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Field Service Business Assessment

Results:

Field Service Champions

Section 1: Field Service Management Summary Metrics

In this section, we present the average results in key field service business metrics across The Service Council community

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About Survey

Early 2017 (n=42, Open to New Participants)

- Respondent Breakdown
  - *By Revenue Size*
    - *<$50m – 24%*
    - *$50m-$500m – 47%*
    - *$500m+ – 30%*
  - *By Technician Size*
    - *<50 – 29%*
    - *50-250 – 35%*
    - *>250 – 36%*
  - *Geographies*
    - *North America – 92%*
    - *ROW – 8%*
  - *Industries*
    - *Healthcare/Medical*
    - *Facilities Management*
    - *High Tech*
    - *Industrial Equipment*
    - *Telecommunications*

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About the Project

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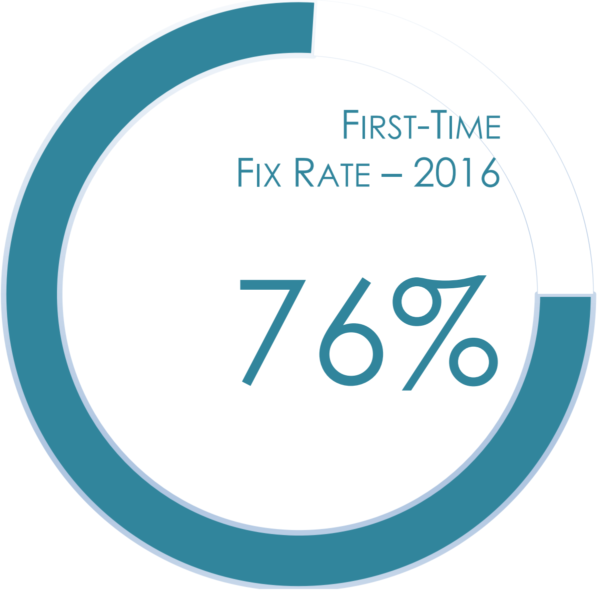
First-Time Fix Rate



ANALYST NOTE:

One out of four service visits result in a failure to achieve resolution. This may seem acceptable as it is difficult to solve all problems, but customers have begun to ask for better.

2015 Actual – 75%
2017 Goal – 82%

To solve more issues on a first visit, organizations have looked to improve diagnosis of issues prior to dispatching a technician and also looked to resolve issues remotely to avoid the truck roll in the first place.

Question: What was your organization's first-time fix or resolution rate in field service?
Source: TSC Data June 2017

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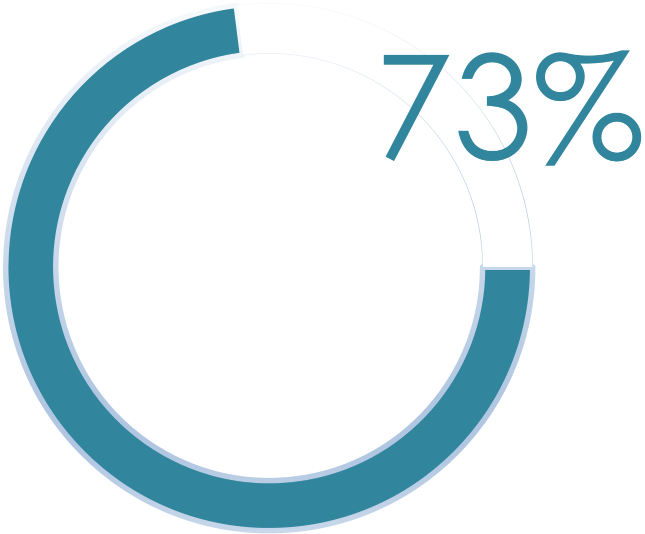
Workforce Utilization – 2016



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Workforce Utilization

ANALYST NOTE:

The desire to have technicians focus on the right activities is becoming more and more relevant for service organizations. The convergence of an aging workforce with a dearth of talented replacements available puts a focus on keeping technicians engaged and happy. Forcing technicians to do non-value add jobs or administrative tasks is a recipe for disaster in this environment.

2015 Actual – 68%
2017 Goal – 75%

When asked what was the best part of their day, technicians overwhelmingly noted solving interacting with customers, solving problems and fixing things. Service leaders must ensure they are able to have their technicians focused on work and not other things that take them away from the value they bring, and what keeps them happy.

Question: What was your level of performance in worker utilization (time spent working/total available work time)?
Source: TSC Data June 2017

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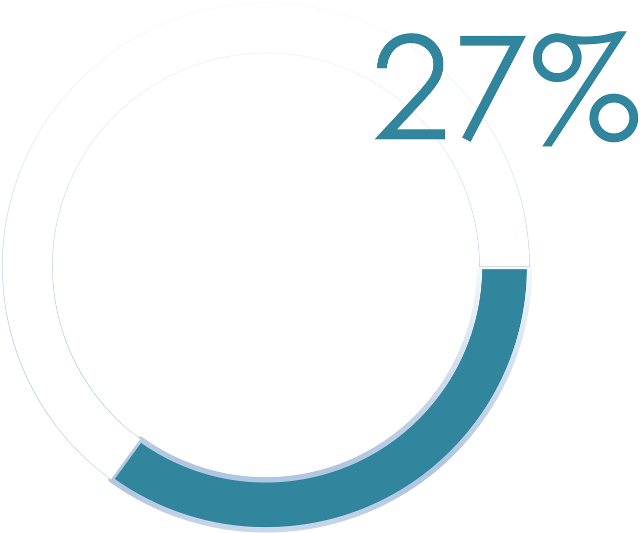
Remote Resolution

Issues Resolved Remotely – 2016



ANALYST NOTE:

Not all issues can or will be resolved without a truck roll or technician service visit. But service leaders are looking to resolve more issues with remote support.

2015 Actual – 26%
2017 Goal – 39%

The opportunity in this right to left evolution of more remote resolution and customer self-service, is that when a technician does in fact need to solve a problem that this interaction is maximized for value – both for the service organization in gleaning useful information that can be used by other business functions (i.e., sales, engineering) and that the customer gets a more consultative interaction to improve their own businesses (i.e., improved performance, less future failures).

