

FIELD SERVICE EXCELLENCE DEPENDS ON AN INTEGRATED APPROACH

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Report Highlights

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Service has a responsibility to improve the end customer experience, not just show up to meet an SLA.

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More than half of all service visits require a spare part to close the work order.

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The Best-in-Class are 36% more likely than peers to capture, store, and make service performance and customer data accessible to the right stakeholders.

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An integrated technology infrastructure has helped the Best-in-Class to not only improve first-time fix rates, but also to drive revenues and asset uptime as a result of this single source of the truth.

This report highlights the impact that a truly integrated technology infrastructure can have on delivering a heightened service experience for customers while also connecting the entire organization with real time, actionable insights.

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The challenge isn't necessarily that companies aren't doing anything (around technology), it is that what they are doing isn't making them more efficient at delivering service.

The technology world is less of a revolution and more of an inevitability these days. As seen in Aberdeen Group's [*The Mobile Technician: The Evolution of the Connection in 2015*](#) (July 2015), even underperforming companies only have about one third (37%) of their field service processes paper-based. Mobility, cloud, and the Internet of Things (IoT) are no longer secrets only being leveraged by a select few. In particular, three-fourths of organizations have a mobility initiative in place specific for service to ensure their field teams have access to real-time insights to help deliver resolution and a heightened customer experience.

The Service Challenge That Can No Longer Go Unnoticed

If most organizations understand that technology is integral to their success, why are so many of these service teams struggling to deliver value to customers? The challenge isn't necessarily that companies aren't doing anything, it is that what they are doing isn't making them more efficient at delivering service. A connected view of service needs or customer issues eludes many organizations. Despite this challenge, service organizations and manufacturers are looking to field service to help them deliver some very lofty and integral goals (Figure 1).

→ [Related Research:](#)
 “The Mobile Technician: The Evolution of the Connection in 2015”

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Figure 1: Top Goals Pushing Service to Excel



But in order to meet these haughty goals of profitability, productivity, and customer satisfaction, service organizations must focus the technology infrastructure available to ensure an integrated view of the customer, the equipment, and the technician. If the problem is unknown, it is difficult to know what parts are needed to resolve the issue. Further compounding the issue is that more than half of all service visits (54%) require a spare part in order to close out the work order. This lack of integration in the data flow is causing a number of issues which keeps organizations from meeting the aforementioned goals.

➔ **Failed first visit and costly secondary truck roll —**

Needing to schedule a second visit doesn't only cost the service organization, on average more than \$200 per roll, it also uses additional resources to schedule the call. Dispatchers need to scour their database to find an opening, technicians need to readjust their calendar to fit

Research Fact:
On average, technicians are
scheduled for 3.7 jobs per day,
but only **3.2 jobs are**
completed daily

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The State of Service Management Best-in-Class Defined

In January and February 2015, Aberdeen surveyed 219 end-user service and manufacturing organizations to understand the key trends in the service market. The performance metrics used to define the Best-in-Class (top 20%), Industry Average (middle 50%), and Laggards (bottom 30%) among these organizations are:

- 88% Customer satisfaction rate, vs. 83% among Industry Average and 76% for Laggard firms
- 68% Service contract attach rate, vs. 54% for Industry Average and 22% for Laggard firms
- 9.1% average year-over-year improvement in service revenue, vs. 4.9% among Industry Average and 4.5% for Laggards

in another job, and the customer has to find more time to be available to receive the field tech.

- **Excess number of parts from inventory in truck stock for technicians** — to avoid failing to solve a customer issue, some technicians are resorting to hoarding parts in their vehicles.

A technician wants to be the hero of the day as they are the ones in front of a customer at a time of need.

Unfortunately, carrying excess parts has a negative impact on the supply chain as these parts can't be used elsewhere to be sold, solve other customer issues, or simply be scrapped which would otherwise open up space in the vehicle for necessary parts.

- **Unhappy customers who have extended downtime** — Asset failures are bound to occur. The problem arises when customers are expected to be content with any level of service provided. Showing up on time or just having visibility into a failure, but not resolving the issue, is not acceptable anymore.

