increase the chances of success in phase two.

Second implementation phase – core markets

This second implementation phase rolls the clusters out over the remaining core markets (Italy, Germany, France and the UK). Like the first phase, this phase is aimed to see the impact of the change on dealers and estimate the possibility of long-term success.

In order to ensure the continuity of training of non-core market dealership, one of two centers is still held open. The trainer in the center will either be (one of) the trainer(s) assigned to France, or the trainer(s) assigned to Germany.

This phase will be estimated to take another two training cycles and thus another two years. Once again, the second year will be used to start building the clusters and the relationships within the cluster of non-core markets. Besides, local trainers for non-core regions can be hired and trained during this period.

Third implementation phase – all EMEA markets

This third implementation phase is the final roll-out of this scenario to all markets. This entails that all clusters are formed and fully operational. The remaining training center will be closed in this final phase.
**Strengths and weaknesses**

In the following section the strengths and weakness within the online scenario are elucidated for all stakeholders, i.e., Yanmar, the dealers, and the end-customers.

**Yanmar**

**Strengths**

*Strategy alignment*

The Yanmar strategy of customer intimacy is implemented in the local clustered scenario, focussing on the proximity and personalisation of the dealers. Hereby, the company proves that it attaches importance to its dealers and customers and is willing to make an effort for their dealerships.

*Flexibility*

The core strength of this scenario is its immense flexibility. Due to limited upfront investments and ease to scale the operations up or down, it is easy to adapt the training and customer experience offering to the market demand. For that reason, further scaling to e.g., operator training or other forms of training are perfectly feasible. Also scaling down due to unforeseen circumstances like the COVID-19 pandemic are possible.

**Weaknesses**

*High operational cost*

Due to the high transportation and accommodation cost of both trainers and machines, this scenario has a high operational cost. Although the dealer’s willingness to pay for proximate trainings might be higher due to the higher convenience, it still will not offset the high operational costs associated to this scenario.

*Uniform quality*

When dividing the entire training team in country-related teams, the quality of the training, the effort or the enthusiasm might not be uniform over the different regions. Therefore, it is important to organize internal training programs and to keep a close monitor over all trainers to align all of their efforts and guard the quality of the trainings.

*Little used format in the industry*

When selecting the local-clustered scenario, Yanmar will not follow the trend of customer experience and training centers within the construction industry. This might give the company a disadvantage to their dealers and end-customers as they have certain expectations of activities and events in this sector.
**Complexity**
This clustered training scenario requires meticulous planning and allocation of resources such as machines, teaching material and trainers. This entails a constant effort to track and plan the mentioned resources. This makes this scenario operationally highly complex.

**Dealers**

**Strengths**

*Convenience*
As indicated in the dealer-survey, the local scenario is preferred for both technical training and customer experience due to the time efficiency and convenience for the dealers. The travel time and cost are mainly eliminated, and employees will be missed at the minimum of time possible. This ensures it minimizes lost working hours which could’ve been billed and training related costs such as travel expense and accommodation costs.

**Weaknesses**

*No permanent access to physical training*
Planning will be an important factor in the success of this scenario. Therefore, there will be no permanent access to physical training in a center. The online platform will be able to bridge the gap between trainings but won’t completely replace the real-life training. New joiners, for instance, will not immediately be able to join a local training, as it will be organized for the entire cluster.

*Reduced quality of technical training*
Internal interviews revealed that there are some constraints to the format of technical training in order to remain the highest quality. One fully equipped location would be optimal to offer trainings. Having to work at dealer premises reduces the availability of training materials and potentially reduces the focus of the technicians. This view was confirmed by trainees themselves. Ideally, as mentioned, a firm commitment from dealerships is made to keep technicians uninterrupted for the entire duration of their training.

*Relationships within cluster*
Previous events such as the Yanmar Tour indicated that not all countries are equally fan of the shared training and events. While some dealerships have amicable relationships and are open for teamwork, others have more hostile attitudes towards each other. In order for this scenario to function, trust within the cluster and a cooperative mindset is indispensable. Feeling to make certain more sensitive relationships more cooperative can lead to the failure of the objective of the training and customer experience offering. Good team building and interpersonal skills of the designated Yanmar trainer to a cluster are crucial.
End-customers

Strengths

Travel time

End-customers are often busy people with tight schedules. As a consequence, they do not have lots of time to travel to a marketing event. This scenario brings customer experiences close to the end-customer and thus significantly reduces the amount of time needed to give them a brand injection.

