

Field Service 2012

The Right Technician

February 2012

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Executive Summary

For service organizations, the field continues to be a major proving ground in the quest for improved customer satisfaction, higher customer retention and increased profitability. On average, as revealed in a recent field service survey of 220 organizations, 65% of incoming service requests require a field visit or a dispatch. Nearly 26% of these dispatches require secondary or additional follow up visits, thereby making the effective management of field resources and the overall field service organization extremely vital in the pursuit of service excellence. For the Best-in-Class, field service management encompasses excellence in scheduling, planning, and overall workforce management.

Best-in-Class Performance

In December 2011 and January 2012, Aberdeen Group surveyed 220 service professionals. Those defined as Best-in-Class exhibited the following traits:

- 88% level of first-time fix (71% for all others) and a 10% reduction in resolution times over the previous 12 months.
- 83% level of workforce utilization (62% for all others) and a 15% increase in workforce productivity over the previous 12 months;
- 92% compliance with stated response or project completion times (78% for all others)

Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance are:

- Seventeen percent more likely (58% vs. 48%) than all others to create field service schedules two times a day or more frequently
- Forty percent more likely (80% vs. 57%) than all others to have service leadership in charge of forecasting and resource planning
- Thirty-six percent more likely (61% vs. 45%) than all others to leverage field service management applications

Required Actions

To achieve Best-in-Class performance, companies must:

- Make service management responsible for forecasting and planning
- Integrate parts into scheduling criteria
- Move away from manual paper-based scheduling and increase investments in mobility
- Evaluate scheduling and planning accuracy frequently
- Tie field technician variable compensation to team goals, customer feedback, and revenue-generating leads

Research Benchmark

Aberdeen's Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

How Does Your Performance Compare to the Best-in-Class?



- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

Take the Assessment

Receive Your Free Scorecard

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Chapter One: Benchmarking the Best-in-Class

An Average Field

As revealed in Aberdeen's 2011 Field Service research (*Field Service 2011: Trends in Workforce Management*, January 2011), leading organizations focus on the following three pillars to guide the management of their field service operations.

- Day-to-Day Execution - Scheduling, Dispatch and Mobility
- Strategic Planning - Demand Forecasting and Resource Planning
- Workforce Management - Hiring, Training, Compensation and Engagement of the Field Service Workers

2012 research confirms that leading organizations continue to strengthen the three pillars and ensure that they have the right technicians in place, powered by the right tools, to deliver the desired experience to service customers.

This research document will focus on the steps taken to put the right technician in place. A follow-up document (to be published in June 2012) will focus on the 'Right tools' discussion tied to mobility, parts integration and information management.

Current State Assessment

Average seems to be the most appropriate word to describe how field service organizations currently view or assess their performance in key field service management criteria. Organizations polled by Aberdeen rate themselves at a slightly above average 3.6 level (1- Poor, 3- Average, 5- Excellent) in their ability to schedule technicians to meet contractual or other commitments. These organizations rate their ability to provide acceptable appointment times and wait windows to their customers similarly. Scores related to planning are slightly lower, with a 2.8 assessment provided for being able to forecast service demand and an average 3.1 return for being able to allocate resources appropriately. Scores are similarly 'average' in hiring, training, and retention assessments, though there is a slight dip (2.7) in the organizational ability to structure performance-based incentives for their field service agents effectively.

The 'average' assessment is cemented by a deeper review of key performance indicators tied to field service (Table 1). Once again, these align with results seen in 2011 field service research (*Field Service 2011: Trends in Workforce Management*, January 2011), and show an opportunity for improving field service performance, specifically in field service efficiency and workforce utilization.

Fast Facts

- √ 90% level of customer retention seen by the Best-in-Class, compared to 82% for all others.
- √ 78% of Best-in-Class organizations attained 2011 customer service goals, compared to 59% of all other organizations
- √ 49% of Best-in-Class organizations are prioritizing investments in leadership to support planned strategic actions

Insight: Average Field Service Results

- √ 3.0 Tasks Completed / Technician
- √ 74.8 Miles Driven Daily / Technician

Table 1: Field Performance: Seeking Improvement

Metric Performance	Average Result
Workforce Utilization	66%
First-Time Fix	74%
SLA Compliance	81%

Source: Aberdeen Group, January 2012

An underutilized workforce can add a significant cost burden to the service organization, a burden that is magnified by repeat service visits. The impact on the customer can be significant, as they are saddled with a non-performing product that might hinder their productivity and revenue goals. At the same time, an over-utilized workforce can be costly from an overtime perspective, and can hurt response times. The goal for service organizations should not be to raise utilization in isolation, but to raise it in combination with efficiency and resolution rates to improve customer value.

All these factors contribute to the fact that a large proportion of field service organizations were unable to meet 2011 goals for customer satisfaction, retention and profitability (Table 2). The near 40% miss on customer satisfaction objectives emphasizes service organizations' need to improve in field service performance.

Table 2: 2011: The Year of Broken Promises

Metric	Percentage of Respondents (n=220) that met 2011 goals
Customer Retention	65%
Customer Satisfaction	61%
Productivity	55%
Revenue	53%
Cost	52%

Source: Aberdeen Group, January 2012

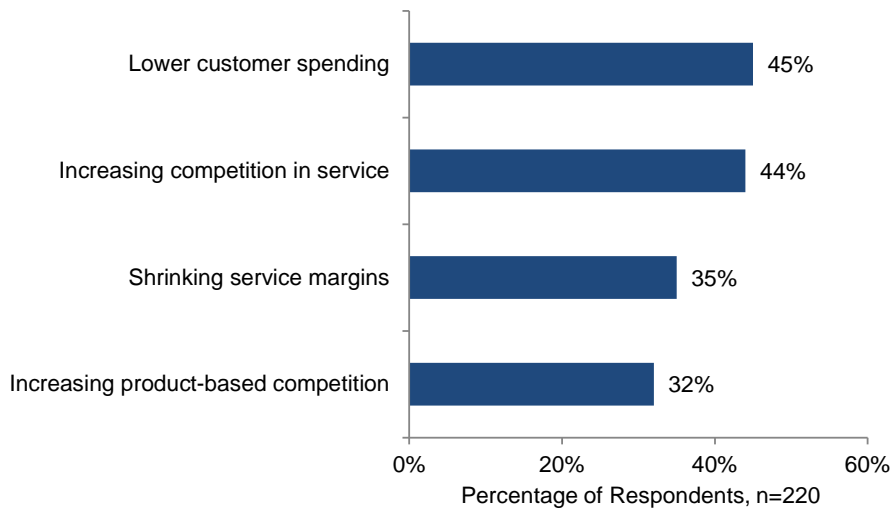
"Field Service Management is extremely important to our organization, not only as a contributor to the company's bottom line, but also as a way of measuring customer satisfaction and quality of our goods and services. Correct and authorized billings, service reports and adherence to Service Level Agreements are critical to attract and retain market share. Field Service Management gives everyone in the company a litmus test of our overall corporate health."