Question: What is the percentage of issues that are resolved remotely?
Source: TSC Data June 2017

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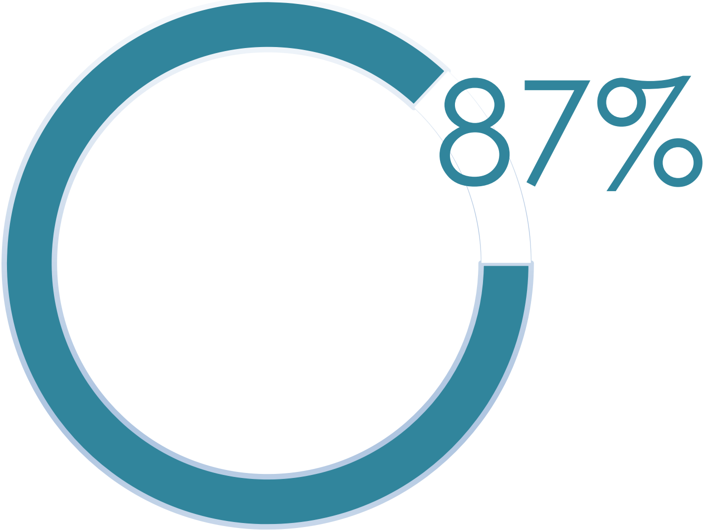
Customer Satisfaction Rate w/ Field Service Appointments – 2016



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Customer Satisfaction

ANALYST NOTE:

Satisfaction is often a lagging indicator of success for a field service visit. If the technician doesn't show up on time, or can't fix the issue, or takes too long it is tough to turn around the customer's level of satisfaction with service.

2015 Actual – 87%
2017 Goal – 92%

However, organizations do need to gauge their level of customer satisfaction, but more importantly they must do something with this feedback. Organizations have begun to establish customer forums, newsletters, and informational white papers to engage their customers in on-going conversations which drive increased use of services and positive word of mouth. Connecting with customers beyond the work order is imperative as service organizations strive for differentiation and increased share of wallet.

Question: What was your customer satisfaction rate with field service appointments?
Source: TSC Data June 2017

Section 2: The Champions for Field Service Performance Metrics

In this section, we outline the methodology used to determine Service Champions. We also outline the benchmark results for Service Champions. We have also included a performance guide of the top quartile (25%) of performers when it comes to resolution (first-time fix) and customer satisfaction (with field service).

TSC Maturity Framework

BENCHMARK SURVEY

KPIS
Recorded/Analyzed

Field Service Group

Field Performance
- First-time Fix

Customer Metrics
- CSAT
- SLA Compliance

AGGREGATE PERFORMANCE

TOP 25% — Champions

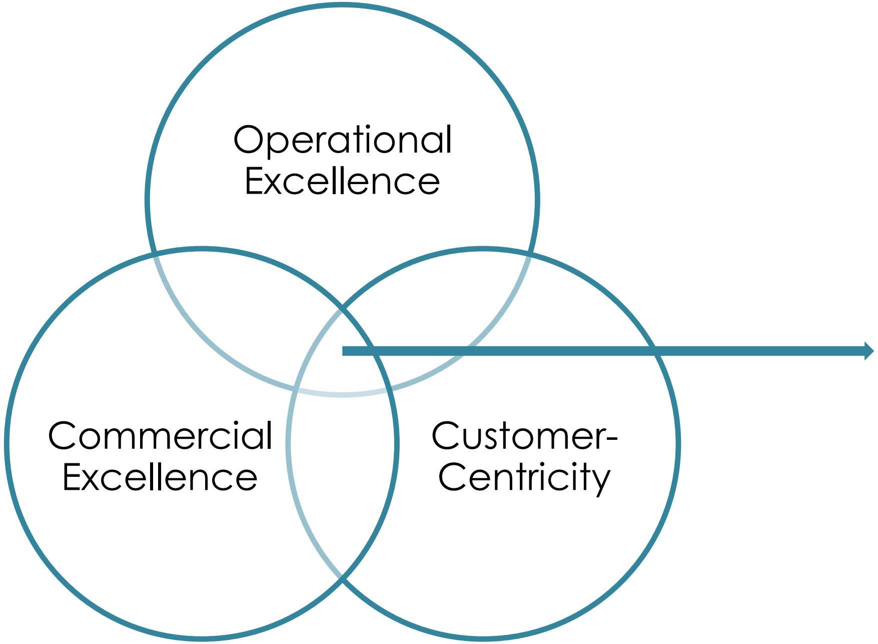
NEXT 25% — Challengers

BOTTOM 50% — Below Average

Champion Metrics Rationale

RESEARCH PHILOSOPHY: SMARTER SERVICES

The path to excellence requires more than a focus on one key metric or goal. Our research looks to highlight how top performing organizations, or Service Champions, combine a holistic approach to outperformance.



SERVICE CHAMPIONS
balance operational and customer-facing commitments to yield commercial service business success

Operational Efficiency Metrics

Dashboard – Performance Summary

Operational Metrics (Average Result)	TSC Community	Service Champions	Top Quartile (Resolution)	Top Quartile (CSAT)
First-Time Fix	76%	**86%**	82%	83%
Workforce Utilization	73%	**74%**	80%	78%
Remote Resolves	27%	**33%**	27%	40%

Source: TSC Data June 2017

Customer Metrics

Dashboard – Performance Summary

Customer Metrics (Average Result)	TSC Community	Service Champions	Top Quartile (Resolution)	Top Quartile (CSAT)
Customer Satisfaction with field service appointments	87%	**92%**	90%	94%
Net Promoter Score – Transactional w/ field service appointments	75%	**79%**	84%	84%
SLA Compliance	91%	**93%**	93%	93%
On-Time Arrival	83%	**83%**	83%	95%

Source: TSC Data June 2017

Section 3: The Field Service Champions Business Capabilities

In this section, we introduce The Service Council's 5-point assessment framework for field service.