Weaknesses

No fully immersive trip

Some competitors offer spectacular events on their premises or trips to their customer center at a nice location. This center solution ensures a unique brand injection which can be harder to accomplish with ad hoc customer events. Some effort can be put in the wow-factor of the customer experience events, but it will be particularly challenging to bring a same degree of brand injection as these competitors. A good solution for this is the atypical customer experience, where customers are taken to remarkable and memorable events such as F1 races, football matches or exclusive dinners. Despite not directly relating to Yanmar or Compact Equipment, it allows for a memorable fun experience which can boost the customer’s positive sentiment about Yanmar.
Vision

Inspired by the realizations and success of the 2021 Yanmar Tour, this scenario was created. It combines the strengths of the local-clustered scenario with those of the concept of the Yanmar Tour. This mobile event will travel to each cluster of the main markets, offering a three-day event to the local dealers with their customers. This will include a day of product training and two days of customer experience activities. At the same time, technical trainings are hosted at the main dealer’s dealership. This ensures to have an all-in-one Yanmar week. This approach will mainly focus on the marketing, sales and networking aspects. Hereby, the boosting of the Yanmar brand will be combined with an educational swing. This scenario aligns with the proximity and customer intimacy strategy with a playful and fun touch of the Yanmar Tour.

Operational details

In short, this scenario’s Yanmar Tour with product-, technical training and customer experience will be an addition to the existing Yanmar Tour. Two main markets per year will be covered by visiting all clusters during an entire week. The two core markets which aren’t targeted in a specific year will be trained through the abovementioned cluster training for that year. In the first implementation phase, the Yanmar Tour will only visit the core markets. Nevertheless, this planning can be easily expanded as this mobile center can travel anywhere.

In advance, the program will be clearly communicated to the visiting countries and the marketing department will warm the end-customers by strong advertisement. The Yanmar Tour team will be created, consisting of motivated and flexible individuals with experience in marketing, aftersales, event management or others. As this Yanmar Tour would be the second edition, feedback and data are available indicating the appreciating, but also the points of improvement.

All factors touched upon will be discussed in more detail in the following paragraphs: planning, program, communication, HR, product training, technical training and customer experience.

Planning

The practical planning of this scenario starts at the same cluster division developed in the previous cluster scenario. The same factors (language, size and number of dealers) will be used to create clusters. In this scenario, the Yanmar Tour will visit all clusters within a country in a given year. In order to mobilize all parties involved, the planning has to be fixed and communicated to the dealers at least a few months in advance. To minimize Yanmar’s travel time and costs, a geographically logical order will be selected. This entails that the Yanmar Tour will minimize the distance traveled between two stops.
As this event Yanmar Tour will happen outdoor, sufficient provisions will need to be put in place to shelter participants from the elements. The containers from the Yanmar Tour can be used, as well as additional tents. This will increase the comfort for the visitors and additionally, the condition of the soil has to allow demonstrations. For that reason, the months March until October are recommended.

In advance, suitable locations have to be selected at each cluster. Several requirements have to be fulfilled, regarding size, land to give machine demonstrations and a concrete foundation to support the Yanmar teaching boxes. The Yanmar Tour can be built at a dealer’s premises, however it is not necessary in this scenario. The free space will have to accommodate a demonstration machine for several machines, a teaching box with the size of a container, potentially a food truck. As a solution, a neutral location centrally positioned in the cluster can be selected to host the Yanmar Tour. Last edition, the organization received valuable feedback that the French dealers indicated that a neutral location was preferred when bringing end-customers.

Program

The program of every Yanmar Tour stop will be similar. The entire equipment and staff will be on location for an entire week. Two days are incorporated for the assembly and construction of the equipment, followed with one day of dealer training and two days activities for end-customers and other visitors. Another two days are needed to dismantle the entire set-up and prepare everything to drive to the next cluster. Details regarding the content of the product training and customer experience will be discussed later in this scenario.