~ Steve Wells, PMP
Applications System Analyst –
EnerSys, Inc.

Winning in 2012

Service organizations need to diagnose the reasons for their underperformance and failure to meet of goals quickly, as they are entering a more volatile economic environment and a more competitive market in 2012 (Figure 1). Customers are holding back on purchases due to the global slowdown, and when they are in the market for products and services, they are now greeted by an increasing list of product and service options, which places downward pressure on prices.

Figure 1: An Uncertain 2012: Market Pressures



Note: Respondents asked to select top 3. Source: Aberdeen Group, January 2012

Organizations need to combat these pressures by improving their customer service operations and shoring up service delivery processes, in order to further entrench themselves as the vendor of choice in their customers' minds. As seen in Aberdeen's [State of Service Management: Forecast for 2012](#) (January 2012) research, higher customer satisfaction drives higher retention, loyalty, and profitability (see sidebar). With this in mind, field service organizations have identified customer satisfaction as their top goal for 2012 (Figure 2). They hope to attain this by improving the efficiency and productivity of their field service organizations, enabling them to resolve customer issues quickly and effectively. In addition to increasing customer satisfaction and retention, field service organizations are also looking to improve their financial fortunes with a deeper focus on driving net new revenue opportunities from their service customers.

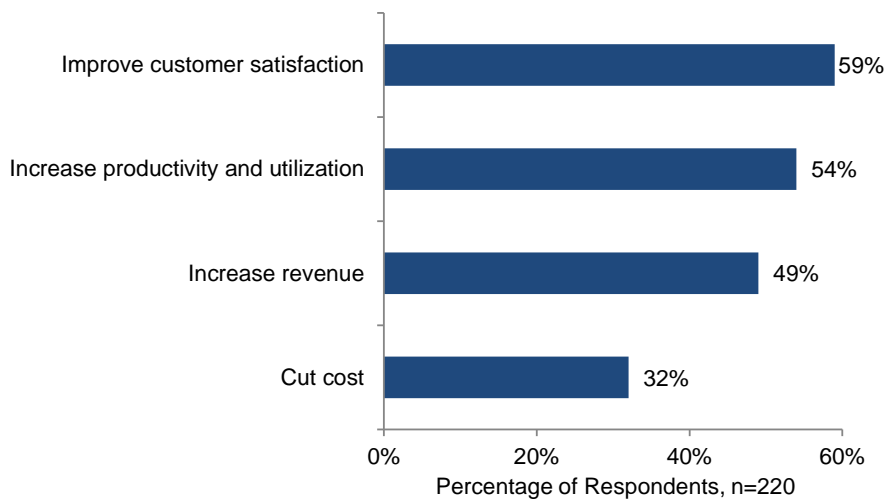
Insight: Importance of Customer Satisfaction

From Aberdeen's [State of Service Management: Forecast for 2012](#) (January 2012) research, those organizations with a 90%+ level of customer satisfaction experienced (compared to those with a sub-50% level of satisfaction)

- ✓ 92% customer retention (vs. 26%)
- ✓ 32% service margins (vs. 25%)
- ✓ 81 Net Promoter® measure of Customer Loyalty (vs. 28)

Net Promoter® and NPS® is a registered trademark of Fred Reichheld, Bain & Co and Satmetrix

Figure 2: Objectives for 2012



Note: Respondents asked to select top 3. Source: Aberdeen Group, January 2012

The Maturity Class Framework

Before discussing the steps leading service organizations take to boost service performance, it is essential to develop a valid, metrics-based framework that defines the Best-in-Class. Aberdeen's Best-in-Class definition is based on metrics that reveal excellence in the organization and efficiency of the service workforce, leading to advantages in customer-facing and financial metrics.

Field technicians for the Best-in-Class spend more of their available time actually turning wrenches, as opposed to sitting idle. When onsite, they are much more likely to be able to complete designated tasks on a first visit, leading to success in meeting customer or contractual commitments. Best-in-Class organizations are more likely to have the right technicians on site, equipped with the right tools to drive service success.

Table 3: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
<p>Best-in-Class: Top 20% of aggregate performance scorers</p>	<ul style="list-style-type: none"> ▪ 92% Success rate in meeting response or project completion deadlines ▪ 83% Workforce Utilization ▪ 88% First-Time Fix ▪ 15% Increase in Productivity over the previous 12 months ▪ 10% Decrease in Time to Resolution over the previous 12 months

Definition of Maturity Class	Mean Class Performance
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 84% Success rate in meeting response or project completion deadlines ▪ 66% Workforce Utilization ▪ 78% First-Time Fix ▪ 6% Increase in Productivity over the previous 12 months ▪ 4% Decrease in Time to Resolution over the previous 12 months
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 67% Success rate in meeting response or project completion deadlines ▪ 52% Workforce Utilization ▪ 59% First-Time Fix ▪ 0.6% Decrease in Productivity over the previous 12 months ▪ 0.5% Increase in Time to Resolution over the previous 12 months

Source: Aberdeen Group, January 2012

As service success is measured in terms of customer and financial metrics (metrics not used to determine Best-in-Class), it should be noted that the Best-in-Class organizations captured in Aberdeen's survey outperformed all others in customer retention (90% compared to 82% for all other organizations). Financially, leading organizations experienced an 8% year-over-year increase in service revenue, ahead of the 6% increase driven by all other organizations. They accomplished this without sacrificing cost discipline: leading organizations reduced costs 3% year-over-year, while costs increased 2% year-over-year for all other organizations. The Best-in-Class were also much more likely to have met 2011 service performance goals on customer-facing, employee-oriented or profitability metrics.

"Field performance is vital to retaining customers and generating repeat business. Doing a 'good' job is the minimum requirement, doing an excellent job is expected."

~ Ron Browne,
Owner,
Australia Wide Computer
Resources

Table 4: Delivering on Expectations

2011 Goals	Percentage of respondents who Met 2011 Goals	
	Best-in-Class	All Others
Customer Retention	80%	63%
Customer Satisfaction	78%	59%
Service Profitability	76%	50%
Productivity	73%	52%
Cost	73%	48%
Field Service Employee Turnover	68%	59%
Revenue	66%	52%

Source: Aberdeen Group, January 2012

The Best-in-Class PACE Model

Aberdeen’s PACE framework is designed to highlight the key strategies and capabilities employed by firms that attain Best-in-Class status through their excellence in meeting and overcoming internal or market pressures. The framework serves as a roadmap for firms to duplicate the strategies enforced and capabilities developed by Best-in-Class firms to improve their service performance (Table 5).

