Service organizations play a critical role in value creation for customers and operators. Service applications must meet the specific needs of the service operation while also integrating with a broader enterprise digital transformation.

Don't Let Your Service Platform Limit Your Innovation

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Questions posed by: ServiceMax

Answers by: Aly Pinder, Program Director, Service Innovation and Connected Products

Q. How have the global pandemic and the business disruption of the past two years challenged your service operation and business model?

A. Disruptions and market shifts aren't a new concept borne out of the past 24 months. However, the global pandemic is unique in how it impacted the way business is conducted across industries and the speed that is needed to thrive. Manufacturers and service organizations of all sizes were forced to make dramatic changes to the way they interacted with customers, delivered service outcomes, and managed resources.

Quality service needed to be more agile, remote, and collaborative while systems managed fluctuating resource limitations and customer requirements. Rapid deployment of technology that could enable this view on service excellence was critical to success. Service organizations had to transform physical presence service visits to remote on the fly in a matter of days, changing the service business model, which needed to leverage asset and equipment performance data to resolve issues in new ways. No longer could the field service operation send a technician onsite to diagnose every issue. This transformation forced businesses to implement new digital technologies for better remote visibility into asset performance, customer usage, and equipment location.

These challenges also demanded that service organizations revisit the metrics being prioritized. In an environment where remote resolution or customer self-service plays a larger role, traditional service execution metrics had to be reconsidered. Technician utilization and productivity are less indicative of a successful service outcome than mean time to resolution or customer engagement. As new business models were established, customers, operators, and service partners played different roles in the service experience. Quality was judged through a new lens. The outcome was more important than who or how service was being delivered. Customers better understood that the primary goal was keeping critical assets running, not seeing a physical truck or technician onsite. And thus, the KPIs tracked by customers, dealers, and service providers needed to also change to align with the next normal.

Q. When should the service organization consider investing in a SaaS application or platform? Can homegrown solutions support service innovation?

A. Digital transformation (DX) is not a point in time but a journey that needs to be explored strategically and with a mindset of sustained evolution. Technologies that enable a service operation are too often seen to solve singular challenges such as scheduling, demand planning, or parts visibility across the service network. As service operations become more complex, the ability to leverage cloud applications and platforms that are flexible and provide a framework for continuous innovation becomes more critical to success.

Homegrown solutions can constrain innovation as limited IT resources often can't keep up with the demands for enhancements and are not able to draw from industry best practices. Disruptions of some type will persist in the future as customers demand more value from their service experience. Service operations not only must be more resilient but also must be sufficiently agile to support a quick shift in business models that requires dynamic applications, platforms, and tools. This dynamism is very difficult to accomplish with homegrown applications. Business and IT teams often underestimate the cost and burden of maintaining these developed systems.

Delayed technology decisions, one-off fixes, and slow rollouts are no longer sustainable. Competition for service wallet share requires dynamism and a shared view of the customer life cycle informed by integrated enterprise applications. A service operation, with its criticality to the customer experience, must be a priority for digital investments and continued innovation. A technology gap in the field not only will cause delays in resolution but also will lead to a decline in customer satisfaction. Organizations need to assess their digital readiness and existing technology capabilities to ensure investments deliver relevant value for the field service team.

Q. Should service-specific applications stand apart from broader IT decisions or be part of an enterprise DX approach?

A. One of the biggest challenges in making technology decisions is trying to solve a current problem through the lens of a long-term strategic vision. Most organizations don't have the luxury of making digital investments without a specific business case, which inherently leads to initiatives that are singular in focus. The key is to understand how service-specific technology solutions fit into a broader enterprise DX strategy in both the near term and the long term. Service-specific applications must integrate into broader enterprise platforms and deliver accretive insights and value.

Too often, service has been left out of the enterprise digital strategy. Either IT is pushing a technology or a custom-built application with limited business input or service-specific technologies are implemented outside of IT oversight. Both approaches impede innovation. As the value of asset data, service insights, and customer interaction history becomes more relevant to a broader set of business functions such as engineering, design, quality, supply chain, marketing, and sales, the service organization needs to become more of an integrated part of an enterprise DX approach. However, field service has a unique set of processes and needs. These operations should have specific applications to support quality work within the broader landscape of enterprise systems and technologies that can grow, innovate, and evolve in conjunction with the enterprise strategy. Having a siloed approach will hinder the ability to deliver a single experience to customers.

Q. What pitfalls should service leaders avoid during their digital journey?

A. Service leaders need to understand that transformation, true digital and business transformation, requires the convergence of a short-term view and a long-term view of innovation. The following areas seem to hinder progress with service transformation. Organizations need to start their journey with an assessment of their respective digital infrastructure and maturity. Not all companies can start in the same place. Some organizations will need to establish a foundation first that can then allow for rapid future innovation, while others may be able to begin with more advanced capabilities. Assessing legacy systems and adjacent enterprise applications to see how they will be impacted by service applications is a critical step to ensure organizations can achieve the goal of an integrated, enterprise digital solution.

Organizations have long struggled with change management, which is no shock. What is different today is the speed with which organizations must adapt, which is putting more pressure on organizations to be flexible, nimble, and fast. Greater focus on change management must be applied to ensure the field service team is effectively aligned with broader digital transformation initiatives and, just as importantly, that the value of these tools is maximized.

Organizations should consider establishing an ecosystem of partners that can help along this journey. Too often, organizations try to go at transformation alone despite not always having the internal core competency. Over the past few years, systems integrators, business consultants, and business process outsourcers have expanded their offerings to include service life-cycle management and field service in their core offerings. This reflects an understanding among these firms that service is a critical part of enterprise transformation. Organizations should take into account these resources when embarking on a long-term service digital transformation.

Q. For a service leader or CIO navigating a digital transformation journey, what are the most impactful areas to prioritize in the coming year?

A. Service and business leaders have a lot of priorities to manage. But there are a few notable areas they should address, prepare for, and take advantage of in the coming year. The digital divide has illuminated top-performing companies and differentiated them in the service market. Organizations will need to address technology gaps and focus on innovation that both delivers quick wins and transforms business models. Technologies such as augmented reality and artificial intelligence, and specifically how they help service operations, will become more critical for growth. Achieving value from these innovative technologies across a service business requires data that is clean, accessible, relevant, timely, and actionable. Service leaders must prioritize transformative technologies and not get stuck in a series of pilots.

Organizations and service leaders also need to get a clearer view of customer behavior and sentiment. Service applications must open up another window in asset performance, customer usage, and the end-to-end service experience to aid in the personalization of service offerings. The role of service in supporting other enterprise products will help organizations address the full life cycle of the customer and the asset. These benefits will encourage a continuous innovation and improvement mindset where technology decisions drive business change based on creating new value. The next 12–24 months will be a testament to how top-performing organizations separate themselves in making targeted investments that build out a digital framework of service-specific technology capabilities that seamlessly operate as part of a broader enterprise infrastructure.

About the Analyst

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As Program Director, Service Innovation and Connected Products, Aly Pinder Jr. leads IDC research and analysis of the service and customer support market for the manufacturer, which includes topics such as field service, warranty operations, service parts management, and how these service areas impact the overall customer experience. Mr. Pinder Jr. is also responsible for research that aids manufacturers as they evaluate innovative technologies like 3D printing for service operations, augmented and virtual reality in field support, and the use of IoT and advanced analytics for remotely monitoring and managing assets.

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