Communication

A valuable point of feedback obtained after the previous edition of the Yanmar Tour was the insufficient communication. As a reaction, informing the dealers and end-customers should be scheduled and planned in detail. Different channels can be used to cost-efficiently reach the target audience. For this reason, an annual meeting should be organized with the marketing, training and organizing teams. The responsibilities regarding advertisement should be clearly allocated to departments and individual employees.

Different phases of communication and advertisement will be created, starting with the determination of the dates after consulting the cluster responsible. Once the Yanmar Tour is officially scheduled, the agenda should be communicated to all dealers of the cluster. By starting this first communication at least a few months in advance, the representation of the dealerships can be boosted. Two months in advance, the second phase of communication can start. It includes strong advertisement to dealers and end-customers via different channels. Dealers can be contacted directly via e-mails and the online Yanmar platform. Dealers, in turn, can contact their end-customers, potentially sending a (virtual) affiche designed by the Yanmar marketing department. Paid advertising can also be placed on platforms or websites dedicated to the construction industry. The local radio or television could be an extra costly option, though it might not efficiently reach the end-customers or dealers.
By stimulating early registration, the organizing team will have a better idea of the attendance of the event. This allows the capacity of the event in terms of demo machines, experts, refreshments and sessions to be better estimated in advance. Dealers would also have the possibility to select their preferred product training session to attend on day one of the event. The potential attendees of the event should be incentivized to register via the link on the Yanmar platform. Therefore, several options are possible: free goody-bags, merchandise, lunch or drink vouchers, access to presales, tickets to local events...

During the event, end-customers can scan the X app to receive the Yanmar newsletters or to contact a Yanmar representative for more detailed information. This application will collect data of all visitors, giving a good insight of the composition of the visitors. After the event, a feedback form will be sent to these individuals in order to create awareness of the points of improvement towards the next edition. This allows also a somewhat personalized approach towards the different cluster in the future.

**HR**

The HR formation of the locally clustered scenario will be maintained with the Yanmar Tour edition. However, an extra team will be composed being responsible for the organization of the traveling events. Currently, it is mainly organized by the marketing department., but it should be working closely together with the local training team as well. The training duo of that main market will accompany the current Yanmar staff to provide the expertise and product training. If the early registrations indicate a large size of attendance, extra trainers or staff can motivated to join some stops of the Yanmar Tour.

The operational organization of the Yanmar Tour in 2021 was outsourced to the company X. After analyzing the financials of this cooperation, it was immediately clear that this was a costly manner. Since these tours will be organized numerous of times over the next decade, it is suggested to take the operational factor of construction and potentially transportation inhouse. Of course, this might be expertise that is currently lacking within Yanmar and can be a gradual process in several years.

**Product training**

When the Yanmar Tour is not scheduled to visit a dealership that year, the situation and organization remains the same as described in the locally clustered scenario. Once every two years, the clusters of the main markets can attend the Yanmar Tour, which includes three days filled with customer experience and product training. The first day of the event, exclusively the dealers are invited to attend the product training given in session in the box that will function as a classroom. The presence and try-outs of demonstration machines will provide an extra touch to the sessions. Three sessions are now planned that day in two timeslots: the morning session (9h30-12u30) and the afternoon session (13h30-16h30). The planning of the Yanmar Tour 2022 in France provided a session on the attachment gamma, product training in general with demonstrations and financial training. The content can still be adjusted after the creation of the new product training in general. If the registrations
indicate a large attendance of visiting sales teams, additional sessions can be organized during the two remaining days, early in the morning or later in the evening.

**Technical training**

In this scenario, technical training will be hosted simultaneously with the Yanmar tour. These trainings however will not be hosted at the premises of the tour but at the premises of one of the dealers. The reason for excluding technical training from taking place at the premises of the Tour is its material requirements to provide a qualitative training. The mentioned ‘timeslot’ in the previous scenario will thus in this case be the Yanmar Tour week at the cluster.

**Customer experience**

The concept of the entire Yanmar Tour is built around customer experience. After attending the event, dealers and end-customers from the core markets should be injected by the Yanmar brand. Every moment in between the first meet until the last wave should be a positive experience in which the visitors connect with the company and its products. Several activities will be organized such as demonstrations, try-outs, small games related to the Yanmar machines such as chess, a food truck, enjoying a live band performance, presentations by experts and competitive benchmarking. Depending on the available budget, VR glasses or simulators could be used to bring the customer experience to another dimensions.