Table 5: The Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> Lower customer spending 	<ul style="list-style-type: none"> Invest in mobile tools for better information access in the field Share service information across the organization 	<ul style="list-style-type: none"> Developing schedules two times a day or more frequently Service management responsibility for forecasting and planning Service feedback management processes in place Scheduling criteria evaluated on a quarterly or more frequent basis Quarterly or more frequent measurement of employee engagement Variable compensation for field workers tied to team-based productivity and profitability metrics 	<p>Field Service Processes Automated:</p> <ul style="list-style-type: none"> Work Order Management Scheduling Mobile Dispatch Resource Planning <p>Other Solutions Used to Support Field Service</p> <ul style="list-style-type: none"> Parts Management Analytics Service Management Remote Service Fleet Management

Source: Aberdeen Group, January 2012

Best-in-Class Strategies

For the Best-in-Class, the key actions prioritized to attain field service goals in 2012 look a lot like those targeted in 2011. This doesn’t necessarily mean these organizations were unsuccessful in meeting their goals (as we will see in Chapter 2), but that they intend to re-emphasize these approaches to sustain field service growth. The key strategies for 2012 aim at:

I- Equipping technicians with the right tools

The Best-in-Class use mobile tools and applications to provide their field technicians with better information to improve productivity and resolution rates. These tools are also aimed at reducing the time and money wasted on unnecessary field service paperwork. In Aberdeen's 2011 Mobile Field Service research ([Field Service 2011: Mobility and the Extension of the Service Enterprise](#), July 2011), leading organizations saw double-digit improvements

(11%) in productivity as a result of investments in mobility. Leading organizations also reported better improvements from their mobile investments than all others, showing that Best-in-Class performance isn't tied to technology in itself, but rather to technology as a tool supporting Best-in-Class processes.

Table 6: The Right Tools for Field Service Success

Strategic Actions	Percentage of respondents	
	Best-in-Class	All Others
Invest in mobile tools to provide technicians with better access to information in the field	63%	53%
Make captured service information available across the enterprise	41%	37%
Develop real-time visibility into field assets (equipment, vehicles, technicians) - in terms of location and capacity	41%	47%
Leverage performance data to determine optimal selection, training and compensation practices	34%	18%

"The deployment of mobile technologies and their integration with our Business Intelligence, ERP and Service Management platforms are at the forefront of our attention right now."

~ Steve Wells, PMP
Applications System Analyst –
EnerSys, Inc.

Note: Respondents asked to select top 5. Source: Aberdeen Group, January 2012

2- Developing the right technician workforce

A technician with the right tools can still be ineffective without the expertise to resolve the service issue, or the training to take advantage of the tools provided. Leading organizations continue to invest in gaining more visibility into the status, location, and capacity of their workforce, to ensure the appropriate technicians are selected for specific tasks. Depending on the task, the right technician may not be the closest one, especially if the closest technician is overutilized, unavailable, or lacking familiarity with a particular product.

Leading organizations are also taking an in-depth look at technician performance to determine optimal hiring profiles, build training regimens, and structure compensation practices. The Best-in-Class are relying on data, rather than a one-size-fits-all approach, to build their 'right' workforce.

3- Enabling the right level of access into performance results

The service organization can use service performance data to improve in field service or customer service practices. While this is extremely valuable, and this data is not yet used to its full potential by service organizations, the data can even more valuable if shared with the rest of the organization. Sales and marketing departments can look at service history with a particular customer to develop a complete customer experience profile. Product design and engineering departments can use service data in failure and

quality analyses to improve reliability. The benefits of organization-wide data access are significant.

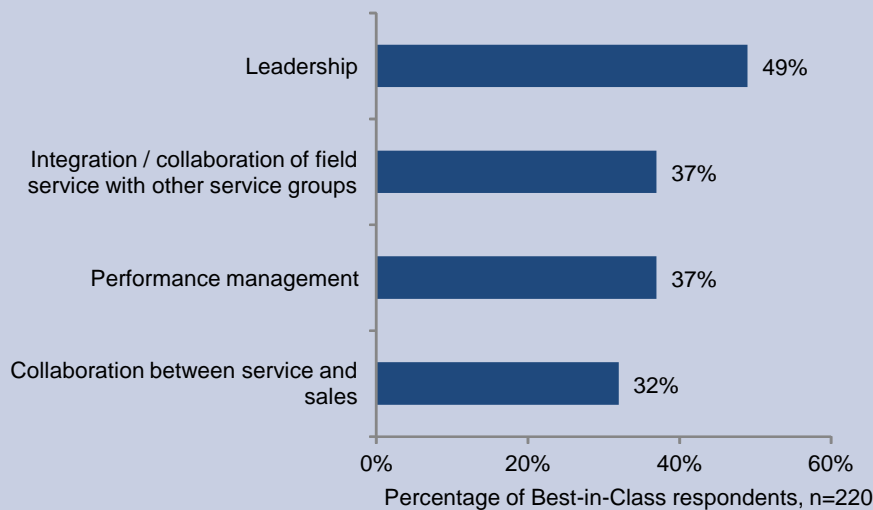
Aberdeen Insights — Investments to Support Actions

To support the strategic actions highlighted in Table 6, leading organizations focus on having the right service leadership in place, with access to performance data from the entire service organization. Service leadership that understands the link between customer satisfaction and business profitability is critical to ensuring that customer needs aren't sacrificed in the short-sighted pursuit of cost cutting. With oversight of the entire service organization and with visibility into performance, service leaders can make needed investments (Action 1) to enhance customer service, while supporting cross-enterprise collaboration (Action 2) and other customer experience enhancing initiatives. These leaders must interpret performance data to understand the interdependencies of various service functions, use data to plan and execute strategic improvement initiatives, engage their service team around a customer-oriented objective, and be held accountable for the results of initiatives using key financial and customer-facing metrics.

"The tone of the Company is always set from the top level, if you don't have that presence to drive performance, then the direction and discipline will wander."

~ Jeff Caswell,
Chief Operating Officer,
Interstate Companies, Inc.

Figure 3: Strategic Areas of Investment



Note: Respondents asked to select top 3. Source: Aberdeen Group, January 2012

Chapter Two: Benchmarking Requirements for Success

In support of the field service management pillars established in Chapter 1, successful service delivery depends on a supporting cast of organizational capabilities and processes. Identifying these vital capabilities, specifically around scheduling frequency, planning discipline, knowledge sharing, and performance management, and the organizational gaps that must be overcome to put these capabilities in place, will help service firms ascend to the status of Best-in-Class.

Case Study — Source Refrigeration & HVAC

With over 1,000 employees, 400 of which are field-based service technicians, Source Refrigeration & HVAC (Source) designs, installs, services, and optimizes mission-critical refrigeration and HVAC systems nationally for grocery and other industries. With a geographically distributed workforce, Source found that in 2006, as a result of rapid growth and expansion, it needed to re-evaluate the structure of the service organization. In many instances, field service operated like separate units across the country and did not provide a single view or consistent experience to the customer. Not only was maintaining a single view a challenge, Source also had to manage a varying set of needs from its customer segments; during a service call a different level or set of specialized skills could be required to resolve an issue.

