Increasing Element Aftermarket Revenue Stream For Agriculture OEM

**Technical Application Bulletin**

**PROJECT BACKGROUND**

- Schroeder took notice that a major OEM specializing in small, articulated landscape tractors and attachments was using a competitor’s spin-on filter series (return and suction).
- The OEM was not happy with their aftermarket business.
- Schroeder looked at crossing the competitor’s spin-on filter series with a replacement element from our Schroeder BestFit® program.

**DISCOVER**

- Since finding out that the OEM was only capturing approximately 14% on the aftermarket side for replacement element business, Schroeder stepped in and offered our patented GeoSeal® solution, guaranteed to make for 100% Aftermarket element sales with included private labeling, in the form of a GH | HydraSPIN Filter, with a few modifications.

**DIAGNOSE**

**DESIGN**

**What We Did:** We took the idea of the existing HydraSPIN filter (GH), and branched out to HYDAC in hopes to collaborate on a hybrid GH/LPF solution:

**Course of action**

1. Schroeder reached out to HYDAC since they offer an LPF series filter.
2. The LPF is a more compact, in-line filter housing, rated for 14.5 gpm @ 350 psi operating pressure.
3. The LPF is smaller in diameter and length, which will fit in the OEM’s existing footprint.
4. The two LPF series filters, the LPF55 (suction) and LPF35 (return), along with 25 micron synthetic micro-glass Z-media® (suction) and 10 micron cellulose E-media (return) GeoSeal® elements, would provide an immense return on investment for Venture compared to the previous spin-on elements.
5. The LPF with GeoSeal® elements would provide a lower pressure drop, higher dirt holding capacity, and equivalent efficiency compared to the previous spin on.
• The OEM immediately saw the value-added return on investment if they switched from their current provider to the LPF filters from Schroeder.

• With the initiative of using the LPF filters, there would be a larger upfront cost associated with buying the housings, however - within the first two (2) years, the OEM would see a return on their investment and could move forward obtaining revenue from the new replacement element business.

• The LPF55 suction filter has been adopted and is in production along the customer’s boom mower attachment.

• This project will carry forward along with the LPF35 return filter into another series tractor set for the following year (2,500 units / year).

<table>
<thead>
<tr>
<th>Landscape Tractor</th>
<th>Competitor Spin-On</th>
<th>Schroeder LPF</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aftermarket Element Sales (%)</td>
<td>14%</td>
<td>100%</td>
<td>+86%</td>
</tr>
<tr>
<td>Aftermarket Element Return ($)</td>
<td>$61,300 / year</td>
<td>$195,000 / year</td>
<td>$133,700</td>
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Aftermarket Element Sales (%)

Aftermarket Element Sales ($)

Underlying values:
Aftermarket Element Sale: Only 14% of the sales were coming to the OEM with using the competitor’s spin-on solution. A full 100% of Aftermarket return was given using Schroeder’s solution.

Aftermarket Element Sale: 14% of overall year total = $61,300 from competitor. 100% of overall year total = $195,000 from Schroeder.

$195,000 - $61,300 = $133,700 in additional Aftermarket revenue.

CUSTOMER BENEFITS

• Lower pressure drop
• Higher dirt holding capacity
• Equivalent efficiency compared to previous competitors

FURTHER APPLICATION AREAS

• Low Pressure, In-Line Filtration applications
• Small footprint applications

LPF | Low Pressure Filter

Operating Pressure: 580 psi
Temp. Range: -22°F to 212°F
Housing Material:
  Bowl: Aluminum
  Head: Aluminum
Housing Seal Material:
  FPM
  EPDM