

# Reaping Multi-Million Dollar Benefits by Aligning FSM & Parts Management



Pitney Bowes is a \$3.4bn global technology and logistics business. Perhaps best known for its franking machines and mailing equipment, it also works in ecommerce, shipping, software development and data analytics. Their clients' experience is at the heart of their mission. They thrive on helping clients navigate the complex world of commerce, providing data so businesses can market to their best customers, sending parcels and packages across the globe, and securing payments to keep our clients moving forward. Field service is an instrumental part of their strategy around client satisfaction and retention. In many cases, the field service person is the primary face of the organization, the only one who is on-site with the customer. It is up to that team to make sure they are cementing existing relationships and growing the business.

Seeing the strategic advantages to empowering these teams, they have become avid users of field service management software. They selected ServiceMax, a PTC Technology to power a digital transformation of their field service business, empower their teams with valuable, easy-to-access data, and drive an excellent client experience. They realigned processes and KPIs through integrating functions, such as parts management and FSM applications.

## Goals to align process and improve customer experience

Pitney Bowes wanted to align and centralize their tools and processes. "We had disparate system globally for the various ticketing systems and programs that ran the company," explains Tolleson. They had also acquired other companies who eventually needed to be brought on to their system. They saw an opportunity for driving cost savings while simultaneously being strategic about improving and standardizing the clients' experience.

Pitney Bowes was looking for a way to create a unified CRM and to support their field service team in a centralized, trackable, scalable way. Pitney Bowes sees significant impact from the connection between their technicians and customers. It's not all about software and tech, it's about something more.

Randy Tolleson, Director, Technology and Optimization at Pitney Bowes, shares, "any industry that deals with the physical world often results in the need for a technician to be physically on-site. It's extremely important to send a human being, to have that human touch, despite all the technology." In order to make the most out of that experience, Pitney wanted to make sure their technicians have visibility into customer and part information they need while on site. They leveraged the ServiceMax platform to provide real time access to customer data, enabling faster, more efficient service visits, and to supplement technician expertise with deep historical account knowledge. All of this fed into the excellent customer experience.

### Find a product that fits your requirements

When searching for a solution, Pitney Bowes had many requirements. "The key goals and measures of success for the selection of a vendor were around the cost of actually putting these technicians in front of clients and improving on that cost structure. Also, the ability for the technicians to report their parts very accurately, and for us to have some clean understanding of how their parts consumption." ServiceMax met these requirements, plus others which included a predictable release schedule.



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Randy Tolleson, Director of Technology and Optimization, Pitney Bowes



**\$4.7M**

Decrease in inventory

**\$800K**

Extra billing

**\$250K**

Decrease in freight cost

**52%**

Decrease in back orders

"Our intent was to have the best practice standardized and implemented globally to get the best cost and best service for our clients," Tolleson exclaims. Since implementing ServiceMax, Pitney Bowes has seen some incredible results.

### 4.7M in Inventory Reduction

In two years from integrating data from its parts management system and FSM systems, Pitney Bowes has made huge multi-million-dollar gains through reducing inventory.

### \$800k of Extra Billing

From what would have been leakage the year before, this \$800k was not all spare parts, but spare parts comprised a major part. Technicians now understand customer entitlements and do not give away labour and parts for free. Additionally, if they try to do so, it must go through an approval process built into the FSM system.

### \$850k Savings through Increased Repair/Remanufacturing Process

\$850k represents a one-year figure of money saved by utilising the repairs process. FSM closed the loop, allowing the tracking of the carcasses back to be repaired (the hardest and most important piece). The system also enables the monitoring of the reliability of the remanufactured part against a new one. This allows for any parts that were not viable once repaired to be removed. It also demonstrated to the technicians that they lasted as long as the new parts.

### \$250k Reduction in Freight Expenditure Over 2 Years

Reporting from the FSM system allows the company to reduce the 'emergency' element of their freight spend by monitoring who is using it incorrectly, and



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also through the reduction of shipments overall as the replenishment is more accurate and back orders are reduced.

### 52% Reduction in Back Orders

Back orders more than halved over a period of 18 months, driven by a huge change in business process for one of the business units. Once a work order is closed, the parts on back order are cancelled. Work Orders are only closed when the fault was eliminated so therefore the part is no longer required. Historically, the problem was that if a tech ordered extra or borrowed from a colleague, they would typically not cancel the back order. This part would then turn up a week or so later at the customer's address and because the machine was working, it was often left in a drawer and lost by the time the technician had to return. Other technicians would also be waiting for the same part but it was a first come first serve basis, so extras had to be purchased and longer delays occurred, which then led to technicians hoarding.