In 2006, Source began to confront some of its key challenges with the goal of enhancing its customers' experience. The company took on a few initiatives to transform the service organization to become a more efficient and valued partner to its customer:

-Source executive leadership made a commitment to champion change and service improvement. Cross-functional teams led by dedicated Operational Excellence managers and sponsored by executive leadership displayed the corporate commitment to change and ensured input, buy-in and execution from the top executives all the way to the field.

-The company increased its investment into field automation tools. Source began with mobility to provide its field technicians with accurate and timely customer / product information while on-site. The company added dynamic scheduling capabilities / automation to ensure that field techs were routed to the right customer based on field tech skill set, distance traveled, and customer need, among other criteria. Source also implemented an automated inventory replenishment system at the service van level. This system provided increased visibility into parts demand / use and resulted in faster turnaround time, lower costs and improved responsiveness to the customer.

Continued.

Fast Facts

- √ 58% of Best-in-Class organizations develop work schedules two times a day or more frequently compared to 48% of all others.
- √ 58% of Best-in-Class organizations automate their scheduling processes compared to 28% of all others
- √ 41% of Best-in-Class organizations tie variable compensation to customer feedback compared to 26% of all others.
- √ 61% of Best-in-Class organizations leverage parts management solutions to aid field service processes.

“Leadership's devotion to an enhanced customer experience brought a sense of urgency and focus.”

~ Hal Kolp
Vice President, Information
Technology
Source Refrigeration & HVAC

Case Study — Source Refrigeration & HVAC

-Source greatly increased its investments in its training centers. The company not only improved and formalized its technical training curriculum for its field technicians, but also added 'soft' skills to the curriculum; both skills are integral to providing 'best-in-class' customer service.

-The company centralized and aligned its service and customer support organizations. The company moved its call center, field and dispatch operations under single service oversight to ensure alignment and consistency throughout the entire customer experience. This transformation gave both the company and the customer a unified 'look', standardizing processes and outputs across the organization.

Aided by these initiatives, Source has been able to reap improvements in a number of metrics tied to customer satisfaction, worker utilization, technician skill set improvements, cost reductions and revenue growth from service. Specifically, the company has seen a dramatic decrease in travel time and improvements in ensuring the 'right' tech with the 'right' skills is deployed as a result of better routing capabilities. Source has also achieved an increase in the number of automatic dispatches through its enhanced technology capabilities, allowing for the re-distribution of dispatcher's time to other tasks. Almost as important as these metric improvements, employees have access to performance data further establishing an environment of understanding, accountability and better decision-making.

In the coming years Source Refrigeration looks to continue to invest in technology, employees and customer value.

Competitive Assessment

Best-in-Class service firms, as determined by their performance in key indicators, exhibit several of the capabilities highlighted in Table 7 that fall into the five categories of Aberdeen's Competitive Framework: (1) **process** (workflows tied to schedule creation and delivery); (2) **organization** (corporate focus on the opportunity for improved customer service through increased planning and oversight); (3) **knowledge management** (making service data available to stakeholders that can act on the information to impact profitability); (4) **technology** (the selection of appropriate tools and the intelligent deployment of those tools); and (5) **performance management** (the ability of the organization to track / measure performance, and to make service delivery and employee management process changes with the aid of enhanced performance information).

Table 7: The Competitive Framework

	Best-in-Class	Average	Laggards
Process	Capture customer feedback regarding field service performance:		
	93%	90%	84%
	Service schedules created two times a day or more frequently (2 times, 4 times or dynamic):		
	58%	54%	36%
Organization	Service leadership responsible for forecasting service demand and developing resource plans:		
	80%	60%	51%
	Centralized scheduling of service resources:		
	76%	52%	45%
	Service organization responsible for scheduling third-parties:		
	61%	49%	38%
Knowledge	Field technicians have personalized dashboards reflecting service performance:		
	46%	26%	24%
Technology	Technicians made aware of schedule via mobile field service application:		
	49%	33%	29%
	Field service functions that are currently automated:		
	<ul style="list-style-type: none"> ▪ 61% Work order management ▪ 58% Scheduling ▪ 46% Dispatch ▪ 27% Forecasting 	<ul style="list-style-type: none"> ▪ 58% Work order management ▪ 30% Scheduling ▪ 35% Dispatch ▪ 11% Forecasting 	<ul style="list-style-type: none"> ▪ 55% Work order management ▪ 26% Scheduling ▪ 44% Dispatch ▪ 9% Forecasting
Performance	Quarterly or more frequent measure of service employee engagement:		
	61%	51%	35%
	Service performance used to evaluate and modify scheduling criteria:		
	59%	36%	33%
	Variable compensation (bonus) plan in place for field technicians:		
	59%	53%	49%

“It is easier to make changes at the corporate level; it is often tough when you have a widely-distributed workforce to implement change. It is important to gain the buy-in from both the executive team and the field to be successful.”

~ Hal Kolp
Vice President, Information
Technology
Source Refrigeration & HVAC

Source: Aberdeen Group, January 2012

Capabilities and Enablers

The Competitive Framework (Table 7) shows that Best-in-Class performance isn't predicated on excellence in any one support category. Best-in-Class organizations adopt a range of support structures to accomplish their planned strategies. In the case of field service, these capabilities help improve field resources' alignment to the service organization's vision.

Process and Organization

Best-in-Class organizations exhibit distinct capabilities that are directly attributable to improved field service performance. These capabilities can be classified as follows:

Scheduling

The Best-in-Class are more reliant on frequent or real-time scheduling than all other organizations. When a service work order is created, it is likely to be scheduled based on pre-determined criteria (see sidebar). This more dynamic view of scheduling allows the organization to take advantage of resource capabilities in real-time, and adjust to incoming work orders. If a new work order falls in the vicinity and experience of a technician who is idle or is potentially available in the short-term, it can be attended to immediately. In the case of once a day scheduling, that work order would only be attended to the next day at the earliest. As a result, it is not surprising that the Best-in-Class not only have higher workforce utilization rates than all others (83% vs. 62%), **but are also much more responsive in getting their technicians on site (1.5 days vs. 2.5 days for all other organizations once a request is logged).**

Insight: Scheduling Criteria

The Top Scheduling Criteria Used by the Best-in-Class are:

- √ 71% technician skills / qualifications
- √ 59% technician proximity to customer site
- √ 46% technician availability
- √ 39% technician capacity / workload
- √ 37% travel time
- √ 34% SLA requirements or associated penalties