Considering the non-core markets, this scenario has two possibilities. Either ever so often the tour includes a non-core market in its offering to bring the customer intimacy strategy also to the smaller markets, or the non-core markets remain entirely saturated with *ad hoc* events such as discussed in the cluster scenario. In the former case, transportation costs can prove to be quite a heavy burden upon the Yanmar Tour. In the latter scenario, these expensive additional costs are avoided but there will be a need to invest in other marketing events on top of the Yanmar Tour. Optionally, a distinction can be made between non-core markets where it is opportune to have a periodical stop of the Yanmar tour, e.g., Spain for its relative proximity and those where it would be too burdensome to host this Yanmar Tour e.g., Africa for the very high transportation cost for the demo models.

**Financial analysis**

The financial analysis within this scenario overlaps greatly with the analysis elaborated on in the cluster scenario. The main vision and operational details remain the same. As stated earlier, the primary difference is the addition of the Yanmar Tour to the main markets. Organizing the Yanmar Tour comes with a separate financial picture that is introduced. Next, the impact of the differences in the operational details due to the inclusion of the Yanmar Tour is highlighted.
Upfront investment

The upfront investment for this scenario remains very limited. The investments for the realization of the Yanmar Tour were already done with the purchase of the Boxes of Triangle. In the future, no expansion of the existing Yanmar Tour facilities is expected. Yet, as the continuance must be guaranteed for a considerable amount of time. If this would become a problem a similar investment cost for a single replacement box or boxes is required. Another possibility is to consider renting such boxes instead of acquiring it. However, then these boxes are not Yanmar branded or personalized. This depends on the pricing of that specific time. This information is internally available.

There is a single upfront investment that potentially must be added. This concerns the investment in an additional tent such that product training can be organized at the Yanmar Tour. This guarantees that the training can continue no matter weather conditions. Different types of tents can be acquired, and it depends on the size and features (e.g., heaters, Yanmar branded, potential walls etc.) that determine the final price. A potential partner that can be considered for this is SpanTech.

Operational Costs

The changes in operational costs, compared with the cluster scenario, are rather limited. Two straightforward changes come to mind. First, the operational cost of organizing the Yanmar Tour must be considered. Secondly, there is a potential reduction in additional product trainings and customer experiences, as the Yanmar Tour aims to tackle both. Other operational cost considerations (e.g., clustered trainings or customer experiences when the Yanmar Tour is not present at that particular location) are discussed in detail with the financial analysis of the cluster scenario.

The operational costs of the Yanmar Tour are quite significant. Consequently, this could endanger the feasibility of this organization. All information is internally available. The most important numbers are considered here, and potential cost reductions are proposed. The initial budget for both Tours in Italy and Germany was €150.000. This included all costs for a two day stay per location. There were three such locations in Germany and four stops in Italy. The actual expenses for the respective Tours were €131.268 and €115.652. This does not include transportation costs (see below). Consequently, each stop in Italy costed approximately €32.000; it costed about €38.000 per German stop on average. There is one primary cost driver, i.e., the additional costs to Triangle. For the Italian Tour this cost amounted on average to 81% of the cost per stop. For the German Tour, the same cost equals to 85% of the total cost per stop. This is an optional cost that was offered by Triangle to set up their Boxes. However, as these are basic container-based rooms perhaps cheaper solutions can be found. Internal contracts determine what is included in the additional costs to Triangle. Further investigation is required to determine whether a significant cost reduction can be achieved.

The transportation costs for the Italian and German Tour were not available, yet an estimate can be made from the budget that was made for the transportation of the cancelled French Yanmar Tour of 2022. Two companies were contacted to get an estimate of the prices. The
first returned a price of €21,153 for all transportation costs. The second company offered the same service, yet with different trucks for €16,805.

Interestingly, if product training would be added to the Yanmar Tour, as was considered in the French Tour, the duration of the stay of the Yanmar Tour at one location would increase. It proposed to increase the duration with one day, making it three days in total. Assuming a linear increase in price, this would imply that the budget would amount to €225,000 per country.

Another difference, except duration, is the number of stops. Remember that the idea is to have a stop for each cluster. For Germany, for instance, this would increase the number of stops from three to five. The influence on the operational cost is hard to determine as no relation can be determined from available data. It is expected that this would further increase the operational cost.

