

Investigating opportunities for remanufacturing business models

RWG (Repair and Overhauls) Ltd & Heriot Watt University
A Scottish Institute for Remanufacture Case Study

Overhauling the brand

RWG (Repair & Overhauls) Limited is a Siemens and Wood Group Company, and the global market leader for maintenance, repair and overhaul of Siemens Industrial aero-derivative gas generators and power turbines. In addition, RWG is authorised by Rolls-Royce Naval & Marine to maintain gas turbines used for marine propulsion. With OEM support and 25 years of experience, RWG has established an unrivalled reputation for product quality and service delivery, providing its customers with enhanced engine performance and lower lifecycle costs.

The current attention on remanufacturing and design for reuse as sustainable manufacturing



practices led RWG to seek to change its branding and marketing message to be focused around Remanufacturing as opposed to Repair and Overhaul, particularly for its in-house Component Repair capability. Working with academics from Heriot Watt University, the company saw the opportunity to build Remanufacturing/ Circular Economy into its Value Proposition and as part of its market differentiation.

Thus, the project set out to deliver a report on how RWG may innovate and focus its business model around the Circular Economy and Remanufacturing, as well as Identification of diversifying opportunities based on this new business model.

Finding the value

Following introductions to the key company stakeholders and an overview of the current

business model, the project team from Heriot Watt conducted a series of workshops with these stakeholders to:

- Analyse RWG product/service markets and capabilities
- Analyse current brand position and determine competitive positioning
- Develop a profile of target markets and deliver new Brand Identity Prism
- Analyse new target markets and develop a Business Canvas Model for each market

The workshops enabled RWG to develop a clear understanding of its competitive stance, core capabilities, target markets and the criteria for pursuing them, diversification opportunities, brand profile, and business model. This was achieved through facilitated discussions with the lead academic, and using established frameworks; VRIN (Valuable:Rare:In-Immitable:Non-Replicable), which is an approach used to surface the core capabilities of an organization, and provided input into the development of a Business Model Canvas for the organisation.

As a result, the company concluded that it should focus on diversification opportunities in component overhaul and repair, rather than the entire engine, and that this would be best delivered through its existing Component Repair Division, under the brand of Component Remanufacturing.

Target markets were identified and it was agreed that this arm of the business should offer to customers a wide breadth of capabilities, a one-stop shop, and the ability to take on new components quickly, determined by tooling requirements.

Identifying the market

The next phase of the project centred on understanding the markets of the diversification opportunities identified. Detailed market research was carried out by the Heriot Watt project team, resulting in a framework which outlined each potential opportunity, the capabilities required to meet it, current market conditions and competitors, and the ability for RWG to service this. This clear and objective information could then be used by RWG to make an informed decision as to which diversification opportunities were most appropriate for the business.



Benefits to the business

By the end of the project, RWG had developed a Brand Identity Prism for the business, and a Business Model Canvas, both of which enable everyone in the company to understand its current position and to be used to make informed decisions about the future.

Under the revised branding of its Component Repair Division, the business is targeting a 300% increase in revenue by 2019, with approximately 60% of this increase as a result of customers from new industrial markets. It also expect to expand its workforce to deliver this.

Accessing matched funding from the [Scottish Institute for Remanufacture](http://www.scot-reman.ac.uk) enabled RWG (Repair and Overhaul) to access the expertise of researchers at Heriot Watt University, and use this to support the development of a new brand identity and business model.



**Scottish Institute for
REMANUFACTURE**
Reuse, Repair and Reconditioning

RWG
REPAIR & OVERHAUL EXPERTISE

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