Table 8: Making Scheduling Dynamic

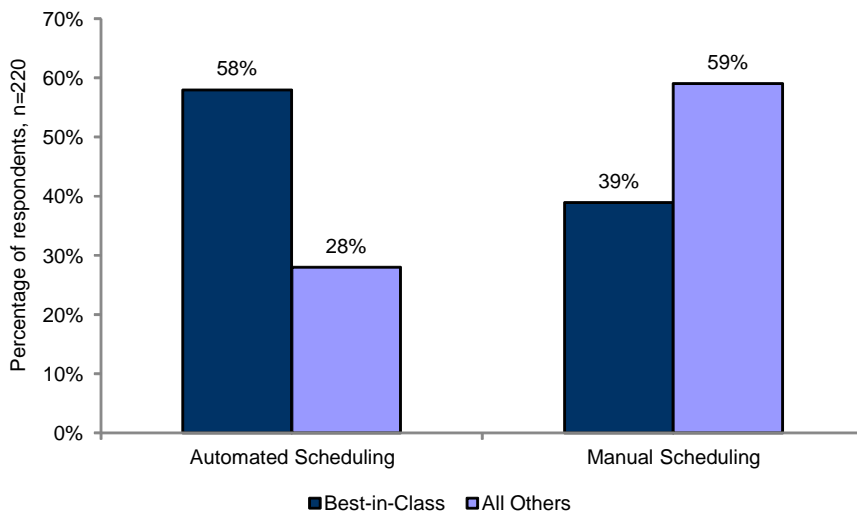
Frequency of Creation	Percentage of respondents	
	Best-in-Class	All Others
Fully optimized, scheduled as created	39%	33%
Four or two times a day	19%	15%
Once a day	17%	26%
Less frequent than once a day	22%	22%

Source: Aberdeen Group, January 2012

To aid the dynamic scheduling of work orders, leading organizations are more than two times as likely (58% vs. 28% for all others) as all others to rely on automation (scheduling applications) when creating schedules (Figure 4). Conversely, Laggard organizations are five times as likely as the Best-in-

Class (35% for Laggards vs. 7% for the Best-in-Class) to rely on manual paper-based scheduling. While dynamic and optimized scheduling might not be necessary for all organizations based on their scheduling requirements, manual paper-based processes fail to account for all the scheduling parameters that are essential to selecting the right technician, resulting in reduced utilization and efficiency rates. Organizations **with automated scheduling experience significant advantages in workforce utilization (77% vs. 67%) and first-time fix rates (71% vs. 56%) compared to those with manual paper-based scheduling.**

Figure 4: Upgrading Performance with Automation



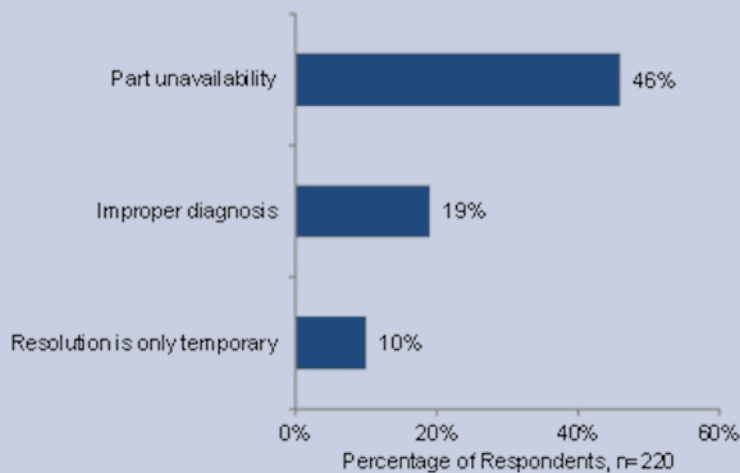
Source: Aberdeen Group, January 2012

Technology helps the Best-in-Class centralize the scheduling of field service resources (76% vs. 50% for all other organizations), as opposed to relying on a distributed or regional model. Regional managers at leading organizations have the authority to manage exceptions, but most resource scheduling is done in a centralized manner. This gives the organization a more complete view of available resources and resource requirements, so it can determine the best available match for pending field service work. The centralization of scheduling also extends to third-party field service organizations conducting service work on behalf of the Best-in-Class. Sixty-one percent (61%) of the Best-in-Class are responsible for the scheduling of third-party technicians, as opposed to 45% of all other organizations. Since nearly 20% of field service work is handled by third-party or outsourced technicians, sub-par performance by third-party technicians can have a significant impact on overall field efficiency and customer perceptions about the quality of service. Leading organizations take no chances with quality of service, whether provided by their own full-time technicians or third parties.

Aberdeen Insights — People and Parts

The potential for improved integration of parts availability in scheduling decisions often seems to be ignored in performance reviews. While 61% of organizations indicate using parts management solutions to support field service, only 10% leverage parts availability as a key scheduling factor. Organizations place more weight on technician- and location-specific factors. While these factors are important, organizations should pay more attention to parts availability. Currently, 52% of all field service visits require a service part, yet technicians actually have the required service parts in their truck stock on only 42% of those visits. As a result, technicians must drive to a stocking location to pick up the required part which adds travel time and cost, or else arrive at the customer site without the desired part, which leads to a repeat visit (Figure 5).

Figure 5: Reasons for Field Inefficiency



Source: Aberdeen Group, January 2012

Planning

To augment the performance advantages offered by excellent day-to-day execution, the Best-in-Class rely on longer term forecasting and planning to ensure they have appropriate resources to meet service demand. Eighty percent (80%) of the Best-in-Class, compared to 57% of all others, give senior service leadership with responsibility for forecasting future demand and developing resource plans. With a better view of future demand, the organization can make strategic decisions around workforce hiring, workforce allocation, parts stocking locations, and partner associations, to ensure the highest levels of service are delivered whether in peak or off-peak demand situations.

The Best-in-Class also hold service management accountable for forecasts and plans, with reviews of forecast accuracy on a quarterly or more frequent basis. Nearly 60% of the Best-in-Class have this level of rigor, compared to 32% of all other organizations; the results take the form of higher utilization levels, and better first-time fix and lower overtime rates (Table 9). By consistently evaluating forecasts and plans, leading organizations can adjust their planning processes and parameters in response to real-time conditions.

Table 9: The Benefit of Performance Review

Metric	Average Result	
	Service Planning and Quarterly Review in Place	Neither In Place
Workforce Utilization	70%	60%
First-time Fix	79%	69%
Compliance	83%	77%
Overtime	15%	22%

Source: Aberdeen Group, January 2012

"We carry out an NPS® survey on a sampled number of customers and then we ask detailed questions about our performance which covers a number of dimensions, one of which is how we performed in line with their expectation of the service and that of our competitors."

~ Head of Process Development,
European Retail Organization

Feedback Management

In addition to internal reviews of scheduling and planning efficacy, the Best-in-Class are also seeking feedback from their customers about field service performance, to discover what can and must be improved to enhance customer satisfaction. Ninety-three percent (93%) of the Best-in-Class, compared to 87% of all others, actively pursue customer feedback after field service visits. A quarter of the Best-in-Class solicit customer feedback after every field visit, and 44% follow up with their customers after a sample of field service visits, to determine general trends in field performance.