TSC Field Service Capabilities

Business Capabilities Evaluated To Support Champion Performance

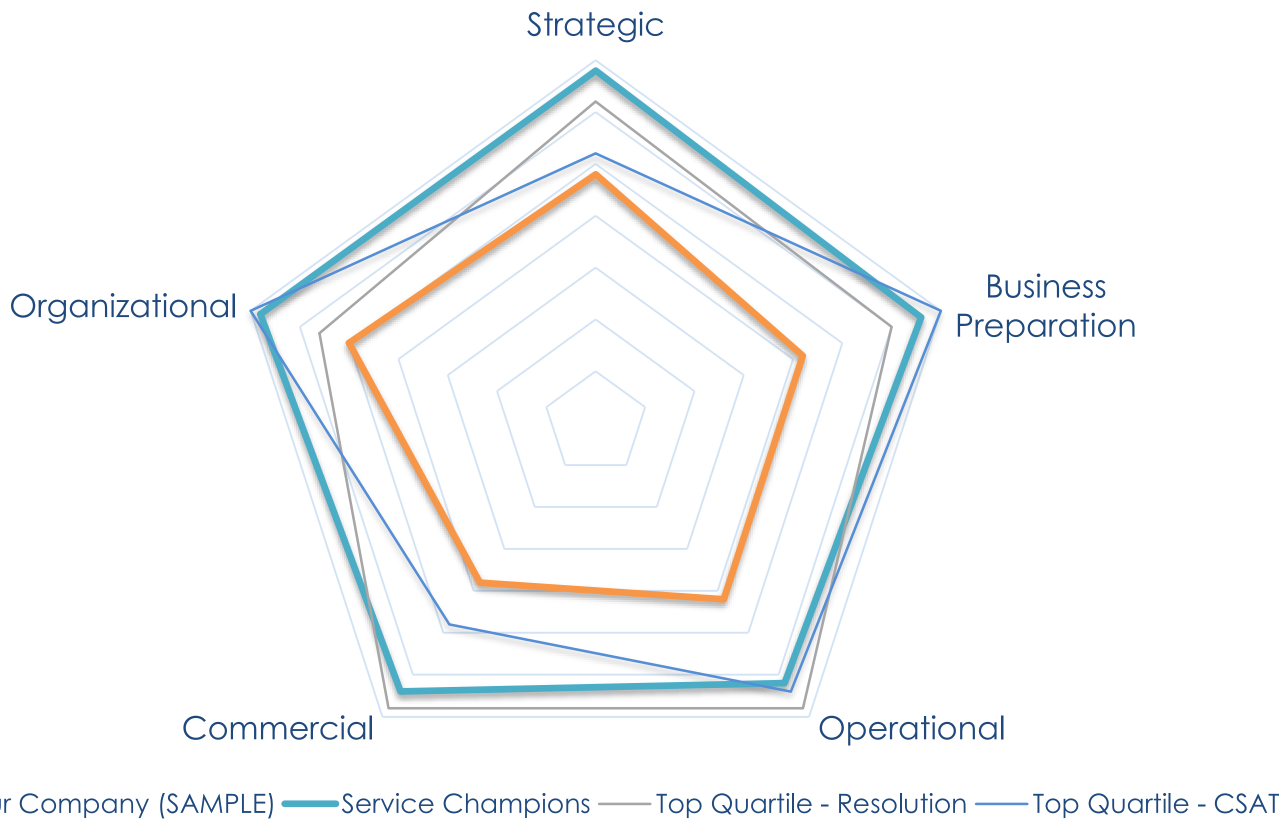
1- Strategic
Strength of Service Vision

2- Business Preparation
Rigor of Planning

3- Operational Excellence
Ability to Execute

4- Commercial Focus
Revenue Maturity

5- Organization Support
Culture and Innovation



Section 3.1: The Field Service Champions Capabilities - Strategic

In this section, we outline the core capabilities of Service Champions tied to field service business vision and strategy.

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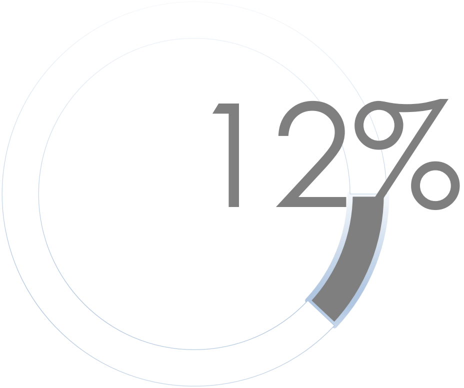
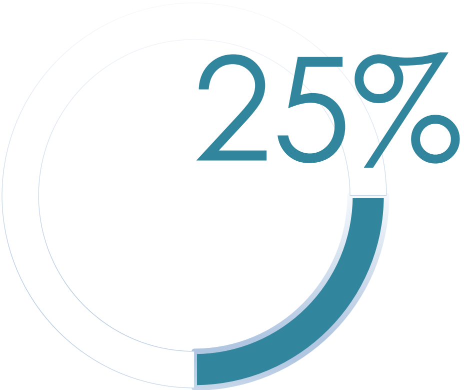
Strategy – Service Delivery(Champions)

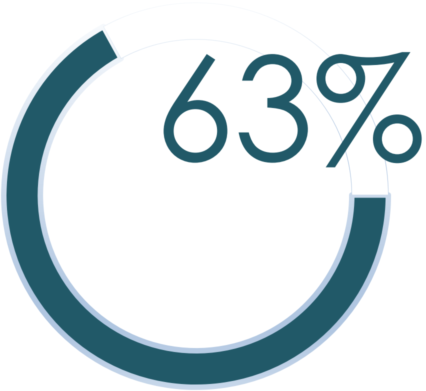
FIELD SERVICE IS PREDICTIVE



FIELD SERVICE IS PROACTIVE



FIELD SERVICE IS REACTIVE



DATA REPRESENTED:

Percentage of Champions who indicated that field service was predictive, proactive, or reactive in nature.

ANALYST NOTE:

The evolution of the field service model from right to left, being less reactive or break/fix-focused and more proactive and predictive continues to be a focus for many organizations. Despite the hype and excitement around technology transformations such as the Internet of Things, organizations are still very reactive in field service delivery. However, the goal shouldn't be to achieve 100% predictive, as the costs associated and the loss of customer interaction will be prohibitive. But organizations must achieve a balance and be efficient at each level of the delivery model.

Question: Please select the field service model that best describes your operation.
Source: TSC Data June 2017

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Strategy –
Business Focus (All)

	TSC Community	Service Champions	Top Quartile (Resolution)	Top Quartile (CSAT)
The safety of our field service professionals is a strategic priority	82%	**88%**	90%	83%
The experience delivered in field service is a differentiator for our business	65%	**75%**	70%	83%
Field service connections are seen as valuable customer touchpoints	65%	**63%**	60%	83%
Field service professionals are seen as strategic differentiators	65%	**56%**	60%	57%
Field service is seen as a revenue generating unit	65%	**50%**	50%	67%

DATA REPRESENTED:

Percentage of respondents with complete alignment with Statement

ANALYST NOTE:

The impact that the field team can have on the customer relationship has re-focused many of the investments and strategies for Service Champions. Three out of four service organizations sampled stated the desire to improve the field service experience for their customers as a strategic focus in 2017. However, these Champions understand a focus on being a hero to customers must not come at the expense of safety.

Source: TSC Data June 2017

Section 3.2: The Field Service Champions Capabilities - Planning

In this section, we outline the core capabilities of Field Service Champions tied to planning and business preparation.

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Business Planning – Dedicated Resources in Place(All)

	TSC Community	Service Champions	Top Quartile (Resolution)	Top Quartile (CSAT)
Analysts / People	64%	**75%**	78%	50%
BI / Analytics	67%	**75%**	80%	50%
Predictive Tools	27%	**38%**	30%	33%

DATA REPRESENTED:

Percentage of organizations who indicated they have dedicated resources in place aimed at analyzing, evaluating, and executing on field service planning activities.

ANALYST NOTE:

Even the Champions still have a ways to go regarding predictive tools. But the establishment of dedicated resources for analysis and insights for the field organization is the first step in improving field service execution and excellence.

