

## Smarter Services Or No Service At All: What Does The Future Hold?

The service industry is evolving, and you have to keep up.

In their New York Times best-selling book, *The Discipline of Market Leaders*, coauthors Michael Treacy and Fred Wiersma allude to a world where operational excellence, product leadership, and customer intimacy are so deeply entrenched in the product segment that service as we know it today may no longer be necessary. However, neither the product nor the services segment are anywhere near that point, nor does it look like service, as we define it today, will become obsolete anytime in the foreseeable future.

This is why The Service Council believes that the practice of smarter services makes more sense than simply waiting for the product world to attain operational perfection. Simply put, for however long products are manufactured, sold, distributed, and installed in a less-than-perfect state, service will be the key to operational excellence, customer intimacy, and — yes — even product leadership.

According to the results from our 2012 remote services benchmark survey, there are essentially three top factors that drive the services market today:

- The need to improve service organization productivity and efficiency
- Customer demand for improved asset availability
- Customer demand for quicker response/problem resolution

In a perfect world, improved product efficiency would lessen

the need for service, and less product failures would reduce or eliminate customer demand for improved service performance. However, in today's world, these three aforementioned factors establish and define the relationship between product and service performance.

### The Impact Of Remote Service

From the same survey results, the top three benefits associated with the introduction of remote services into the organization's field service operations are reported as improved customer satisfaction, improved diagnostics in support of the field technician's first-visit fix, and reduced number of on-site service calls.

What services executives are saying is that the services community is still vibrant and responsive in terms of its ability to meet customers' demand for performance, that

improvements in technology and available solutions still empower field technicians to get the required job done, and service does not necessarily need to be performed on-site to still be considered as, well, service!

The survey results also reveal that many service organizations are presently taking the following strategic actions to support their businesses and their customers:

- Develop and/or improve the metrics, or key performance indicators, used to measure and track service performance
- Automate existing manual field service processes or activities
- Provide customers with real-time access to key performance data/information

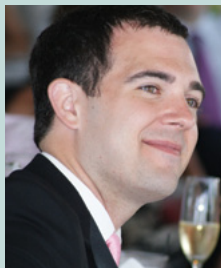
Once again, we see that service is not simply a process provided by the vendor to its myriad of customers. Rather, it is a vehicle or tool that empowers both the vendor and its customers to ensure that the highest levels of service and support are always available.

In a less-than-perfect world, service is still the constant that ensures that all products are able to live up to their performance potentials; that field technicians — and their customers — are empowered to assist in the longevity of their systems, equipment, and devices; that performance, satisfaction, and financial goals are continually being met; and that adequate measures have been taken to ensure continuous quality improvement.

Smarter services, the way we define them, are not simply the “same old, same old” services simply performed more frequently, quickly, or cheaply. They are services performed with a strategic plan supporting them, with total management buy-in behind them, and with the customer's satisfaction targets set squarely in the sights of all business, marketing, and strategic planning initiatives.

Smarter service is what service executives use to shape, share, and sharpen their global service strategies — to the betterment of their customers, employees, shareholders, partners, and all other stakeholders that have a say in how the company conducts its business. So, is the global business community moving more toward smarter services? Or, toward no services at all? The smart money is betting on smarter services, as this is what it will take in the long run to ensure that not only operational, product, and customer-directed performance is maintained at the desired levels, but that the global business structure as we know it continues to receive the support it requires to grow and improve over time. ●

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