Knowledge and Performance Management

Consistent performance review is a cornerstone of the Best-in-Class drive for success. The 'planning' section earlier discussed how leading organizations evaluate demand forecasts and resource plans on a quarterly or more frequent basis. These organizations also use performance data to evaluate scheduling criteria or the parameters that determine the selection of a particular technician for a particular task. Performance analysis might reveal the increasing importance of particular parameters, like parts availability, which in turn allows these organizations to tweak their scheduling algorithms to raise the weighting of parts in the selection of technicians for a task. Best-in-Class organizations are 69% more likely than all others (59% vs. 35%) to adjust scheduling criteria frequently based on performance data.

Insight: Type of Surveys Used

Best-in-Class organizations use a variety of surveys to capture customer feedback (Note: respondents asked to select all applicable)

- √ 63% phone surveys
- √ 38% online surveys

Frequent performance analysis and review also forms the basis of hiring, training, and compensation practices (workforce management pillar) for the Best-in-Class. Leading organizations are 13% more likely (59% vs. 52%) than all others to provide variable performance-based compensation to field service workers. Table 10 shows that the Best-in-Class not only tie variable compensation to individual productivity, but also align compensation with team-based productivity and profitability metrics. As a result, technicians are encouraged to drive their own production numbers, and improve the service organization's overall performance. Engagement is vital for the Best-in-Class, as seen in the [State of Service Management: Forecast for 2012](#) research (January 2012), where leading organizations rated employee engagement as very important (4.1 on a 1 to 5 scale with 5 being extremely important) to the organization's operational and financial success. The State of Service research also found that leading organizations reflected a 74% level of workforce engagement (as measured by percentage of employees engaged), compared to 68% for Laggard organizations, which helped these organizations achieve higher service margins and overall customer satisfaction. In the field, Best-in-Class are 36% more likely (61% vs. 45%) than all others to measure employee engagement on a quarterly or more frequent basis.

Insight: Non-Cash Incentives

Forty-four percent (44%) of the Best-in-Class (36% of all others) also provide non-cash incentives to their field service employees. These primarily come in the form of gift cards (89% of Best-in-Class) or internal recognition (76% of the Best-in-Class).

Table 10: Pay for Play and Customer Success

Variable Compensation Tied To:	Percentage of respondents	
	Best-in-Class	All Others
Individual Productivity	49%	38%
Customer Feedback	41%	26%
Team Productivity	39%	33%
Customer Satisfaction / Retention	39%	26%
Service Organization Profitability	37%	28%

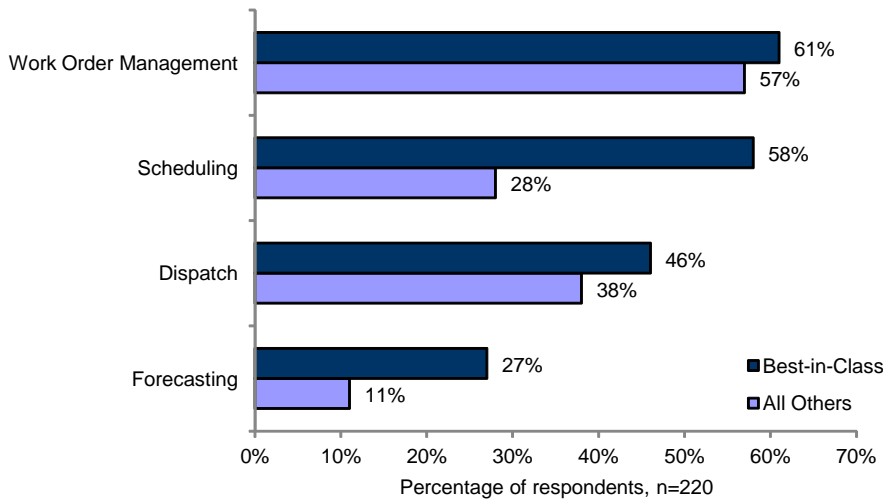
Source: Aberdeen Group, January 2012

Technology

Figure 4 shows how Best-in-Class organizations rely on automation for their scheduling processes. This reliance on technology extends across the entire field service execution spectrum, from work order creation to scheduling and dispatch (Figure 6). In addition, leading organizations are much more likely to use mobile applications that allow their field engineers to access work schedules and other pertinent information in the field (49% vs. 32%). Aberdeen's [Field Service 2011: Mobility and the Extension of the Service Enterprise](#) (July 2011) revealed that the use of mobile applications in field service was responsible for improved performance, especially tied to improved productivity. In that research, the average service organization experienced a 7% increase in productivity from the adoption of mobile

technology, primarily due to the elimination of paperwork and redundant administrative practices.

Figure 6: No More Paperwork



Source: Aberdeen Group, January 2012

The Best-in-Class are ahead of all others in adopting technology solutions to support forecasting and planning initiatives, even though overall usage levels are still relatively low. Leading organizations are two times as likely as all others to have resource planning solutions (22% vs. 11%), and more than two times as likely to have forecasting tools (Figure 6). Looking ahead into 2012, the Best-in-Class plan to adopt these forecasting and planning tools more widely, and to keep investing in mobile solutions to empower the service workforce.

The Best-in-Class also rely on an arsenal of back-end solutions to support field service processes:

- Parts Management Solutions (61% of the Best-in-Class) for improved integration of people and parts to improve first-time fix.
- Warranty and Contract Management Solutions (61% of the Best-in-Class) for improved prioritization of service tasks tied to contract covenants and the reconciliation of repair information with warranty obligations.
- Knowledge Management Solutions (54% of the Best-in-Class) for improved collaboration between service technicians as well as increased sharing of information between service and other groups.
- Service Management Solutions (49% of the Best-in-Class) for an integrated view of the entire field service network

- Remote Service and Fleet Management Solutions (37% of the Best-in-Class) for better asset visibility as well as improved resolution and diagnosis practices to eliminate unnecessary dispatches.

A third (33%) of leading organizations, compared to 25% of all others, also use performance management solutions and analytics to aid data-driven field service improvement initiatives that touch on the entire spectrum of field service workforce management, from scheduling to planning and workforce management.

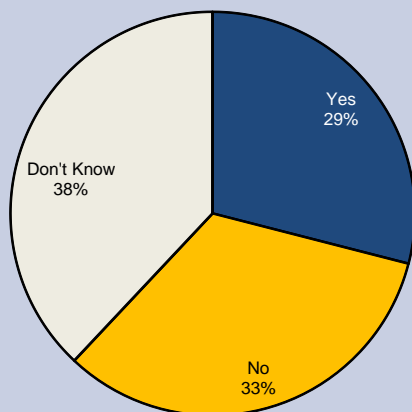
“Everyone is held accountable internally to service metrics. This visibility helped drive change.”