A more exact estimation for the operation cost can now be made. If the transportation costs are added, the budget equals about €250,000 for a single market. Reaching two markets per year would bring the total estimated operational cost for the Yanmar Tour to €500,000 per year.

A second aspect that could change with respect to the financial analysis of the cluster scenario is the costs of the product trainings and customer experiences. Note that the product trainings are immediately replaced by Yanmar Tour product trainings, hence it is expected that one costs replaces the other. As this is included in the Yanmar Tour budget calculated above, an artificial reduction of the cost product trainings can be perceived. The total cost amounts the added travel cost and cost of the trainer required for the total number of clusters, which equals the total number of product trainings given on the Yanmar Tour.

The customer experiences’ costs could be influenced as well. Offering the Yanmar Tour, doubts were raised earlier whether all efforts included in the local cluster scenario had to be continued with the same frequency. If Yanmar chooses to prioritize this event instead of other events, a significant operational cost reduction is possible. Two reductions can be considered. If the Yanmar Tour is offered in a certain market, other customer experience related costs, such as minor other multibrand tours, in that market could be reduced. The reasoning is that this would be compensated by the installment of the Yanmar Tour. As it is envisioned that two markets are visited, the costs of two main markets’ customer experiences could be reduced significantly. The benefit of this reduction is internally available and determinable. The other reduction that can be considered is to reduce all customer experiences, regardless of the specific markets visited by the Yanmar Tour, as the Tour will visit next year and demand may be high (as shown in the customer survey), but less frequent. This would make the operational cost reduction in comparison to the other local scenario even more significant. Again, the exact reduction can be determined with internally available financial information.

The extent of the reductions and whether it weighs against the additional cost of organizing two yearly Yanmar Tours must be investigated further.
Potential Revenues

There are no direct revenues associated with the current organizational structure of the Yanmar Tour. Indirect revenue could be generated with additional sales of machines, prospection, brand visibility etc. It is advisable to consider quantitative measurements for these indirect revenues, such that a more realistic financial picture of the result of the Yanmar Tour is obtained. Direct potential revenue could be generated in three ways, i.e., entry- or organization fees, sales, and partnerships.

Potential revenues could be generated by installing entry or organization fees. Dealers or end-customers would have to purchase entry tickets to join the Yanmar Tour event. Other organizational features could substantiate introducing such a fee. For instance, specific access to an event specific inventory ready for sale, special discounts, prices etc.

Another option is to install such fees only for other clusters that are not part of the hosting cluster at that moment. This would create the option for others to join, which could establish larger audiences and a more broad dealer and end-customer population. In addition, it would be more flexible for everyone to join.

Note that installing any type of such entry fees, would result in a larger barrier to join the Yanmar Tour. This could be considered conflicting with the new strategy towards customer intimacy and the best customer experience. Hence, consideration of such instalment should be done with care.

A second way to generate revenues if from sales directly linked to the event. The potential items for sale can be very broad. The feedback from last Yanmar Tour showed that there was great interest in the Yanmar furniture; such items are but one example of an extensive list of possibilities. Merchandise can be sold, exclusive preview dinners or testing opportunities can be sold. Many options are out there to boost the revenue immediately.

A third idea to generate additional revenues is by opening up to potential partnerships. These partnerships can be broad as well, but can truly boost the spirit of the Yanmar Tour event. Examples are trivial such as food trucks, open bars, or offering activities. It would offer the opportunity for your cluster to get in touch with the exact localities of that specific stop, or at least put everyone is a good mood which is then associated with the Yanmar brand.

Timeline

Considering the implementation, many things of the cluster scenario are applicable here too. Given however that the Yanmar Tour is a proven concept, the first pilot phase can be left out of the timeline. This would entail that in a first phase, there would be an alternation between the core markets; hence in the first year Italy and France and in a second year Germany and the UK (for instance). If proven to be successful, after a test phase of 2 years, the format of the Yanmar tour could be extended to an occasional visit to other EMEA markets. Note however that this extension will bring about longer transport and thus additional transportation costs. The financial impact of a full roll-out of the Yanmar Tour in non-core market must be further investigated.
Strengths and weaknesses

All advantages and disadvantages listed in the previous local-clustered scenario will remain valid. Yet, there are some specific considerations and advantages related to the addition of the Yanmar Tour, which will be listed below.

