



Carel case study



Vodafone Global M2M

Carel adds global service proposal to its portfolio with Vodafone M2M Technology

Vodafone
Power to you

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Carel is an Italian industrial climate and refrigeration business. Its customers include OEMs and multinational retailers providing climate controls and equipment for building management. It has manufacturing sites in Italy, China, Brazil and the US. Last year the company generated sales of €160m, roughly 40% per cent of which came from overseas.

“ Ten years ago, our revenues were mainly from Italy, but our future is tied to international growth. Emerging markets are growing faster than Europe. Vodafone’s Global M2M platform is helping to grow the business from a hardware supplier to a global service provider. ”

Chiara Milani, Carel’s Marketing Communication Manager.

CAREL

To drive growth and fight off the threat of cheaper manufacturers, Carel is transforming from a purely hardware supplier to a partner with this service offering. “We want to be seen as a partner to our customers’ businesses, from hardware to services. Secondly, we have the opportunity to create additional revenue from these services,” says Milani. “This change will impact the entire business.”

The bigger challenge is the impact on the outlook of the Carel organisation. “This will transform our business. We will need to modify how we sell and how we service our customers. It will impact all parts of the business, from HR to IT, but it will bring us closer to our customers.”



The need

Carel wants to be a partner for its Original Equipment Manufacturer (OEM) customers providing them with an easy infrastructure for checking faults and optimising machine performance. For the end customers, this means better performing machines that use less energy, with fewer faults and lower maintenance costs.

The solution must be global and scalable in order to raise the level of service required by Carel. Serena Ometto, Product Manager, says there was never any temptation to look for a local solution: "We always knew this would be a global project and even though we could have trialled a local solution we knew we'd quickly have to tackle a global roll-out. We wanted a global partner from day one."

Ometto says it is important for Carel to be seen as an early-adopter of new technology and she has no worries with being first to market: "We want to develop a new business model, so we have to accept there may be risks in being first. We have a reputation for being innovative with our hardware; we now want to be first in the market for servicing machines. We're a leader not a follower."



The solution

Aware of Vodafone's reputation and global reach and with a working relationship going back to 1998, Carel began discussing remote monitoring solutions in 2009. The solution centred around Vodafone's Global M2M platform, but with special attention on the service support aspect. "This wasn't only about innovation, or connectivity and data traffic rates," says Ometto. "We wanted the reassurance that if we had a problem, anywhere in the world, we'd have the SLA's and support to solve it – and the trouble-shooting to understand what went wrong. That could only be Vodafone."

Vodafone SIMs, integrated in the Carel hardware, send and receive regular status updates. Customers can monitor and manage wirelessly, via smartphones or tablets. The solution is cloud-based, scalable and has a tariff structure for different regions. "The solution retains a strong connection to the customers' local service team, but uses our knowledge to enhance their performances," says Ometto. "This is the type of service that is common elsewhere in the world but just not in the industrial HVAC/R sector."

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Serena Ometto, Product Manager, Carel



The benefits to the business

Carel has opted for thousands of M2M connections over the next five years. Carel's customer portal, named tERA, is currently at Phase One, using some hundreds of SIMs, scaling to thousands in the next four years. Both Carel and Vodafone agree the priority is to remain flexible. "Our goal is for every one of our controllers to include this technology," says Ometto. "No piece of hardware should be without it."

She says it is too early to assess long term impacts with customers, but the sales premise is simple and has been met enthusiastically: "In the past we just sold the hardware controller included, for example, in a heat pump or in a refrigeration rack. Maybe this wasn't optimally installed or configured. Now, through our services the contractor can check if there are problems, often before the problem even becomes evident to the end customer.

By optimising performance the end customer is saving energy and lowering costs. This monitoring of problems is more effective for our customer, improving end customer satisfaction." It is also a means for Carel to make regular, ongoing service charges, a new source of dependable revenue for the business.

For some customers tERA can be used to manage the heating and cooling determining the best setting for each zone. At different times of the day the system provides the data required to understand the building's unique thermal dynamics. The data supplied by tERA allow energy costs are kept to a minimum and helps plot optimum usage.

Ometto says the Vodafone partnership is important in such a transformation project: "It's always the same with new projects - it's not possible to achieve perfection. We expect trouble, but we expect to work through problems together. We have that relationship with Vodafone"



Executive summary

Business need:

Carel is an industrial climate and refrigeration business. To support new product innovation and in order to add services to its hardware proposal it needed a partner to provide scalability, technical support and worldwide availability.

“We expect to work through problems together. We have that relationship with Vodafone.”

Serena Ometto, product manager, Carel

Solution:

Vodafone Global M2M Platform ensures standard pricing by region, global coverage and a simple configuration.

Business benefits:

- Real-time monitoring reduces maintenance visits (and costs)
- Remote management delivers optimum performance for customers' machines, lowering energy costs
- Consistent regional pricing combined with global coverage and simple configuration enables Carel to expand internationally. It enables regular new revenue streams by adding services to its hardware proposal



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