~ Hal Kolp
Vice President, Information
Technology
Source Refrigeration & HVAC

Aberdeen Insights — Field Service in the Cloud

As seen in the [State of Service Management: Forecast for 2012](#) (January 2012) research, service organizations are hesitant to adopt cloud-based automation solutions. Only 19% of respondents to that research indicated that cloud computing had impacted their automation roadmap in 2011. For most respondents, concerns around data security and the integration of cloud-based applications with current automation investments were significant enough to dampen adoption. In field service, the trends are similar, with a low proportion of respondents indicating they use cloud-based applications for field service management. Of those currently using scheduling and mobile solutions, only 10% and 12% respectively indicate that these solutions are deployed in the cloud. While service organizations rate scalability and initial cost as important (3.8 on 1 to 5 scale, with 5 being extremely important) in the selection of field service solutions, these cloud-based advantages are trumped by usability, integration, and total cost of ownership. Looking into 2012, nearly 30% of service organizations indicate that their field service automation decisions will be impacted by cloud computing, revealing a slightly increased acceptance of the cloud.

Figure 7: A Cloudy Future?



Percentage of respondents whose field automation roadmap for 2012 will be impacted by the cloud, n=220

Source: Aberdeen Group, January 2012

Chapter Three: Required Actions

Whether a company is trying to move its performance in field service delivery and workforce management from Laggard to Industry Average, or Industry Average to Best-in-Class, the following summarized actions structured around scheduling, planning and improved employee management, will help spur the necessary performance improvements::

Laggard Steps to Success

Compared to the Industry Average, Laggards face significant shortfalls in utilization and efficiency metrics, leading to higher costs and lower retention rates. As a result, these organizations must:

- **Schedule More Frequently.** Thirty-six percent (36%) of Laggards schedule technicians daily, compared to 21% of Industry Average organizations. To be more responsive to real-time market and customer requests, these organizations must move to more frequent scheduling models. Laggards that schedule two times a day or more frequently have seen a 73% level of compliance with required response and completion times, compared to a 66% success rate for organizations that schedule daily. Moving to a more frequent scheduling model would require rejecting manual paper-based scheduling, currently used by 35% of Laggards (see Industry Average recommendations).
- **Plan to Succeed.** Industry Average organizations are 18% more likely than Laggards (60% vs. 51% for Laggards) to have service leaders develop demand forecasts and service resource plans to inject a level of predictability in the service business. Laggards that have service-led planning in place exhibit a higher proportion of preventive visits (29% vs. 26%) in their total dispatches compared to those that don't. This is vital to ensure a higher level of workforce utilization to meet customer needs. A third of Laggards are looking to increase the planning and forecasting responsibilities of their service leadership in the next 12 months.
- **Look to Engage.** In *State of Service Management: Forecast for 2012* (January 2012) organizations with a 70% or greater level of employee engagement experienced significant benefits in customer satisfaction, retention and service margins compared to those organizations with a sub-70% level of engagement. Where do Laggards stand on engagement? Only 35% measure field employee engagement on a quarterly or more frequent basis, compared to 51% of the Industry Average. By putting quarterly engagement surveys in place, these organizations will not only get a better grasp of current engagement levels but also be able to understand the impact of key engagement improving initiatives.

Fast Facts

- ✓ Organizations using customer feedback to determine variable compensation were 37% more likely to attain customer retention goals in 2011.
- ✓ Best-in-Class organizations that used part availability as a scheduling criteria surpassed 90% for first-time fix performance

How Does Your Performance Compare to the Best-in-Class?



- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

Take the Assessment

Receive Your Free Scorecard

- **Win as a Team.** Also in Aberdeen's [*State of Service Management: Forecast for 2012*](#) research (January 2012), 40% of organizations indicated that they were looking to implement performance-based incentives to drive employee engagement. While Laggards are on par with the Industry Average in providing variable performance-based compensation (49% vs. 53% of Industry Average), only 24% tie performance incentives to team productivity. In comparison, 39% of Industry Average organizations align personal performance incentives to team-based productivity goals. Organizations that had team-based productivity goals in place were more likely (61% vs. 53%) to meet productivity goals in 2011 than those without these incentives in place.

"[Executive level service leadership in driving field performance is] vital. It set the example for the rest of the company to follow. All management is expected to spend at least one hour per day working on the 'front line' (answering the phone and speaking with customers, allocating and following up calls with the field techs)."

~ Ron Browne,
Owner,
Australia Wide Computer
Resources

Industry Average Steps to Success

The Industry Average trail the Best-in-Class by a significant amount in terms of workforce utilization and first-time fix. These organizations are also struggling to improve their metrics year-over-year. As a result, these organizations must:

- **Eliminate Paper.** As seen in the Laggard steps for success, more frequent scheduling is necessary to drive field service performance. This move requires investing in automation. Industry Average organizations are more than three times as likely as the Best-in-Class (24% vs. 7%) to use paper-based scheduling.
- **Invest in the Right Mobile Tools.** Only 33% of Industry Average organizations equip field workers with mobile tools to access work order information and beyond. In contrast, 49% of the Best-in-Class have mobile tools which field workers can access schedule, work order, resolution and parts information. These tools are essential in boosting productivity and resolution rates and must be invested in to improve field service performance.
- **Make Data-Driven Adjustments.** While 60% of Industry Average organizations are engaged in resource planning and demand forecasting, only 34% (compared to 59% of the Best-in-Class) evaluate planning efficacy and success on a quarterly or more frequent basis. Similarly, only 36% evaluate the success of their scheduling algorithms on a quarterly or more frequent basis (compared to 59% of the Best-in-Class). Constant evaluation of scheduling and planning procedures is vital in ensuring they reflect conditions on the ground.
- **Give the Customer a Voice.** Best-in-Class organizations are 46% more likely than the Industry Average (41% vs. 28%) to tie variable compensation for field agents to customers' feedback. This is essential to ensure technicians are engaged to deliver customer value as opposed to just driving personal productivity. Customer satisfaction is the goal of the field service organization, and incentives can go a long way toward ensuring that employees attain

those goals. Organizations that tie incentives to customer feedback were more likely to meet their 2011 customer satisfaction (78% vs. 54%) and retention (81% vs. 59%) goals compared to those that didn't.

- **Activate the Service-Oriented Customer.** Best-in-Class organizations are much more likely than the Industry Average to provide their customers with the ability to accomplish the following via self-service portals:
 - Create service tickets - 51% vs. 30% for the Industry Average
 - Order service parts - 41% vs. 33% for the Industry Average
 - Reschedule technician visit - 37% vs. 20% for the Industry Average
 - Leave post-session feedback - 37% vs. 24% for the Industry Average

These self-service options increase customer engagement and loyalty, and reduce the cost tied to dispatch or customer management.