Yanmar

Strengths

A familiar concept
The first edition of the Yanmar Tour in 2021 provided the organising team already with a lot of experience and feedback. This information can be used to improve and adapt the existing Tour to the upgraded version including training. As a result, the implementation of the Yanmar Tour can occur smoothly as the project will not start from scratch.

High efficiency
The Yanmar Tour will offer training and customer experience for dealers and end-customers in an all-in-one formula. This will increase the time-efficiency of the local approach for all parties involved.

High brand visibility
The marketing around these events will affect the brand perception and visibility enormously. In contrast to the attendance of bigger fairs, the Yanmar Tour will add the feeling of proximity, engaging in that personal and local connection with the dealers and customers. A tailored program can create a strong brand visibility.

High utilization of Triangle boxes
This scenario would entail optimal use of the display boxes made by Triangle. The boxes were acquired a while ago to host the past Yanmar Tour, extending the Yanmar Tour to this scenario would entail an optimal use of these boxes and thus a better return-on-assets.

Weaknesses

Very high operational cost
As described in the financial analysis, the operating cost is very high. This can raise the question if the Yanmar Tour, as envisioned in this scenario, is a sustainable solution for customer experience and product training. It offers many advantages to all three parties, but Yanmar will pay a significant (annual) price for it.

Additional strain on HR
Another investment is the addition of a team responsible for the organization of the Yanmar Tour. These jobs will require profiles with high flexibility and availability to spend a few months a year on the road. The current employees in these functions might not be willing to make these permanent changes.
Dealers

Strengths

*Unique customer event*
The Yanmar Tour is a unique format to offer customer experience to the dealers. It will be a fun and playful event to connect with the brand and its products. As the activities are organized nearby per cluster, dealers could bring customers for a day to the ‘Yanmar village’ to improve their relationships and the Yanmar perception. This approach makes it more convenient for the Yanmar-relatives to visit customer experience activities.

*All-in-one*
For the dealers as well, this format offers both training and customer experience in an all-in-one approach. Both the educational aspect, as the entertainment are represented during these three days. The dealers should leave on a satisfied and positive note, convinced of the quality of the company.

Weaknesses

*Not present at fairs*
As a big chunk of the marketing and customer experience budget will be absorbed by the Yanmar Tour, it is a possibility that Yanmar will not be represented at bigger fairs such as Bauma or the Dig Tour. This could be negatively perceived by the dealers as potential customers will not be convinced by Yanmar and its products. This could imply a loss in sales for the dealerships.

End-Customer

Strengths

*Unique value proposition*
There are no competitors that organize an equal event. You would have to join the Yanmar Tour to experience it.

*Limited travel time and cost*
The local fairs will be positioned at the center of the cluster, maximum a three-hour drive away. This will limit the travel time for a great customer experience and the corresponding costs. The convenience of this approach is a huge benefit and offers a feeling of proximity.

*Fully immersive*
The unique value proposition also applies to the end-customers. The event will be fully immersive, offering beverages and refreshments, fun activities, conversations with experts and more. All should contribute to the full Yanmar experience.
Annexes
Yanmar Training and Customer Center Survey

Dear Yanmar CE EMEA Dealer,

Yanmar is on a transformation journey to become a Compact Equipment leader that offers a unique Customer Experience. Some of the key elements to provide the best experience are of course the trainings we provide you and the possibility our customers have to discover and test our machines. With that in mind, we have started a project to investigate how we can improve our training and demo experience. We are eager to share our enthusiasm in ways that suit you best and give you the relevant tools to build you success. That is why, we want to reach out for your input. What are the key elements of Yanmar product, sales and technical trainings? How would you envision a Yanmar Customer Center if one was to be created?

This should only take ~10 minutes. Please complete the survey before April 29.

Thank you for your valuable input!

* Required

1. General information

1. Please state your dealership name *

[Blank field]

2. Please state your function *

☐ dealer principal
☐ sales manager
☐ aftermarket manager
☐ Others

3. Have you been to a Yanmar CE training center? *

☐ Yes
☐ No

4. If yes, which Yanmar CE training center have you visited? *

☐ Bettancourt, France
☐ Reutlingen, Germany
☐ Other

5. If not, for which reason? *

☐ Travel Cost
☐ Travel time/Logistics
☐ Missing employees too long
☐ Insufficient number of available trainings
☐ Training doesn't provide enough value
☐ Training cost
☐ Lack of communication about the training center
☐ Other
2. Product- and Sales training

6. **Product- and Sales training** - Score the following parameters, based on their importance in providing qualitative training.