Source: TSC Data June 2017

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Business Planning –
Activities in Place(All)

	TSC Community	Service Champions	Top Quartile (Resolution)	Top Quartile (CSAT)
Forecasting of field service demand based on historical information	13%	**25%**	30%	33%
Forecasting of field service demand based on real-time information	13%	**13%**	10%	17%
Feeding of future work forecasts to partners, suppliers	7%	**13%**	10%	17%

DATA REPRESENTED:

Percentage of organizations who indicated they have the respective capabilities in place for the planning of field service operations.

ANALYST NOTE:

The reliance on historical data to plan future service needs and activities is troubling. As customer expectations and requirements evolve, organizations must adapt to the current landscape as opposed to solely looking to the past. Even the Champions struggle with this level of maturity tied to real-time insights in service demand.

Source: TSC Data June 2017

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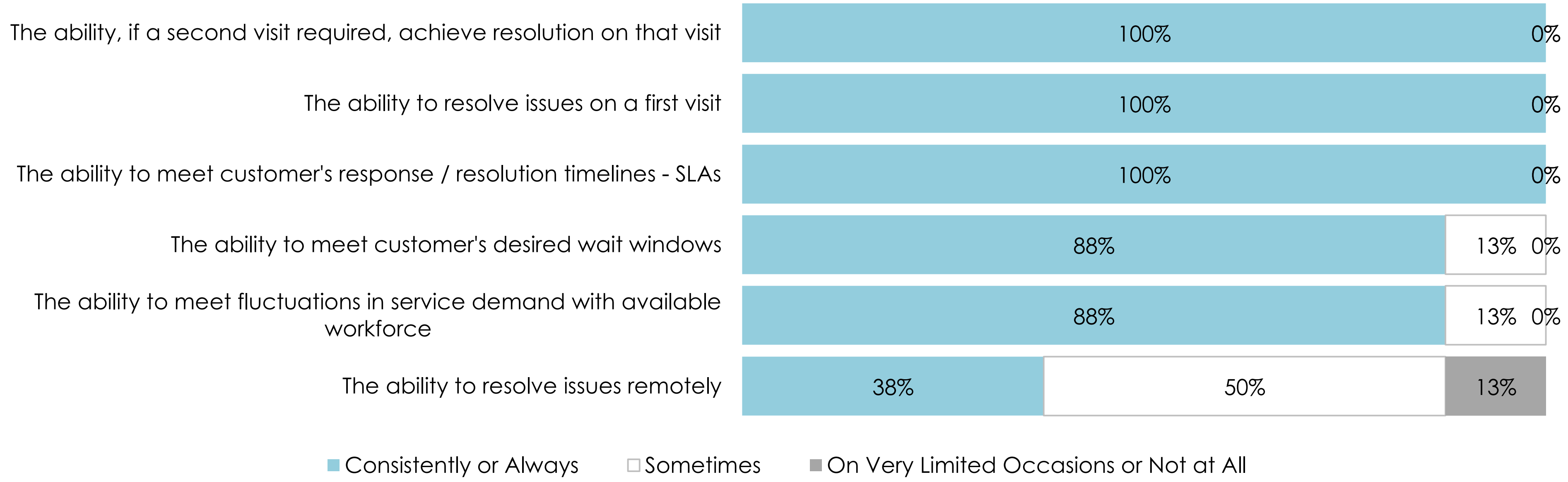
Business Planning –
Service Confidence (Champions)



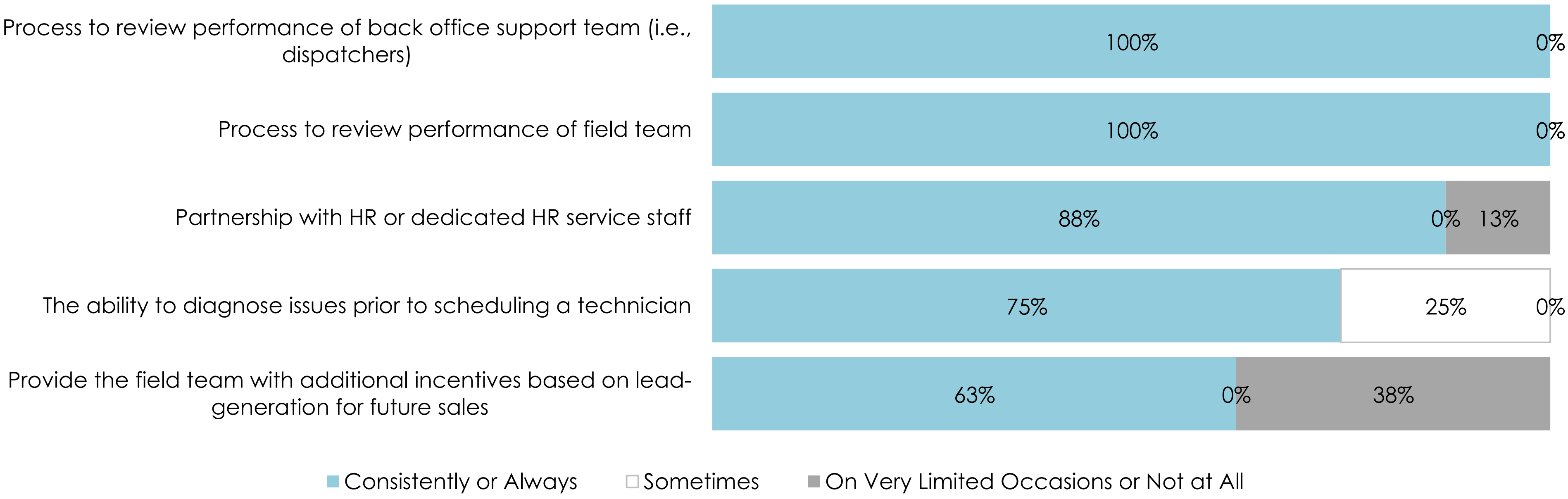
ANALYST NOTE:
Champions are prepared to respond to service issues when they arise. There is some work yet to be done in enhancing remote resolutions which requires an investment in infrastructure and technology.

Percentage of Champions who Respond "Consistently or Always'
Source: TSC Data June 2017

Section 3.3: The Field Service Champions Capabilities - Operational

In this section, we outline the core capabilities of Field Service Champions tied to operational excellence and their ability to execute.

Operational Excellence – Management Insight(Champions)



ANALYST NOTE:

Champions have equipped leadership with the tools and information to monitor and manage resources as fluctuations in the market arise. However, there is still an opportunity to tie more predictive and proactive service with revenue activities. As organizations deliver value-added services to customers and respond in advance of a failure, there must be a link to communicating that value to those customers.