"We monitor our NPS®, if our performance is less than the Customer expects, they can always turn to another vendor."

~ Jeff Caswell,
Chief Operating Officer,
Interstate Companies, Inc.

Best-in-Class Steps to Success

Continuous improvement is the hallmark of the Best-in-Class. These organizations must continue to boost sub-90% first-time fix and customer retention rates. This will help these organizations drive sustainable service margin growth. To this end, they should:

- **Improve Diagnosis Prior to the Field.** While ineffective part integration is the primary reason for repeat service visits, 32% of leading organizations identify improper diagnosis as a factor leading to unnecessary service visits (tied with part unavailability). As a result, leading organizations must continue to invest in tools (Remote Service, Knowledge Management) and training programs to improve issue understanding and diagnosis prior to the scheduling and dispatch of field technicians.
- **Make Parts a Part.** Technicians for the Best-in-Class only have access to necessary service parts in their trucks 42% of the time. This is due to the fact that only 15% of these organizations include parts availability in their scheduling algorithms. Leading organizations that do include part availability indicate that their technicians have access to the necessary parts 56% of the time, and therefore see a 91% level of first-time fix (compared to 88% for all other leading organizations).
- **Push for Prevention.** Moving to a predictive and preventive maintenance model is less taxing on the field service system, and guarantees better customer satisfaction. While the Best-in-Class are ahead of others in the proportion of preventive field service visits

(33% vs. 30% for all others), they need to improve existing automation and planning processes and raise that proportion.

- **Pay for Revenue.** Since they want to increase service revenues (Figure 2) and improve collaboration between service and sales (Figure 3), the Best-in-Class should look to incorporate service-recognized leads and closed opportunities in variable compensation plans. Currently only 20% of leading organizations tie compensation plans to service-generated leads, with 24% offering compensation to sales that were originally identified by field service technicians. Thirty-percent (30%) of leading organizations are looking at better lead-based compensation alignment in the next 12-24 months.

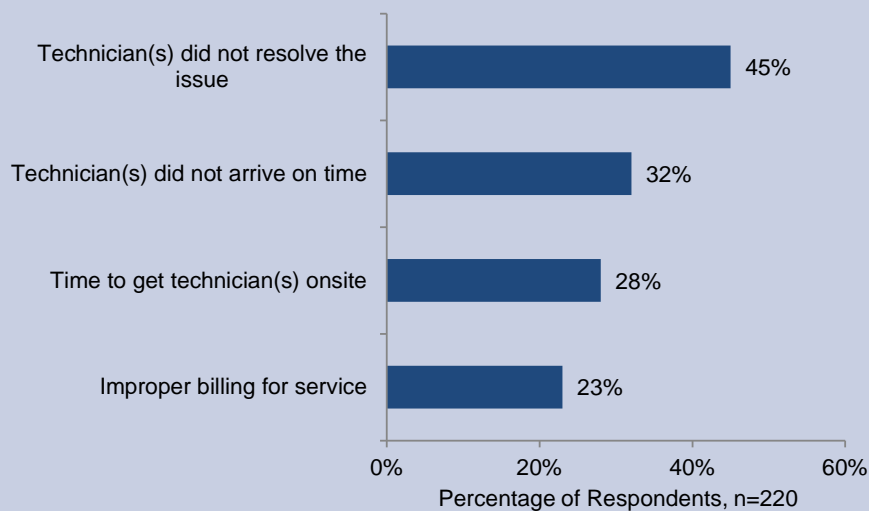
"We could improve the collaboration by incentivizing them [service and sales teams] on the outcome of the service opportunities. Giving them a common goal which improves the service to the customers and business performance."

~ Head of Process Development,
European Retail Organization

Aberdeen Insights — Average Won't Do

Customers demand better field service performance, which requires field technicians to resolve service issues quickly and, more importantly, effectively (Figure 8). If organizations are serious about minimizing customer complaints and maximizing customer satisfaction (Figure 2), they must build a field service model centered around providing the right tools and information to the right technician.

Figure 8: Top Customer Complaints over Field Service Work



Note: Respondents asked to select top 3. Source: Aberdeen Group, January 2012

Appendix A: Research Methodology

Between December 2011 and January 2012, Aberdeen examined the experiences and intentions of 220 service and manufacturing enterprises in the management of field service operations and their field service workforces

Aberdeen supplemented this online survey effort with interviews with select survey respondents, gathering additional information on desired service workforce management and service delivery plans, strategies and prioritized investments.

Responding enterprises included the following:

- *Job title / function:* The research sample included respondents with the following job titles: C-Level executive (20%); Vice-President or Director (29%); and Manager (30%).
- *Industry:* The following industries had the largest representation in the study: Industrial Equipment/Product Manufacturing (23%); Computer Equipment and Consumer Electronics (15%); Medical Devices and Services (13%); and IT Services (12%).
- *Geography:* The majority of respondents (61%) were from North America. Remaining respondents were mostly from the Asia-Pacific region (9%) and from EMEA (25%).
- *Company size:* Twenty-one percent (21%) of respondents were from large enterprises (annual revenues above US \$1 billion); 41% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 38% of respondents were from small businesses (annual revenues of \$50 million or less).
- *Field Service Headcount:* Twenty-three percent (23%) of respondents were from large service enterprises (field technician headcount greater than 500); 46% were from midsize service enterprises (field technician headcount between 50 and 500); and 31% of respondents were from small field service businesses (technician headcount less than 50).

Study Focus

Responding service executives completed online surveys that included questions designed to determine the following:

- √ Current and planned workforce management strategies
- √ The degree to which field service technology is deployed in their service operations and the financial implications of the technology
- √ The structure and effectiveness of existing automation implementations
- √ The benefits, if any, that have been derived from service organizational improvements and the impact of technology

The study aimed to identify emerging best practices in field service delivery and workforce management, and to provide a framework by which readers could assess their own capabilities.

Table 11: The PACE Framework Key

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p>Pressures — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p>Actions — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p>Capabilities — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p>Enablers — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, January 2012

Table 12: The Competitive Framework Key

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p>Best-in-Class (20%) — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p>Industry Average (50%) — Practices that represent the average or norm, and result in average industry performance.</p> <p>Laggards (30%) — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p>Process — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p>Organization — How is your company currently organized to manage and optimize this particular process?</p> <p>Knowledge — What visibility do you have into key data and intelligence required to manage this process?</p> <p>Technology — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p>Performance — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, January 2012

Table 13: The Relationship Between PACE and the Competitive Framework

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, January 2012

Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- [*State of Service Management: Forecast for 2012*](#); January 2012
- [*Field Service 2011: Mobility and the Extension of the Service Enterprise*](#); July 2011
- [*Field Service 2011: Trends in Workforce Management*](#); January 2011

Information on these and any other Aberdeen publications can be found at www.aberdeen.com.

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