- **Brand Experience/Yanmar Group/Yanmar History**
- **Unimportant**
- **Slightly important**
- **Moderately important**
- **Important**
- **Very important**

- Physical access to machines
- Expertise sharing opportunities with other dealers
- Possibility to visit a Yanmar production site
- Limited travel time
- Limited travel cost
- Overall experience (hotel, restaurant, entertainment activities)
- Permanent access to a training platform
- Ability to operate machines
- Competitive benchmarking opportunities

7. **Product- and Sales training** - organisation preference - given your abovementioned scoring, rank the following options.

- Online training
- Local training at a nearby conference center or dealer premises
- Training at a Yanmar customer center in Saint-Dizier, France
- Training at a Yanmar customer center in Crailsheim, Germany
- Training at a Yanmar customer center at a new, accessible location

8. **Product- and Sales training** - How much would you be willing to pay for a local Yanmar product- and sales training per participant?

- €0-€250
- €250-€500
- >€500

9. **Product- and Sales training** - How much would you be willing to pay for a product- and sales training at a Yanmar Customer Center per participant? (excluding transportation and accommodation)

- €0-€250
- €250-€500
- >€500
10. **Product- and Sales training** - In case of a local one-day training, how long would you be willing to travel? (In hours)

- [ ] <1 hour
- [ ] 1-3 hours
- [ ] 3-5 hours
- [ ] >5 hours

3. **Technical training**

11. **Technical training** - Score the following parameters based on their importance in providing qualitative training.

- Brand Experience/ Yanmar Group/Yanmar History
  - [ ] Unimportant
  - [ ] Slightly important
  - [ ] Moderately important
  - [ ] Important
  - [ ] Very important

- Physical access to machines

- Expertise sharing opportunities with other dealers

- Possibility to visit a Yanmar production site

- Limited travel time

- Limited travel cost

- Overall experience (hotel, restaurant, entertainment activities)

- Permanent access to a training platform

- Ability to operate machines

- Competitive benchmarking opportunities
12. Technical training - organisation preference - given your abovementioned scoring, rank the following options.

- Online training
- Local training at a nearby conference center or dealer premises
- Training at a Yanmar customer center in Saint-Dié, France
- Training at a Yanmar customer center in Crailsheim, Germany
- Training at a Yanmar customer center at a new, accessible location

13. Technical training - How much would you be willing to pay for a local Yanmar technical training per participant? 

- £0-£250
- £250-£500
- >£500

14. Technical training - How much would you be willing to pay for a Yanmar technical training at a Yanmar customer center per participant (excluding transportation and accommodation)? 

- £0-£250
- £250-£500
- >£500

4. Customer center

15. Customer center - Score the following parameters based on their importance in establishing a customer center that meets the expectations.

- Brand Experience/ Yanmar Group/ Yanmar History
  - Unimportant
  - Slightly important
  - Moderately important
  - Important
  - Very important

- Possibility to visit a Yanmar production site
- Limited travel time
- Limited travel cost
- Overall experience (hotel, restaurant, entertainment activities)
- Ability to operate machines
- Competitive benchmarking opportunities
- Possibility to get machine demonstrations

5/16/2022
16. **Customer center** - Considering the previous question, please pick your favorite scenario

- Permanent customer center at Yanmar CE Saint-Dié, France
- Permanent customer center at Yanmar CE Erlachingen, Germany
- Permanent customer center at a new, easily accessible location

17. **Customer center** - Where would you like this new Yanmar CE customer center to be?

   - [ ]

18. **Customer center** - How many customers would you be interested in taking to a Yanmar customer center (per year)?