Percentage of Champions who Respond "Consistently or Always'
Source: TSC Data June 2017

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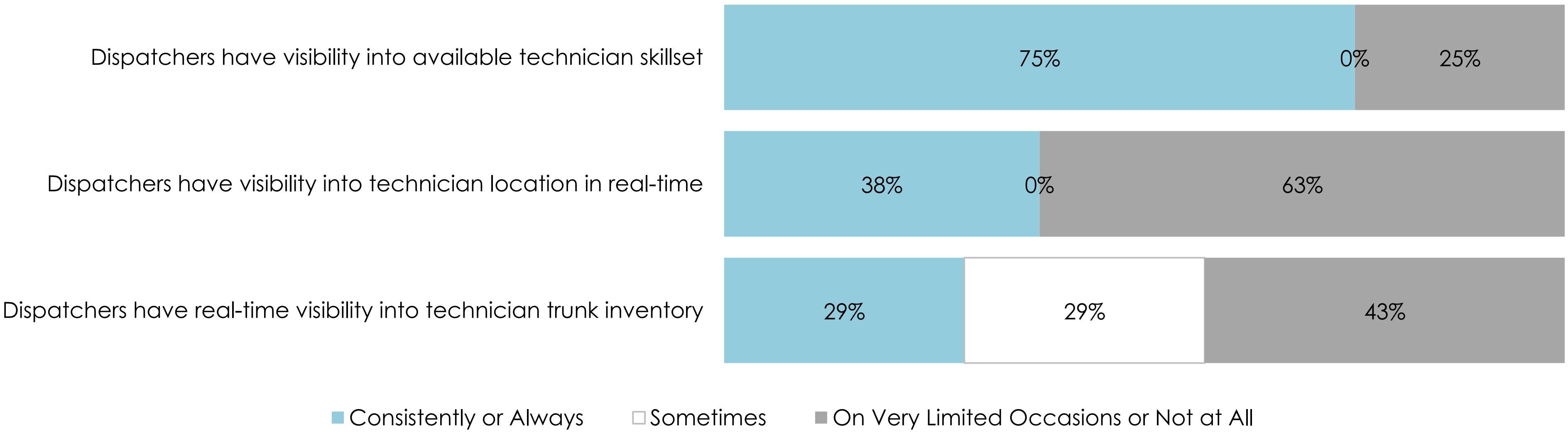
Operational Excellence – Dispatcher Insight (Champions)



ANALYST NOTE:
Champions understand that the right technician with the right skills and part needs to be sent to the right customer. However, there is still a breakdown in connecting the field service organization (dispatchers) with the service supply chain which is leading to a lack of visibility into service parts needed to support field resolution.

Percentage of Champions who Respond "Consistently or Always'
Source: TSC Data June 2017

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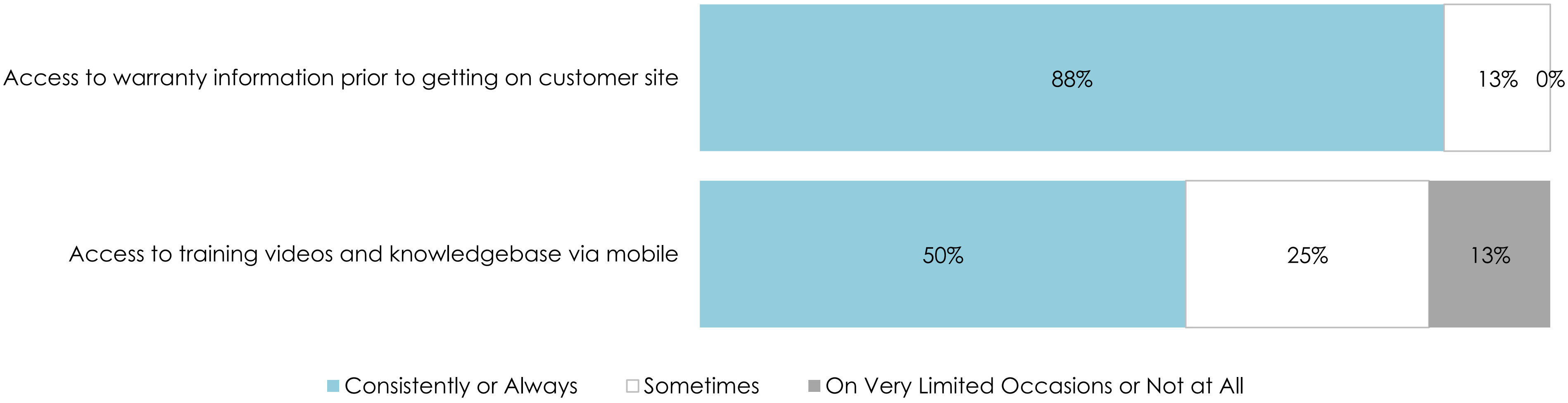
Operational Excellence – Technician Insight (Champions)



ANALYST NOTE:
Champions provide the field team with the information needed to maximize the time while on site with a customer. Providing the technician with insight into whether an asset is still under warranty prior to reaching the customer site allows that technician to have the right conversation at the time of service. Almost as importantly, this can help avoid the technician potentially giving service away for free.

Percentage of Champions who Respond "Consistently or Always'
Source: TSC Data June 2017

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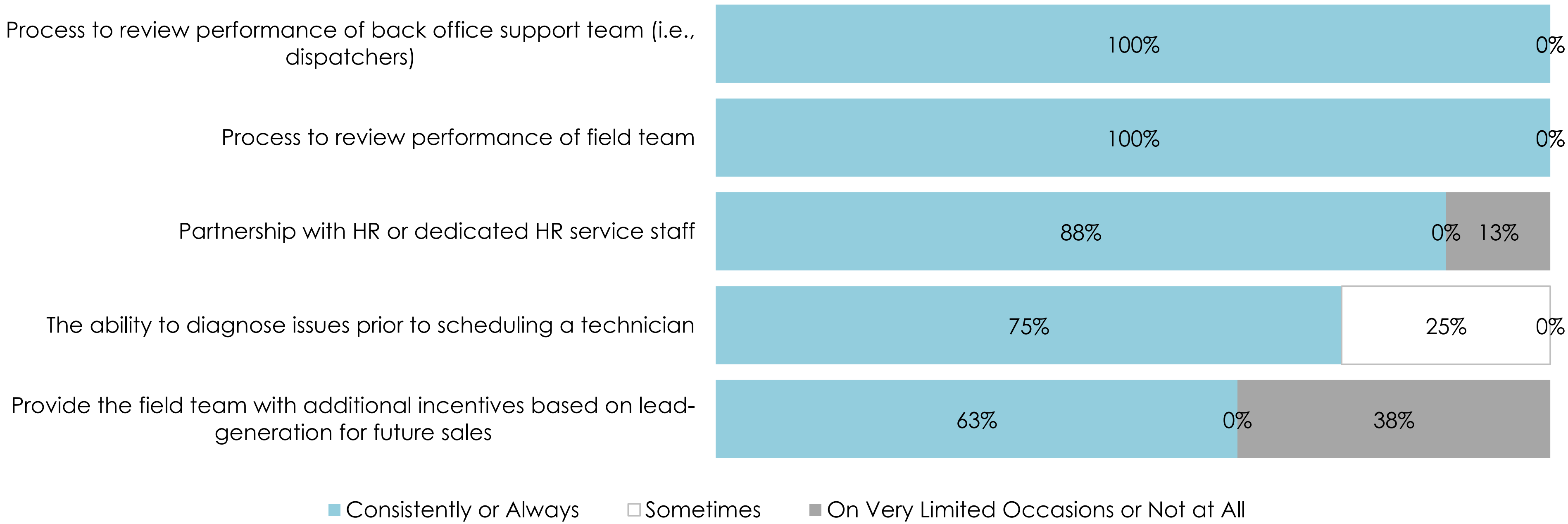
Operational Excellence –
Process for Improvement (Champions)