Navigating The Vast Complexity of ERP, CRM, and the Field

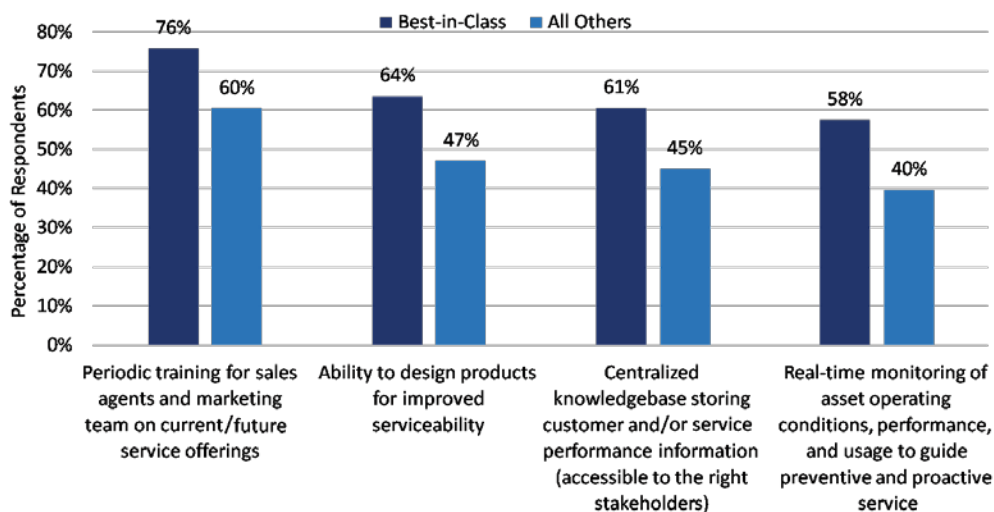
A disconnected technology infrastructure only has so much value, with quite a bit of costs. When ERP, CRM, and service don't communicate with each other seamlessly, the many functions that depend on these technologies work independent of each other. As troubling, the upfront cost of deploying these disconnected systems is just scratching the surface. As any one of the systems is changed, all the other systems are also affected and must be individually upgraded. The exponential nature of this type of infrastructure maintenance and upgrade

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management is unsustainable as too much needs to be synced in order to have the systems adequately talk to each other.

Isn't it important for sales to know when a customer has had weekly failures or extended downtime prior to a request for a renewal conversation? Shouldn't the inventory team be aware of product or part defects which are leading to equipment failures in the field? And shouldn't the service technicians know that a service contract is expiring prior to showing up on a customer site? Having a single source of data and insight has a profound impact on manufacturers and service organizations. This integrated view provides the entire team with the insights to make decisions in real-time which benefit the customer, productivity, and performance (Figure 2).

Figure 2: Technology Must Provide Value for the Entire Team



n= 219

Source: Aberdeen Group, December 2015

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The Field Service Workforce Management Best-in-Class Defined

In the February and March 2015 Field Service Workforce Management study, Aberdeen used three KPIs to distinguish the Best-in-Class (top 20% of aggregate performers) from the Industry Average (middle 50%) and Laggards (bottom 30%) organizations, with the mean performance amongst the Best-in-Class are as follows:

- 87% performance in first-time fix rate
- 81% performance in worker utilization
- 11% annual improvement in worker productivity

The Best-in-Class leverage a fully integrated technology infrastructure to ensure data integrity, actionable insights, and efficient execution of service. But the benefits extend beyond the service team to enable other functions within the organization to also improve their performance and effectiveness:

- ➔ **Real-time view into the field for the back office** — The Best-in-Class are 36% more likely than peers to capture, store, and make accessible service and customer data for teams beyond service. The technician is sometimes the only employee which gets in front of customers and equipment once they leave the manufacturing floor, but the insight gleaned in these interactions are invaluable for the rest of the organization. If this insight comes back in an ad-hoc or delayed way, it is difficult to effectively act on changes in customer behavior, customer expectations, or asset performance.
- ➔ **Improve products/equipment for better serviceability based on insight into asset performance** — Connecting service data with product lifecycle data allows engineering to innovate and evolve future products to improve performance. Equipment, assets, and products that don't fail in the first place is the goal, but ensuring future products can be quickly serviced is equally valuable as it lessens mean time to repair and helps technicians become more productive.
- ➔ **Sales has insight into customer interactions and asset performance** — The view into the field by an integrated technology engine isn't intended to just be a one-way mirror. This real-time intelligence is valuable in that it can, and should, shape the interactions of other teams. In particular, the sales team can glean a lot of information

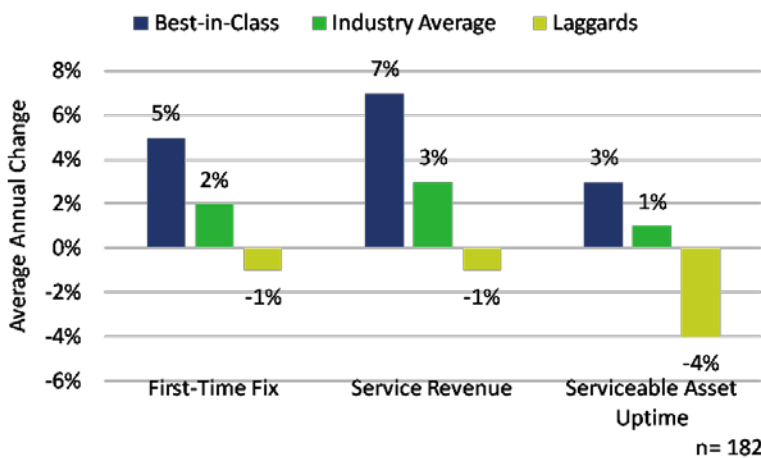
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from service interactions seeding cross-sell/up-sell opportunities, proactive renewal conversations, and more customized offerings.

First-time Fix Is More than just an Operational Metric

The failure of not having an integrated technology infrastructure, which provides a real-time view into service, is not just the cost associated, but more importantly it is the impact this fragmentation has on delivering resolution. For example, organizations that do not have their ERP or CRM connected to the service team will have blind spots which cannot accommodate fluctuations in service demand or spare parts usage. And once again, with more than half of all service visits needing a spare part to achieve resolution, not knowing will lead to more than just headaches. Not fixing issues the first time has a major impact on the customer, as assets remain down and unproductive. The resulting impact of unhappy customers is a drop in service revenue (Figure 3).

Figure 3: First-time Fix Leads to Happier Customers



Source: Aberdeen Group, December 2015

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The Best-in-Class leverage their integrated technology infrastructure to know what parts are needed to fix specific pieces of equipment and ensure the entire organization can have the right conversations which leads to ongoing revenue opportunities.

Deliver A Heightened Service Experience as a Result of Having Actionable Data

The ability to deliver a great service experience to the customer continues to get tougher. And even though technology investment is becoming a norm, too often organizations fail at integrating the data flow to make it useful to more than just a select few. Top performing organizations lead the way and below are a few of the ways they have excelled.

- **Connect the field to the rest of the organization.** A disconnected technology infrastructure forces silos of the business to make decisions independent of the impact to other groups. This approach is not only unproductive, it is detrimental to delivering a consistent experience and message to the customer.
- **Prioritize access to insights.** Decisions made in a vacuum sometimes require gut as opposed to data. Integrating technology to tap into real-time intelligence empowers the service team to make the right decisions based on the realities of the field.
- **Create a single view of the service truth.** Service must move at the speed of customer needs, and technology has to keep up. Static updates put service at a disadvantage as resources need to be flexible to meet changing requirements in the field.

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For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[The Mobile Technician: The Evolution of the Connection in 2015](#); July 2015

[Service Revenue: Unearth an Untapped Stream of Dollars](#); May 2015

[Field Service Workforce Management: Empower Tech 3.0](#); May 2015

[State of Service Management 2015: Connect to Your Customers](#); March 2015

[Evolution of Smart Service: Connected to the Future of Resolution](#); March 2015

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