Challenge 1 - Total Cost of Ownership (TCO)

**Company Challenge:**

Manitou is the first manufacturer to reveal the consumption of its machines under the REDUCE program. We consider that providing the greatest transparency starting from the purchasing phase is essential to providing customers with all the factors that affect the cost of use.

Manitou Group has worked on developing tools in order to reduce the TCO and the environmental footprint in five key steps (Measure – Validate – Inform – Assist – Improve) with our team and suppliers all along the product life-cycle.

Our challenge is to change the mindset of our internal and external customers. The objective is to switch from the acquisition price to full services and solutions with a TCO benefits mindset.

The Challenge: Build an innovative commercial and marketing action plan to conduct the change.

**SDGs Addressed:**

**Context:**

Manitou Group developed a strong knowledge on the technical aspects of the Total Cost of Ownership (TCO). The results of that work are the following:

- Integration of the TCO criteria at the product development stage
- Project to reduce TCO: maintenance cost / remanufactured parts
- TCO calculator for three Manitou brands

**Manitou Questions:**

- What is meaningful to our clients (reliability, residual value..)?
- What is the best innovative way to sell the TCO and become the reference in our market?
- How to be sure our customers are convinced and actually used the TCO as a key argument on sales?
- How can we integrate the customer voices in the TCO?
- Imagine innovative marketing solutions to communicate.
Challenge 1 - Total Cost of Ownership (continued)

Key Questions / Answers to assist students in completing the case study:

- What are Manitou’s technical aspects of the Total Cost of Ownership (TCO)? A combination of the costs coming from: financial costs, tire wear, maintenance/corrective repairs, fuel used, depreciation, and miscellaneous costs (see image below)
- What is Manitou’s TCO criteria? How is it calculated? Estimated and measured costs averaged per hour of machine use over several years of ownership.
- What marketing functions does Manitou use? What are you comfortable with? What channels do you currently not use? Not used => Twitter; Using => all social media / youtube etc ...; Open to new idea suggestions

Team Member Info:

Mark Hanson – VP Regional Sales MNA & CEO Manitou North America
Philippe Bisson – Product Line Manager Construction
Laurent Grapton – After Sales Manager CEP
Collin Vanden Heuvel – Marketing Service Coordinator
Rodney Bednar – Technical Field Support Manager
Mike Jerred – Service and deployment Manager

Submission Directions:

Please address the challenge answering all questions. Submit either a 1-page response in .pdf format or a presentation deck of no more than 10-slides to PRMEic@unglobalcompact.org, with the subject line PRMEIC_YourTeamName_TCO Response.