ANALYST NOTE:
Champions create a culture of accountability and ensure the entire team has visibility into performance. This allows the organization to maintain service quality, but also provides the ability to make adjustments to ensure the appropriate service employee is front of the right type of work at the correct time.

Percentage of Champions who Respond "Consistently or Always'
Source: TSC Data June 2017

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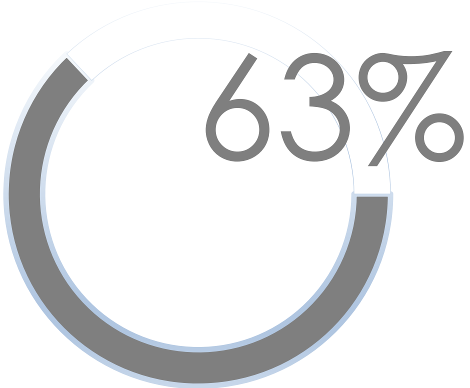
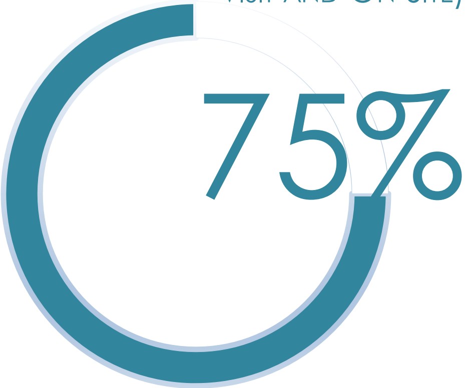
Operational Excellence – Technician Insight and Process (Champions)

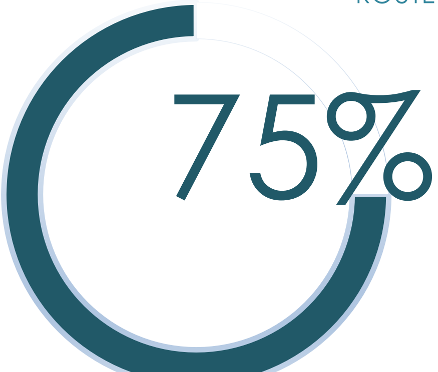
Pre-visit Access to parts availability data



Real-time Access to customer service history (pre-visit and On-Site)



Ability to communicate directly w/ customer while tech en-route



DATA REPRESENTED:
Percentage of Champions who have enabled this level of insight to their field organization.

ANALYST NOTE:

Failure to solve an issue on a first-visit is no longer acceptable in the minds of many customers. Too often a technician is dispatched to a customer with the wrong skills, spare parts, or tools. Technicians are also finding that at times they reach a customer site and they are not able to access the equipment because the customer was not prepared for their arrival which results in a failed visit. Service Champions are taking a data-driven approach to solving this resolution failure issue and using this information to drive at the right outcomes and interactions with customers.

Source: TSC Data June 2017

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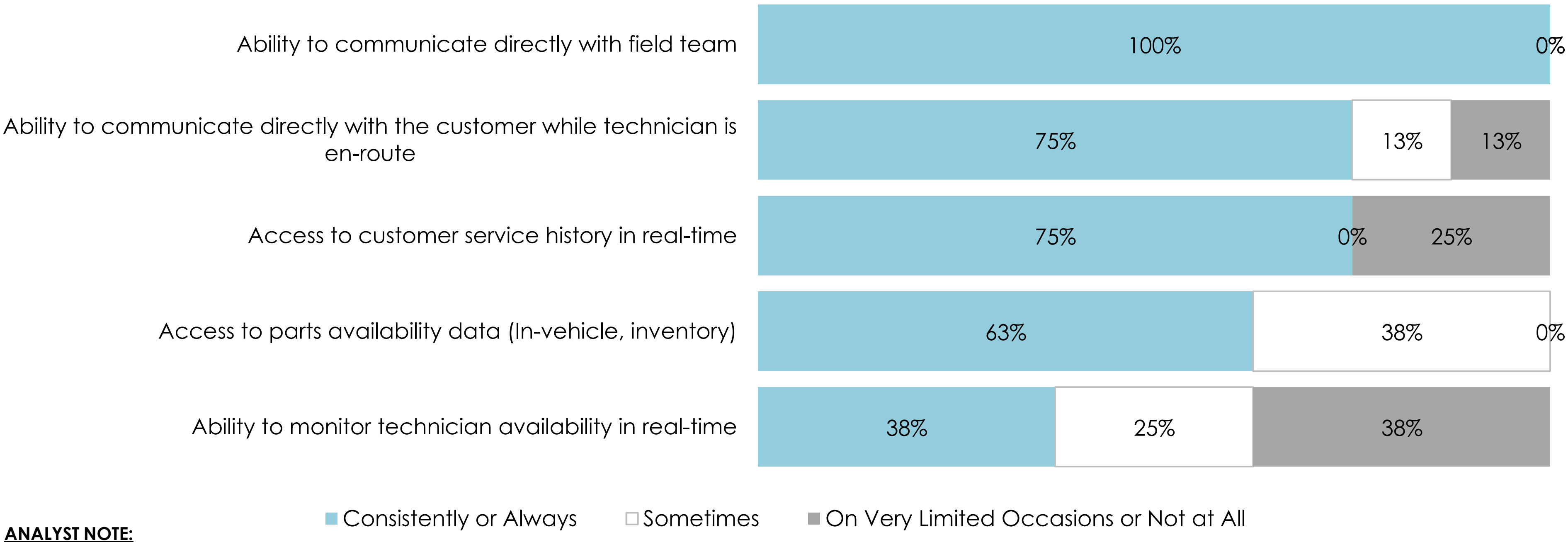
Operational Excellence – Dispatchers Connect (Champions)



ANALYST NOTE:

Champions connect the dispatch team to real-time insights which empower them to make timely decisions. In the past, dispatchers relied on historical data or 'gut feel' to allocate resources. This is an outdated model as even the dispatch team needs to be data-driven in their activities.