   - [ ] 0
   - [ ] 1-5
   - [ ] 6-10
   - [ ] 11-20
   - [ ] >20

19. **Customer center** - How much are you willing to pay per customer for a 2 day visit to the Yanmar customer center? (excluding transportation and accommodation)

   - [ ] €200-€400
   - [ ] €400-€600
   - [ ] €600-€800
   - [ ] >€800

5. **Final remarks**

20. Do you have any further suggestions how Yanmar CE can improve your training experience?

   - [ ]

21. Do you have any further suggestions how Yanmar CE can organise its customer center experience?

   - [ ]

5/16/2022 5/16/2022
Annex 2: Bobcat institute in Dobris, Czech Republic
Annex 3: Wacker Neuson Academy in Reichertshofen, Germany
Annex 4: Hyundai training academy in Tessenderlo
Annex 5: Hitachi training academy in Amsterdam
Annex 6: Caterpillar customer and training center in Leicester, UK
Annex 7: Volvo customer center in Eskilund, Sweden
Annex 8: BOMAG’s customer and training center in Boppard, Germany
Annex 9: Manitou’s training center in Ancenis, France
Annex 10: Atlas’ training and customer center in Ganderkesee, Germany
Annex 11: Saint-Dizier demo field expansion opportunity
Annex 12: Saint-Dizier new premise possibility
Annex 13: Bettancourt industrial park vacant premises
Annex 14: Rothenburg expansion opportunity
Annex 15: Crailsheim expansion opportunity
Annex 16: Komatsu’s Thailand visitor center
De offerte op basis van uw configuratie is:

Totaal (excl btw): € 217.566,25

Met vriendelijke groet,
Team Hallenbouw Huisman Gemert

Onze contactgegevens:
Telefoon: +31 40 361 1880
E-mail: hallenbouw@huisman.nl
Bezoekadres: Zandstraat 9, 5421 WJ Gemert
Postadres: Postbus 29, 5420 AA Gemert

Meerprijzen

Corrosiebehandeling staalconstructie:
De gehele staalconstructie wordt thermisch verzinkt in plaats van behandeld met één laag roestwerende sinterkeet coating.
Meerprijs (excl btw): € 5.818,75

Alternatief gorden en wandregels:
De vurenhebben gorden en wandregels worden uitgevoerd in stalen sendlier frame verrijkte gorden en wandregels, volgens berekening constructeur.
Meerprijs (excl btw): € 5.337,50

Lichtstraat:
In het dakvlak een lichtstraat type zadelbak gesloten, bestaande uit een meerwandige polycarbonaat-kanaalplaat (UV bescherming) met een dikte van 10 mm. Opgevoerd in opaal of glasheldere beplating. De lichtstraat heeft een afmeting van 1,50 x 2,23 m. Breedte x lengte van de lichtstraat (minus het eerste en laatste spantvlak).
Meerprijs (excl btw): € 3.946,25

Jeroen Van der Beelen
19
3660
Uw contactgegevens
0477397789
jeroenvbekel@hotmail.be

Offerte

Gemert, 4 mei 2022

Offertenummer:
202204045

Omschrijving:
Nieuwbouw loods te

Geachte heer Van der Beelen,

Met dank voor uw aanvraag, hebben wij het genoegen u hierbij vrijblijvend onze offerte te doen toekomen voor de levering en plaatsing van een loods (type 1), afmeting 25,00 x 35,00 m., buitenwijk, waarin de volgende voorwaarden en materialen zijn verbonden:

Afmetingen:
Breedte 25,00 m.
Lengte 35,00 m.
Zijhoogte 4,95 m.
Nekhoogte 9,10 m.
Dakhoogte 20 graden
Borduurwerk 0,50 m.

Beste Heer, 

Yanmar CE EMEA

Vlerick Business School
Annex 18: Coreum customer- and training center
Annex 19: Travel time-based dealer clusters in France and Germany
## Annex – Decision Matrix

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Proposal KPI</th>
<th>Relative weight</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
<th>Scenario 4</th>
<th>Scenario 5</th>
<th>Scenario 6</th>
<th>Scenario 7</th>
<th>Scenario 8</th>
<th>Scenario 9</th>
<th>Scenario 10</th>
<th>Scenario 11</th>
<th>Scenario 12</th>
<th>Scenario 13</th>
<th>Overall outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Final outcome</strong></td>
<td></td>
<td>100%</td>
<td>![98.28%]</td>
<td>![64.04%]</td>
<td>![67.28%]</td>
<td>![67.78%]</td>
<td>![64.52%]</td>
<td>![65.48%]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
</tr>
</tbody>
</table>