Percentage of Champions who Respond "Consistently or Always'

Source: TSC Data June 2017

Section 3.4: The Field Service Champions Capabilities - Commercial

In this section, we outline the core capabilities of Field Service Champions tied to commercial maturity. As with the overall champions, this has not traditionally been an area of focus.

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Commercial Focus–
Activities in Place(All)

	TSC Community	Service Champions	Top Quartile (Resolution)	Top Quartile (CSAT)
The ability to communicate around the importance of lead generation activities	21%	**38%**	40%	33%
Incentives in place to drive more leads	21%	**25%**	30%	17%
The process to follow up on leads from the field	36%	**38%**	40%	33%
The performance management rigor in place to monitor lead performance	29%	**38%**	40%	33%

DATA REPRESENTED:
Percentage of organizations who indicated they have the respective capabilities in place.

ANALYST NOTE:

The opportunity to leverage the interactions between the field technician and the customer are immense and lucrative. Technicians are often trusted advisors for customers and customers are more likely to listen to a technician's recommendations as opposed to a salesperson.

Source: TSC Data June 2017

Section 3.5: The Field Service Champions Capabilities - Organization

In this section, we outline the core capabilities of Field Service Champions tied to organization support.

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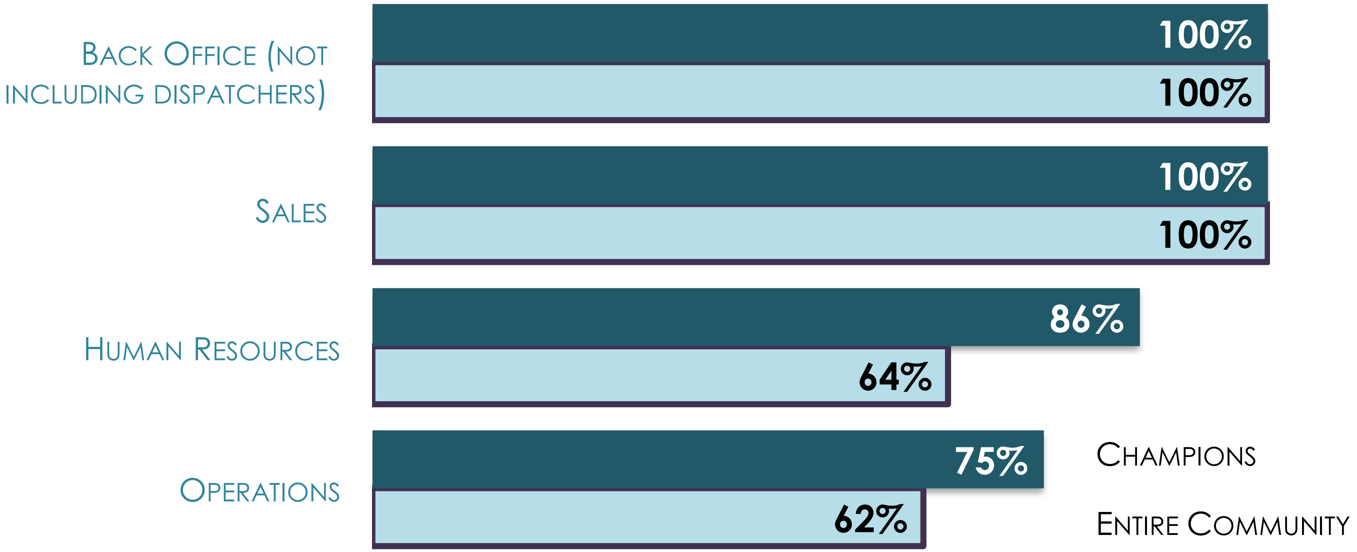
Organizational – Collaboration across the Enterprise



DATA REPRESENTED:
Percentage of organizations whose field team works closely with other teams within the organization.

ANALYST NOTE:

A disconnected organization leads to business functions that are misaligned. There are many contradictory goals in place within organizations, such as cost containment, revenue growth, customer satisfaction. Collaboration between the field team and other functions within the business as the ability to re-align goals and focus the entire organization on delivering value to customers.

Source: TSC Data June 2017

Section 4: 2017 Field Service Priorities

In this section, we outline the core focus areas and challenges for field service leaders in 2017.

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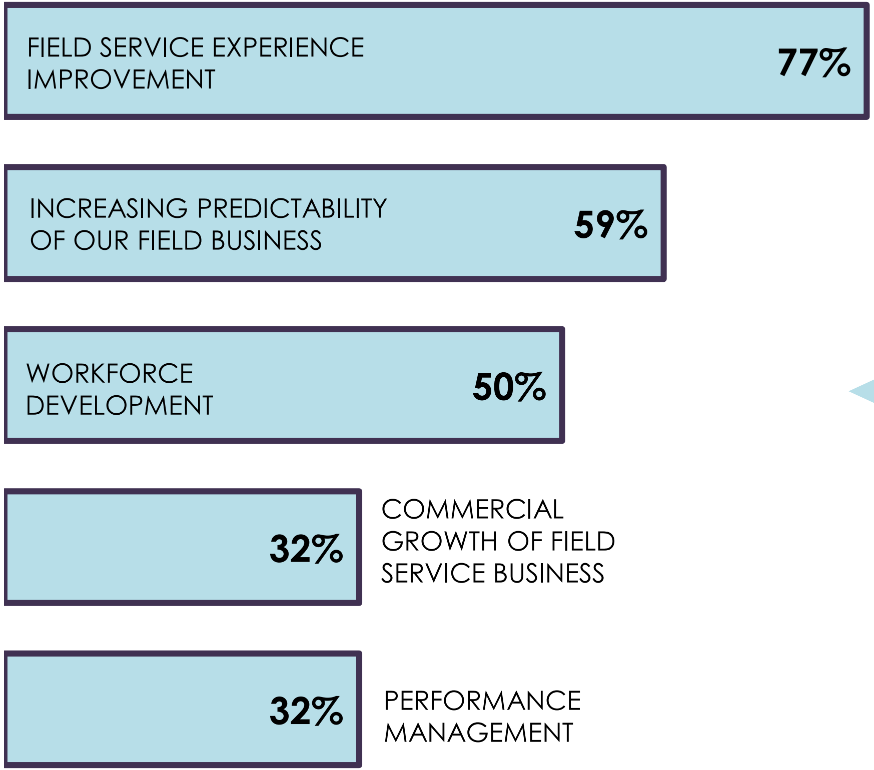
Areas of Focus



ANALYST NOTE:

The service experience delivered by the field organization depends on having the right team, tools, and strategy.

Best Part of the Technician's Day:
- Solving customer problems
- Dealing with customers
- Fixing and repairing things
- Learning about new technologies

Worst Part of the Technician's Day:
- Paperwork and administrative tasks
- Time spent looking for information
- Feeling isolated
- Pressure to sell

OUR TAKE:

Technicians have a responsibility to not only close work orders, but also deliver 'wow' experiences for the customer base. The technician as a brand ambassador who can deliver value is more than a marketing strategy. But too often service leadership pushes the field team into activities which take them away from what they do best. In order to improve the field experience, the field team needs to focus on the customer and resolving issues.

For the Field Service Champions, the areas of focus are as follows:
1 (tie)- Field service experience improvement
1 (tie)- Increasing predictability of our field business
3- Workforce development

Question: Which of the following areas is your service organization strategically focused on for the field team in 2017?
Percentage of Respondents Source: TSC Data June 2017

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INCREASE CUSTOMER DEMANDS FOR IMPROVED SERVICE	**46%**
INABILITY TO INTEGRATE DATA IN THE FIELD W/ ENTERPRISE SYSTEMS	**41%**
AGING WORKFORCE	**36%**
MANAGEMENT DEMANDS TO IMPROVE **EFFICIENCY**	**32%**
MANAGEMENT DEMANDS TO CUT **COSTS**	**32%**
EMERGING TECHNOLOGY TRENDS	**32%**

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Most Disruptive Challenges

ANALYST NOTE:

Customer expectations are NOT waning. The field service customer continues to expect and demand value in each interaction. Value can mean many things to many people. But there are a number of challenges that impact field service delivery.

Challenges felt in 2015:
- Workforce and talent issues
- Aging technology infrastructure
- Inadequate visibility into performance
- Lack of collaboration
- Outdated processes

OUR TAKE:

Doing more with less or the same is a fact of business life. Continued pressure to drive margin growth while also creating 'wow' experiences for customers pulls the field team in many directions. Field service leadership must focus on the field team and create a culture of customer-first. A technician shouldn't have to wonder if they will be reprimanded for going the extra mile for the customer. Investments in the right technology to support the field should be a priority.

Question: Which of these challenges will be most disruptive to your field service business in 2017?

Percentage of Respondents Source: TSC Data June 2017

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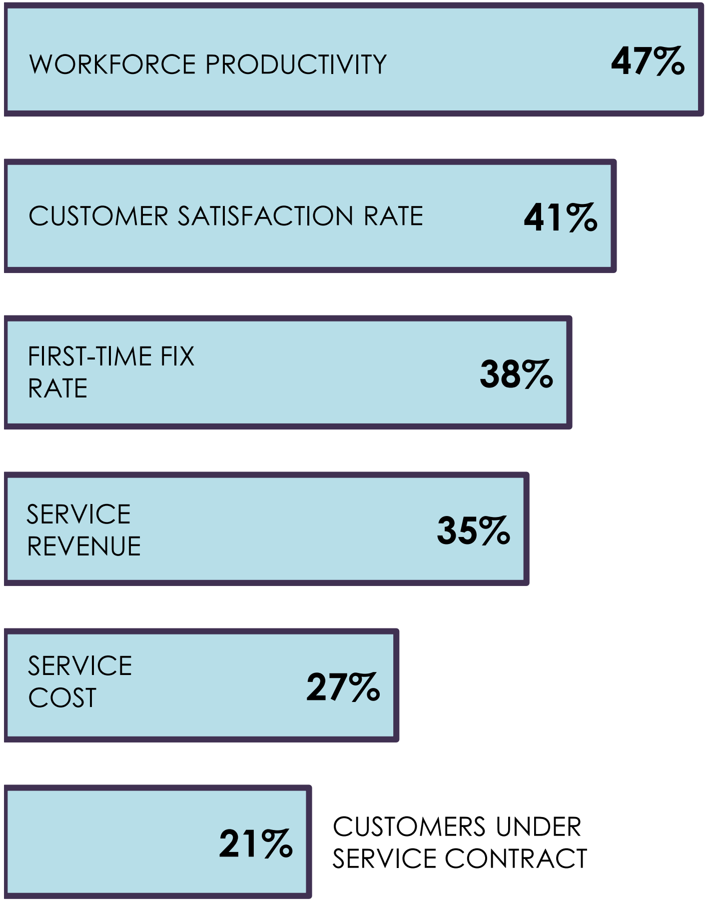

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Success Metrics

ANALYST NOTE:

Service organizations have continued to see an increase in total service revenue as a result of a focus on the customer and delivering value beyond a break/fix maintenance contract.

We expect to continue to see organizations look to profitability as a metric of success, but this is a lagging indicator. The customer and efficiency will lead to success in other areas.

OUR TAKE:

Satisfied customers are the result of a field team which can deliver value. Engaged and knowledgeable field service team members put the right face on the service brand. The opposite can be detrimental to service success. People development – training, learning, and development must be a focal point in order to ensure that happy and engaged field service technicians deliver value to customers during each interaction.

Question: In 2017, which metrics are you focused on improving?
Percentage of Respondents Source: TSC Data June 2017

S Survey

Ongoing Benchmarking

D Data Published (mid-May)

- 2017 Priorities
- KPI Results
- Business Capabilities
- Service Champion Results

R Research Published (July)

- Summary Report
- Key Takeaways
- Champions Report
- Champions Guides (How-To)

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What's Next

F

Q1 2017	Q2 2017	Q3 2017	Q4 2017

Q4 2016: FIELD SERVICE OUTSOURCING

SURVEY: Q4 2016
OUTPUT: Q1 2017

Q1 2017: FIELD SERVICE BENCHMARK

SURVEY: JAN-FEB 2017
OUTPUT: Q1/Q2 2017

FOCUS KPIS:

- FIRST-TIME FIX
- MEAN-TIME-TO-REPAIR
- PRODUCTIVITY
- CSAT

OTHER AREAS: INITIATIVES & INVESTMENTS

Q3 2017: MOBILE INITIATIVE

SURVEY: JUN-JUL 2017
OUTPUT: Q3 2017

FOCUS: EXPLORE THE CHANGING WORLD OF MOBILE TOOLS AND UNDERSTAND WHAT TOOLS CONNECT THE FIELD TO THE BACK OFFICE AND THE CUSTOMER

TOPICS: RIGHT BALANCE OF MOBILE, DEVICE TYPES, WEARABLES

SMARTER SERVICES SYMPOSIUM

LIVE: SEPT 11-13

Q4 2017: TECHNICIAN/ENGINEER FEEDBACK

SURVEY: OCT 2017
OUTPUT: Q4 2017

FOCUS: TO GATHER FEEDBACK FROM THE FRONT LINE TECH TO BETTER UNDERSTAND THE TOOLS AND SUPPORT NEEDED FOR THEM TO DELIVER A HIGH LEVEL OF SERVICE TO THE CUSTOMER

TOPICS: EMPLOYEE ENGAGEMENT, INCENTIVES, GAMIFICATION